

# Taiyo Nippon Sanso Corporation

(Securities Code: 4091)

## Notice of Convocation of the 16th Ordinary General Meeting of Shareholders

**Date and time:** Friday, June 19, 2020, 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:** Approval of the absorption-type company split agreement

**Proposal 3:** Partial amendments to the Articles of Incorporation

**Proposal 4:** Election of nine directors

**Proposal 5:** 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 if we take infection prevention measures 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.tn-sanso.co.jp/jp/ir/meeting.html>

\* This year, 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

Taiyo Nippon Sanso Corporation

Yujiro Ichihara President, Representative Director, and CEO

## Notice of Convocation of the 16th Ordinary General Meeting of Shareholders

Taiyo Nippon Sanso Corporation (“we” or “Company”) will hold its 16th 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 18, 2020.**

### 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 items of 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) Notes to consolidated financial statements; and
- (2) Notes to nonconsolidated financial statements.

Corporate website: <https://www.tn-sanso.co.jp>

The consolidated and nonconsolidated financial statements audited by the Audit & Supervisory Board members and the independent auditor for preparation of the audit report and accounting audit report respectively also include, in addition to the documentation attached to this Notice, items that should be regarded as notes to the consolidated and nonconsolidated financial statements.

## Meeting of Shareholders

- 1. Date and time** Friday, June 19, 2020, 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 independent auditor and the Audit & Supervisory Board for the 16th term (April 1, 2019 to March 31, 2020)
2. Report on the nonconsolidated financial statements for the 16th term (April 1, 2019 to March 31, 2020)

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

**Proposal 1:** Appropriation of surplus

**Proposal 2:** Approval of the absorption-type company split agreement

**Proposal 3:** Partial amendments to the Articles of Incorporation

**Proposal 4:** Election of nine directors

**Proposal 5:** Election of two Audit & Supervisory Board members

- 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.
- **This year, we will not provide souvenirs to shareholders attending the Meeting. Thank you for your understanding.**
- Any revisions to the reference documentation, business report, or nonconsolidated or consolidated financial statements will be posted on our corporate website (<https://www.tn-sanso.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 19, 2020, 10:00 a.m. (Registration desk open from 9:00 a.m.)

- **By postal mail**

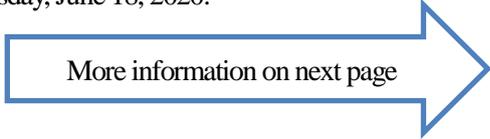
Indicate your approval or disapproval of each of the proposals on the enclosed ballot form and return it by postal mail (No mailing stamp required within Japan).

Deadline: Ballot must be received no later than 5:40 p.m. on Thursday, June 18, 2020.

- **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 18, 2020.



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 18, 2020. 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

14 yen per common share in the Company

Total dividend: 6,060,758,718 yen

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

June 22, 2020

Including the interim dividend of 14 yen per share that was paid in December last year, the total annual dividend will be 28 yen per share.

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

None

## **Proposal 2: Approval of the absorption-type company split agreement**

### **1. Reason to conduct an absorption-type company split**

We have been solidly expanding our industrial gases business in Japan, the United States, and Asia/Oceania with the strategy to “promote globalization” under the current Ortus Stage 2 medium-term management plan. With the addition of part of the European business of U.S. Praxair, Inc. acquired in December 2018, our group’s industrial gases business now operates under a four-hub framework spanning Japan, the United States, Europe, and Asia/Oceania. In order to further advance our group in the rapidly-changing global political and economic environment, we see the need to break away from our conventional domestic business-centered management framework and establish a competitive group operation framework as a global gas major. Accordingly, we have decided to implement a transition to a holding company structure, contemplating the following objectives.

- (1) Speedier decision-making through authority delegation, and appropriate management resource allocation
- (2) Greater clarity in business execution responsibilities and performance
- (3) Enhance the group’s comprehensive capabilities by sharing regional strengths and advantages

Toward the realization of the transition to a holding company structure, we and our wholly-owned subsidiary Taiyo Nippon Sanso Split Preparation Corporation (“Succeeding Company”) executed an agreement dated May 15, 2020 (“Absorption-Type Company Split Agreement”) for the absorption-type company split where the Succeeding Company succeeds all of our businesses (“Absorption-Type Company Split”).

The Company proposes the above absorption-type company split agreement be approved.

The Company and the Succeeding Company will change their tradenames to “Nippon Sanso Holdings Corporation” and “Taiyo Nippon Sanso Corporation,” respectively, on October 1, 2020 which is the effective date of the Absorption Type Company Split.

### **2. Overview of the content of the Absorption-Type Company Split Agreement**

The content of the Absorption-Type Company Split Agreement with the Succeeding Company is as follows.

## Absorption-Type Company Split Agreement (Copy)

Taiyo Nippon Sanso Corporation (address: 1-3-26, Koyama, Shinagawa-ku, Tokyo; “**TNSC**”) and Taiyo Nippon Sanso Split Preparation Corporation (address: 1-3-26, Koyama, Shinagawa-ku, Tokyo; “**TNSSPC**”) enter into this absorption-type company split agreement (this “**Agreement**”) as follows on May 15, 2020 (the “**Execution Date**”) for the absorption-type company split where the rights and obligations held by TNSC in relation to the Businesses (as defined in Article 1) operated by TNSC will be succeeded by TNSSPC (the “**Absorption-Type Company Split**”).

### Article 1 Manner of Absorption-Type Company Split

TNSC will transfer to TNSSPC in accordance with the provisions of this Agreement, and TNSSPC will succeed, the rights and obligations stated in Article 2 related to all of the businesses operated by TNSC (the “**Businesses**”) in the manner of absorption-type company split on the Effective Date defined in Article 5.

### Article 2 Rights and Obligations to be Succeeded

1. The assets, liabilities, employment agreements, and other rights and obligations to be succeeded by TNSSPC from TNSC in the Absorption-Type Company Split (the “**Succeeded Rights and Obligations**”) shall be as stated in the Schedule “Details of Succeeded Rights and Obligations.”
2. The liabilities to be succeeded by TNSSPC from TNSC shall be based on the assumption of joint and concurrent obligation method. However, the final bearer of the liabilities in this case shall be TNSSPC and if TNSC performs or otherwise accepts any of the liabilities to be succeeded, TNSC may claim TNSSPC for compensation for all of the liabilities TNSC accepted.

### Article 3 Money, Etc. to be Delivered in Absorption-Type Company Split

In the Absorption-Type Company Split, TNSSPC will issue 100,000 shares of its common stock and allot all of them to TNSC in consideration of the Succeeded Rights and Obligations.

### Article 4 Amounts of Capital and Reserves of TNSSPC

The amounts of capital and reserves of TNSSPC to be increased through the Absorption-Type Company Split shall be as follows.

- |                     |                   |
|---------------------|-------------------|
| (1) Capital         | 1,475 million yen |
| (2) Capital reserve | 350 million yen   |
| (3) Profit reserve  | 0 yen             |

Article 5 Effective Date

The effective date of the Absorption-Type Company Split (the “**Effective Date**”) shall be October 1, 2020. However, TNSC and TNSSPC may change the date upon discussion if it is deemed necessary for a necessity arising in taking procedures related to the Absorption-Type Company Split or for any other reason.

Article 6 Resolution for Approval of Company Split

1. TNSC shall hold its general meeting of shareholders (including the case where a resolution is deemed passed at the shareholders meeting based on Article 319(1) of the Companies Act) by the day immediately before the Effective Date and obtain approval for matters necessary for this Agreement and the Absorption-Type Company Split.
2. TNSSPC shall, in accordance with the provisions in Article 796(1) of the Companies Act, conduct the Absorption-Type Company Split without obtaining the approval of the shareholders meeting provided for in Article 795(1) of the same act.

Article 7 Duty of Due Care of Prudent Manager

For the period from the execution of this Agreement to the Effective Date, TNSC shall execute and manage the operations and properties related to the Businesses with the duty of due care of a prudent manager and shall conduct any acts that materially influence the properties or rights or obligations related to the Businesses upon discussion with and with the approval of TNSSPC.

Article 8 Non-Competition

TNSC shall not assume any duty not to compete in connection with the Absorption-Type Company Split.

Article 9 Amendments to or Cancellation of Agreement

For the period from the Execution Date to the Effective Date, if a material change occurs in TNSC’s or TNSSPC’s financial or management conditions, if an event that materially obstacles the conduct of the Absorption-Type Company Split arises or is found, or if the purpose of the Absorption-Type Company Split otherwise becomes difficult to be achieved, TNSC and TNSSPC may, upon discussion and by agreement, amend the conditions of the Absorption-Type Company Split or other content of this Agreement or cancel this Agreement.

Article 10 Effect of Agreement

This Agreement shall become invalid if the approval of this Agreement necessary to conduct the Absorption-Type Company Split or any permission, authorization, approval, or the like from a relevant authority or the like necessary under a relevant law or regulation for the Absorption-Type Company Split is not obtained by TNSC or TNSSPC by the day immediately before the Effective Date.

Article 11 Matters for Discussion

TNSC and TNSSPC shall discuss in good faith and decide in accordance with the intent of this Agreement any matters not provided for in this Agreement or any doubts arising with respect to a term of this Agreement.

In witness whereof, this Agreement is executed in duplicate, and each party retains one copy after affixing its signature and seal.

May 15, 2020

TNSC: 1-3-26, Koyama, Shinagawa-ku, Tokyo  
Taiyo Nippon Sanso Corporation  
Yujiro Ichihara, Representative Director

TNSSPC: 1-3-26, Koyama, Shinagawa-ku, Tokyo  
Taiyo Nippon Sanso Split Preparation Corporation  
Yujiro Ichihara, Representative Director

**Schedule**

**Details of Succeeded Rights and Obligations**

The rights and obligations to be succeeded by TNSSPC from TNSC through the Absorption-Type Company Split shall be the following assets, liabilities, employment agreements, other contractual status, and rights and obligations ancillary to the foregoing related to the Businesses on the effective date. The assets and liabilities of the rights and obligations to be succeeded will be determined after adding or deducting their increase or decrease by the day immediately before the effective date of the Absorption-Type Company Split based on the balance sheet and other calculations as of March 31, 2020.

1. Assets to be succeeded

All of the assets held by TNSC. However, the assets falling under the following accounts are excluded.

- (1) Cash and deposits (excluding cash and deposits necessary as the operating capital for the Businesses (the “Domestic Gas Business, Etc.”) other than the Businesses related to the management of subsidiaries and management of the group to be operated by TNSC aft Absorption-Type Company Split)

- (2) Short-term loans receivable
  - (3) Other current assets (excluding those of Domestic Gas Business, Etc.)
  - (4) Land, buildings, and structures (limited to those held by TNSC in Koyama in Shinagawa-ku in Tokyo, Shiba in Minato-ku in Tokyo, Shinmachi in Nishi-ku in Osaka-shi in Osaka, and Naganuma in Inage-ku in Chiba-shi in Chiba)
  - (5) Investment securities (excluding those held in connection with the Domestic Gas Business, Etc.)
  - (6) Shares of affiliated companies (excluding those held in connection with the Domestic Gas Business, Etc.)
  - (7) Capital investments in affiliated companies (excluding those held in connection with the Domestic Gas Business, Etc.)
  - (8) Long-term loans receivable
  - (9) Other investments (excluding those related to the Domestic Gas Business, Etc.)
2. Liabilities to be succeeded  
All of the liabilities held by TNSC. However, the liabilities falling under the following accounts are excluded.
- (1) Short-term loans payable
  - (2) Commercial papers
  - (3) Long-term loans payable within one year
  - (4) Corporate bonds redeemable within one year
  - (5) Accounts payable (excluding those related to the Domestic Gas Business, Etc.)
  - (6) Accrued expenses (excluding those related to the Domestic Gas Business, Etc.)
  - (7) Accrued taxes
  - (8) Other current liabilities (excluding those related to the Domestic Gas Business, Etc.)
  - (9) Corporate bonds
  - (10) Long-term loans payable (excluding those related to the Domestic Gas Business, Etc.)
  - (11) Deferred tax liabilities
  - (12) Long-term accounts payable
  - (13) Long-term deposits received (excluding those related to the Domestic Gas Business, Etc.)
3. Employment agreements and collective bargaining agreement to be succeeded
- (1) The employment agreements with all of the employees of TNSC (the “**Succeeded Employees**”) and the rights and obligations ancillary or relevant to them (including wages, retirement allowances, and other liabilities arising in connection with the employment relationships between TNSC and the Succeeded Employees by the effective date)
  - (2) Collective bargaining agreement between TNSC and its trade union

4. Contractual relationships to be succeeded (those under employment agreements are as stated in 3 above)  
All of the agreements, etc. executed by TNSC and the rights and obligations ancillary or relevant to them.  
However, the following agreements, etc. are excluded.
- (1) Global agreements (purchase agreements, confidentiality agreements, etc.) covering TNSC's group companies with customers or suppliers
  - (2) Agreements for financing for TNSC
  - (3) Lease agreements for real property not included in the rights and obligations to be succeeded in 1.(4) above.
  - (4) Loan agreements with affiliated companies
  - (5) Guarantee agreements for borrowings for affiliated companies
  - (6) In addition to 4.(4) and (5) above, agreements with overseas affiliated companies (including secondment and dispatching agreements of employees) (excluding those related to the Domestic Gas Business, Etc.)
  - (7) Agreements with outside contractors for management planning and administrative duties
  - (8) Agreements related to overseas mergers and acquisitions conducted by TNSC
  - (9) Agreements for overseas gas supply
  - (10) Agreement with Mitsubishi Chemical Holdings Corporation for the takeover bid conducted in 2014
  - (11) Agreement for directors and officers liability insurance
  - (12) All agreements ancillary or relevant to the above agreements
5. Intellectual property rights to be succeeded  
All of the intellectual property rights held by TNSC (including trade secrets and know-how). However, the following intellectual property rights are excluded.

No.	Registration/ application No.	Country
1	4081031	Japan
2	4036667	
3	388026	
4	481093	

No.	Registration/ application No.	Country
26	3773825	USA
27	17984065	EUTM (Europe)
28	17984061	
29	1041417	Germany

No.	Registration/ application No.	Country
5	488010	Japan
6	481094	
7	2533816	
8	2553249	
9	2557904	
10	2513414	
11	3172017	
12	3202529	
13	4670987	
14	4786633	
15	4823560	
16	4858087	
17	4858088	
18	5090304	
19	4845710	
20	6182377	
21	6161217	
22	6182376	
23	Trademark application 2019-138194	
24	Trademark application 2020-004569	
25	Trademark application 2020-004570	

No.	Registration/ application No.	Country
30	1445117	Norway
31	201815343	
32	201815344	
33	7222838	China
34	7222837	
35	190086	Taiwan
36	592929	
37	1388766	
38	1238071	
39	4-2007-005619	Philippine
40	4-2018-015226	
41	4-2007-00005618	
42	4-2018-015225	
43	3940704	India
44	4/15008/2019	Myanmar
45	4/15009/2019	
46	International trademark registration number 882195	China/Germany/France/UK/Korea/ Singapore/Thailand/Vietnam/ Australia/India/ European Communities/Norway

6. Permissions and authorizations to be succeeded

Of the permissions, authorizations, licenses, approvals, registrations, notifications, etc. obtained by TNSC, those which can be succeeded under the relevant laws and regulations

End of document

3. Overview of the content established in Article 183 of the Regulation for Enforcement of the Companies Act

(1) Particulars regarding appropriateness of the provisions for the matters prescribed in Article 758(iv) of the Companies Act

(i) Particulars regarding the number of shares to be delivered

In the Absorption-Type Company Split, the Succeeding Company will newly issue 100,000 shares of common stock and allot and deliver all of them to the Company which is the company splitting in the absorption-type split. The Succeeding Company is a wholly-owned subsidiary of the Company, and all of the shares to be issued by the Succeeding Company in the Absorption-Type Company Split will be delivered to the Company which is the split company, so the number of shares to be delivered by the Succeeding Company has been decided upon discussion between these two companies and are believed to be reasonable.

(ii) Particulars regarding the increase in the Succeeding Company's capital and reserves through the Absorption-Type Company Split

The increase in the Succeeding Company's capital and reserves through the Absorption-Type Company Split is as follows. In light of the content of the Succeeding Company's businesses after the split and the rights, obligations, etc. to be transferred from the Company, the increase is believed to be reasonable.

- Increase in capital amount: 1,475 million yen
- Increase in capital reserve: 350 million yen
- Increase in profit reserve: 0 yen

(2) Balance sheet as of the date on which the Succeeding Company is formed

The Succeeding Company does not have a fixed business year. The balance sheet as of the date of its establishment of the Succeeding Company (February 4, 2020) is as follows.

(Unit: million yen)

Account	Amount	Account	Amount
(Assets)		(Net assets)	
Current assets		Shareholders' equity	
Cash and deposits	50	Capital	25
		Capital reserve	25
Total assets	50		50

- (3) Disposal of important property, burden of major obligations, or any other event that has material impact on the status of company property occurring at the company splitting in the absorption-type split after the last day of the most recent business year

None

- (4) Disposal of important property, burden of major obligations, or any other event that has material impact on the status of company property occurring at the Succeeding Company after the last day of the most recent business year

None

### Proposal 3: Partial amendments to the Articles of Incorporation

#### 1. Reason for the amendments

As stated in Proposal 2, we will transit to a holding company structure on October 1, 2020 (tentative). Upon this transition, the trade name of the Company provided in Article 1 of its current Articles of Incorporation will be changed to “Nippon Sanso Holdings Kabushiki Kaisha” (“Nippon Sanso Holdings Corporation” in English) and necessary amendments will be made to the purpose provided in Article 2 of the current Articles of Incorporation, in order to demonstrate that our group is a global industrial gases group (a global gas major) originated in Japan. The amendments to the Articles of Incorporation related to this Proposal will be effective on October 1, 2020 (tentative) which is the effective date of the Absorption-Type Company Split on the condition that Proposal 2 is approved and adopted as originally proposed and that the Absorption-Type Company Split becomes effective.

#### 2. Details of the amendments

The details of the changes are as follows.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed amendment
Article 1 (Tradename) The name of the Company is <u>Taiyo Nissan Kabushiki Kaisha</u> and is indicated in English as <u>Taiyo Nippon Sanso Corporation</u> .	Article 1 (Tradename) The name of the Company is <u>Nippon Sanso Holdings Kabushiki Kaisha</u> and is indicated in English as <u>Nippon Sanso Holdings Corporation</u> .
Article 2 (Purpose) The purpose of the Company is to operate the following businesses.	Article 2 (Purpose) The purpose of the Company is to operate the following businesses <u>and to conduct business management of the following companies that operate the following businesses by holding their shares or interests.</u>
1 through 21 (Omitted)	1 through 21 (Unchanged)
Articles 3 through 44 (Omitted)	Articles 3 through 44 (Unchanged)  <u>Chapter 7 Supplemental Provision</u>

Current Articles of Incorporation	Proposed amendment
	<p data-bbox="847 280 1187 313"><u>Article 45 (Interim Measure)</u></p> <p data-bbox="847 322 1390 853"><u>The changes in Article 1 and Article 2 shall be effective on October 1, 2020 on the condition that proposal 2 “Approval of the absorption-type company split agreement” submitted to the 16th ordinary general meeting of shareholders is approved and adopted as originally proposed and that the absorption-type company split under the absorption-type company split agreement approved and adopted under that proposal becomes effective. This supplemental provision will be deleted on the effective date of the changes in Article 1 and Article 2.</u></p>

#### Proposal 4: Election of nine directors

The terms of office of nine directors (Yujiro Ichihara, Masahiro Uehara, 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 two outside directors).

The candidates for directors are listed below.

No.	Name	Current position and responsibilities	
1	Yujiro Ichihara	President, representative director, and CEO Member of Advisory Committee on Appointments and Remuneration	Reappointment
2	Toshihiko Hamada		New appointment
3	Kenji Nagata	Director Senior managing executive officer General manager, Industrial Gases Division	Reappointment
4	Kazuyuki Futamata	Director Managing executive officer and CCO (Taiyo Nippon Sanso Group CCO), with responsibility for Group-wide internal control	Reappointment
5	Thomas Scott Kallman	Director	Reappointment
6	Eduardo Gil Elejoste	Director	Reappointment
7	Akio Yamada	Director Chairman of Advisory Committee on Appointments and Remuneration	Reappointment, outside director, independent
8	Mitsuhiro Katsumaru	Director Member of Advisory Committee on Appointments and Remuneration	Reappointment, 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 29. These standards have been met by the two candidates nominated for outside director positions in this Proposal.

\* See “Reference: Advisory Committee on Appointments and Remuneration” on page 32 below for the outline of the Advisory Committee on Appointments and Remuneration.

No.

1

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

- **Number of Company shares owned: 83,100**
- **Years of service as a director: 10**
- **Record of attendance at Board meetings: 12 of 12 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.

Representative Director, President, Taiyo Nippon Sanso Split Preparation Corporation

### **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 Group management.

### **Special interests**

Yujiro Ichihara has no special interests in the Company.

No.

2

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

• **Number of Company shares owned: 2,000**

### **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.
Oct 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 (current)

### **Significant concurrent positions**

President and representative director, Nissan TANAKA Corporation

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

Toshihiko Hamada has been the president and representative director of Nissan TANAKA Corporation since June 2017 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.

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 Group management.

### **Special interests**

Toshihiko Hamada is also president and representative director of Nissan TANAKA Corporation. The Company has transactions of industrial gas products with this company.

No.

3

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

- **Number of Company shares owned: 10,500**
- **Years of service as a director: 2**
- **Record of attendance at Board meetings: 12 of 12 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 (current)

### **Significant concurrent positions**

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 in April 2017.

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. and Japan Helium Center Corporation. The Company has transactions of industrial gas products with these companies.

No.

4

**Kazuyuki Futamata** (Date of birth: December 22, 1957) (Reappointment)

- **Number of Company shares owned: 0**
- **Years of service as a director: 1**
- **Record of attendance at Board meetings: 9 of 9 times**

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

April 1980	Joined Mitsubishi Chemical Industries Limited (now Mitsubishi Chemical Corporation)
June 2011	Executive officer, general manager of Human Resources Division, Mitsubishi Chemical Corporation; Executive officer, general manager of CEO's office, Mitsubishi Chemical Holdings Corporation
April 2013	Executive officer, Mitsubishi Rayon Co., Ltd. (responsible for Internal Control division)
April 2015	Executive officer, Mitsubishi Rayon Co., Ltd. (responsible for Human Resources, General Affairs, Information Systems, and Internal Control divisions); executive officer, general manager of Human Resources Office, Mitsubishi Chemical Holdings Corporation
April 2017	Director and managing executive officer, Chief Compliance Officer (responsible for Human Resources, General Affairs, Internal Control divisions), Mitsubishi Chemical Corporation
January 2019	Managing executive officer CCO (Taiyo Nippon Sanso Corporation Group CCO), with responsibility for Group-wide internal control
June 2019	Director and managing executive officer CCO (Taiyo Nippon Sanso Corporation Group CCO), with responsibility for Group-wide internal control (current)

### **Significant concurrent positions**

None.

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

Kazuyuki Futamata has many years of experience, particularly in the fields of human resources and business administration, and was responsible for internal control departments at Mitsubishi Rayon Co, Ltd. and Mitsubishi Chemical Corporation.

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

### **Special interests**

Kazuyuki Futamata has no special interests in the Company.

\* Kazuyuki Futamata's career summary above includes positions and responsibilities over the past five years as a person who executes business at our parent company, Mitsubishi Chemical Holdings Corporation, and 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.

No.

5

**Thomas Scott Kallman** (Date of birth: October 17, 1954) (Reappointment)

- **Number of Company shares owned: 0**
- **Years of service as a director: 1**
- **Record of attendance at Board meetings: 9 of 9 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.
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.

6

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

- **Number of Company shares owned: 0**
- **Years of service as a director: 1**
- **Record of attendance at Board meetings: 8 of 9 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. (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. Gil 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.

7

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

(Reappointment, outside director, independent)

- **Number of Company shares owned: 0**
- **Years of service as an outside director: 5**
- **Record of attendance at Board meetings: 12 of 12 times**

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

April 1967	Joined General Secretariat of Japan Fair Trade Commission
June 1996	Director general of Trade Practices Department, General Secretariat of Japan Fair Trade Commission
June 1997	Director general of Investigation Bureau, General Secretariat of Japan Fair Trade Commission
June 1998	Director general of Economic Affairs Bureau, 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 (current)
June 2010	Audit & Supervisory Board member, Daiichi Sankyo Co., Ltd.
March 2014	Audit & Supervisory Board member, Yokohama Rubber Co., Ltd.
June 2014	Director, Watahan & Co., Ltd.
June 2015	Outside director of the Company
March 2018	Chairman, Fair Trade Institute (current)

### **Significant concurrent positions**

Chairman, Fair Trade Institute  
Senior advisor to Jones Day

### **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 and a senior advisor to a law firm that provides global services. He also once served as an outside director at a publicly listed company. 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 (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 (1) of the Companies Act. This agreement with Mr. Yamada will be extended if he is reelected as a director.

No.

8

**Mitsuhiro Katsumaru** (Date of birth: October 10, 1951)

(Reappointment, outside director, independent)

- **Number of Company shares owned: 0**
- **Years of service as an outside director: 5**
- **Record of attendance at Board meetings: 12 of 12 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
June 2000	Director of Criminal Affairs Division, Criminal Affairs Bureau, Ministry of Justice
June 2001	Director of General Affairs Division, Criminal Affairs Bureau, Ministry of Justice
January 2003	Director of Finance Division, Minister's Secretariat, Ministry of Justice
April 2005	Assistant vice-minister, Ministry of Justice (responsible for general policy integration)
December 2005	Chief prosecutor, Fukui District Public Prosecutors Office
June 2007	Chief prosecutor, Mito District Public Prosecutors Office
October 2008	Chief prosecutor, Saitama District Public Prosecutors Office
January 2010	Director, Public Security Department, Supreme Public Prosecutors Office
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 of the Company
November 2015	Director of MoriX Co., Ltd. (current)
March 2017	Director of Shimano Inc. (current)

### **Significant concurrent positions**

Of Counsel, Shiba International Law Offices

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 (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 (1) of the Companies Act. This agreement with Mr. Katsumaru will be extended if he is reelected as a director.

No.

9

**Hidefumi Date** (Date of birth: July 10, 1958) (Reappointment)

- **Number of Company shares owned: 0**
- **Years of service as a director: 1**
- **Record of attendance at Board meetings: 9 of 9 times**

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

April 1982	Joined Mitsubishi Chemical Industries Limited (now Mitsubishi Chemical Corporation)
April 2013	Executive officer, general manager of Consolidated Management Department, Mitsubishi Chemical Corporation
March 2014	Executive officer, general manager of Consolidated Management Department 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; Director of 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 five 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.

### **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 5: Election of two Audit & Supervisory Board members

The terms of office of two Audit & Supervisory Board members (Kazunari Higuchi and Naoya Fujimori) 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 made by the Advisory Committee on Appointments and Remuneration (which consists of the president and outside directors) (\*) with the consent of the Audit & Supervisory Board.

\*See “Reference: Advisory Committee on Appointments and Remuneration” on page 32 below for the outline of the Advisory Committee on Appointments and Remuneration

No.	
1	<b>Masahiro Osada</b> (Date of birth: January 2, 1958) (New appointment, outside Audit & Supervisory Board member)

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

### Career summary and position in the Company

April 1981	Joined Mitsubishi Chemical Industries Limited (now Mitsubishi Chemical Corporation)
June 2012	Executive officer and general manager of Corporate Management Office, Mitsubishi Chemical Holdings Corporation
April 2015	Executive officer, general manager of Finance & Accounting Department, Mitsubishi Chemical Corporation
April 2017	Managing executive officer (in charge of Corporate Management Department and Finance & Accounting Department), Mitsubishi Chemical Corporation
April 2019	Director and managing executive officer (in charge of Corporate Management Department and Finance & Accounting Department), Mitsubishi Chemical Corporation
March 2020	Retired from director and managing executive officer position in Mitsubishi Chemical Corporation
April 2020	Advisor to the Company (current)

### Significant concurrent positions

None.

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

Masahiro Osada has wide-ranging experience in the fields of finance, accounting, and corporate management in chemical companies, and has served as executive officer and director roles at Mitsubishi Chemical Holdings Corporation and Mitsubishi Chemical Corporation.

In view of his extensive background, we have nominated Mr. Osada 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

Masahiro Osada has no special interests in the Company.

\* Masahiro Osada is a candidate for the position of outside Audit & Supervisory Board member.

\* Masahiro Osada's career summary above includes his positions over the past five 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.

No.

2

**Kazuya Kobayashi** (Date of birth: January 5, 1963)

(New appointment, outside Audit & Supervisory Board member, independent)

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

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

April 1985      Joined The Fuji Bank, Limited (now Mizuho Bank, Ltd)  
April 2012      Executive Officer, General Manager of Corporate Banking Division No. 13, Mizuho Corporate Bank, Ltd (now Mizuho Bank, Ltd).  
April 2014      Managing Executive Officer, Head of Investment Banking Unit, Mizuho Financial Group, Inc.  
Managing Executive Officer, Head of Investment Banking Unit, Mizuho Bank, Ltd.  
April 2016      Managing Executive Officer in charge of Specific Business of Global Corporate Company, Mizuho Financial Group, Inc.  
Managing Executive Officer, Head of Global Corporate Division, Mizuho Bank., Ltd.  
April 2017      Senior General Manager, Mizuho Financial Group, Inc.  
March 2019      Retired from Senior General Manager position in Mizuho Financial Group, Inc.  
April 2019      Audit & Supervisory Board Member (full-time), Mizuho Human Service Co., Ltd.  
March 2020      Retired from Audit & Supervisory Board Member (full-time) position in Mizuho Human Service Co., Ltd.  
April 2020      Senior General Manager, Mizuho Financial Group, Inc. (current)

### **Significant concurrent positions**

None.

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

Kazuya Kobayashi has amassed a long career in financial institutions. 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**

Kazuya Kobayashi has no special interests in the Company.

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

Kazuya Kobayashi is a candidate for the position of outside Audit & Supervisory Board member. Also, he 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 his selection as an independent Audit & Supervisory Board member.

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

### **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 selection of candidates for the position of director and Audit & Supervisory Board member, selection and removal of the president (CEO), selection and removal 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-**