

[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 18th Ordinary General Meeting of Shareholders]

Date and time: Friday, June 17, 2022, 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:

- | | |
|-------------|---|
| Proposal 1: | Appropriation of surplus |
| Proposal 2: | Partial amendments to the Articles of Incorporation |
| Proposal 3: | Election of nine directors |
| Proposal 4: | Revision of the maximum remuneration for outside directors |

* 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 consider to 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.

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

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May 27, 2022

To Our Shareholders

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

Nippon Sanso Holdings Corporation

Toshihiko Hamada, President, Representative Director and CEO

Notice of Convocation of the 18th Ordinary General Meeting of Shareholders

Nippon Sanso Holdings Corporation (“we” or “Company”) will hold its 18th 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 16, 2022.**

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 10, 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) “System to Ensure the Appropriateness of Business Operations and Implementation Status of Such Systems” and “Basic Policy on the Control over the Company” 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.nipponsanso-hd.co.jp/en/>

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 17, 2022, 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 FYE2022 March (April 1, 2021 to March 31, 2022)
2. Report on the non-consolidated financial statements for the FYE March 2022 (April 1, 2021 to March 31, 2022)

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: Revision of the maximum remuneration for outside directors

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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 17, 2022, 10:00 a.m. (Registration desk open from 9:00 a.m.)

- **By postal mail**

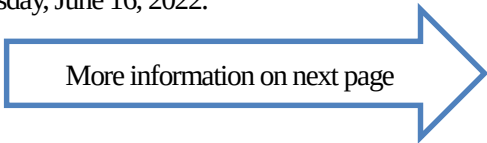
Indicate your approval or disapproval of each of the proposals on the enclosed ballot form and return it by postal mail (No mailing stamp required within Japan).

Deadline: Ballot must be received no later than 5:40 p.m. on Thursday, June 16, 2022.

- **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 16, 2022.



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 16, 2022. 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. (excluding the year-end and New Year holidays season) (JST))

Memo

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

18 yen per common share in the Company

Total dividend: 7,792,357,860 yen

(3) Effective date of distribution of dividend from surplus

June 20, 2022

Including the interim dividend of 16 yen per share that was paid in December last year, the total annual dividend will be 34 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 amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 17, Paragraph 1 sets forth that information contained in the reference documentation for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 17, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the reference materials for the general meeting of shareholders, etc. (Article 17 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of the amendments

The details of the changes are as follows.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed amendment
Articles 1 through 16 (Omitted)	Articles 1 through 16 (Unchanged)
<u>Article 17 (Internet Disclosure and Deemed Provision of Reference Documentation for the General Meeting of Shareholders, Etc.)</u> <u>The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documentation for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u>	<u>(Deleted)</u>

Current Articles of Incorporation	Proposed amendment
<u>(Newly established)</u>	<u>Article 17 (Measures for Electronic Provision, Etc.)</u> <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documentation for the general meeting of shareholders, etc. electronically.</u> <u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u>
Articles 18 through 44 (Omitted)	Articles 18 through 44 (Unchanged)
<u>(Newly established)</u>	<u>(Supplementary provisions)</u> <u>1. The deletion of Article 17 (Internet Disclosure and Deemed Provision of Reference Documentation for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the newly establishment of the proposed Article 17 (Measures for Electronic Provision, Etc.) shall come into effect on September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u> <u>2. Notwithstanding the provisions of the preceding paragraph, Article 17 (Internet Disclosure and Deemed Provision of Reference Documentation for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u> <u>3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u>

Proposal 3: Election of nine directors

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

The candidates for directors are listed below.

No.	Name	Current position and responsibilities	New appointment /Reappointment
1	Toshihiko Hamada	President, and representative director, and CEO Member of Advisory Committee on Appointments and Remuneration	Reappointment
2	Kenji Nagata	Director	Reappointment
3	Thomas Scott Kallman	Director	Reappointment
4	Eduardo Gil Elejoste	Director	Reappointment
5	Akio Yamada	Director Chairman of Advisory Committee on Appointments and Remuneration	Reappointment outside director independent
6	Mitsuhiro Katsumaru	Director Member of Advisory Committee on Appointments and Remuneration	Reappointment outside director independent
7	Miri Hara	Director Member of Advisory Committee on Appointments and Remuneration	Reappointment outside director independent
8	Katsumi Nagasawa	—	New appointment outside director independent
9	Masako Miyatake	—	New appointment outside director independent

Notes

The candidates for directors were selected by the Board of Directors following recommendations by the Advisory Committee on Appointments and Remuneration^{*1}, which consists of the president, chairman of the Board of Directors and outside directors.

The Company has established Standards for the Independence of Outside Directors and the Audit & Supervisory Board members^{*2}, detailed on Page 27. These standards have been met by the five candidates nominated for outside director positions in this Proposal.

^{*1} See “Reference: Advisory Committee on Appointments and Remuneration” on page 26 below for the outline of the Advisory Committee on Appointments and Remuneration.

^{*2} Having previously stipulated the requirements for Independent Outside Directors in Article 9 (Composition of the Board of Directors), Paragraph 2 of the Principles of Corporate Governance, the Company added independent outside Audit & Supervisory Board members to the scope and articulated the independence standard for them.

<Skills Matrix of Candidates for Directors>

The Company believes that members of the Board of Directors shall be composed of diverse individuals with the knowledge and experience required for corporate management in order for the Board of Directors to function more effectively. Accordingly, the fields of particular importance to the Group management are defined as “Corporate Management”, “Financial Affairs & Accounting”, “Legal Affairs & Risk Management”, “Sales & Marketing”, “and Development & Technology”. The Company will strive to further enhance the effectiveness of the Board of Directors, assigning personnel with such knowledge and experience in the right places at the right time.

No.	Name	Skills Matrix: areas of expertise and experience of candidates for Directors of the Board							
		Corporate Management	Financial Affairs & Accounting	Legal Affairs & Risk Management	Sales & Marketing	Development & Technology	Overseas Assignment	Business Experience at Other Companies	Independence
1	Toshihiko Hamada	•			•	•	•		
2	Kenji Nagata	•			•		•		
3	Thomas Scott Kallman	•			•		•	•	
4	Eduardo Gil Elejoste	•			•		•	•	
5	Akio Yamada			•			•	•	•
6	Mitsuhiro Katsumaru			•			•	•	•
7	Miri Hara		•					•	•
8	Katsumi Nagasawa	•				•	•	•	•
9	Masako Miyatake			•			•	•	•

* Detailed Definition of Skills

Corporate Management: Career background as president (CEO), corporate executive officer or executive officer of a publicly listed company; or president (CEO) of a local subsidiary of a global company

Business Experience at Other Companies: work experience at companies other than the Group companies or the parent group companies

No.
1

Toshihiko Hamada

(Date of birth: September 28, 1956)

Reappointment

Gender: Male

- **Number of Company shares owned:** 6,000
- **Years of service as a director:** 2
- **Record of attendance at the Board of Directors meetings:** 14 appearances at 14 meetings

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 (aid to the president), Director of the Company and executive officer (assistant to the president), the Company
June 2021	President, Representative Director, and CEO, the Company (current)

Significant concurrent positions

Director of the Board, The KAITEKI Institute, Inc.

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. Having engaged in groupwide management as an assistant to the president after assuming the posts of executive vice president and director in the Company in June 2020, he has served as the President, Representative Director and CEO of the Company since June 2021.

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 enhancing Group management.

Special interests

Toshihiko Hamada has no special interests in the Company.

No.

2

Kenji Nagata

(Date of birth: February 28, 1959)

Reappointment

Gender: Male

- **Number of Company shares owned:** 11,500
- **Years of service as a director:** 4
- **Record of attendance at the Board of Directors meetings:** 14 appearances at 14 meetings

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, the Company (current), Representative Director, President, TAIYO NIPPON SANSO CORPORATION (current)

Significant concurrent positions

Representative Director, President, TAIYO NIPPON SANSO 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 has no special interests in the Company.

No.
3

Thomas Scott Kallman

(Date of birth: October 17, 1954)

Reappointment

Gender: Male

- **Number of Company shares owned:** 0
- **Years of service as a director:** 3
- **Record of attendance at the Board of Directors meetings:** 13 appearances at 14 meetings

• **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.
4

Eduardo Gil Elejoste

(Date of birth: May 1, 1956)

Reappointment

Gender: Male

- **Number of Company shares owned:** 0
- **Years of service as a director:** 3
- **Record of attendance at the Board of Directors meetings:** 13 appearances at 14 meetings

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.) (current)
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.

5

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

Reappointment, outside director, independent

Gender: Male

- **Number of Company shares owned:** 2,300
- **Years of service as an outside director:** 7
- **Record of attendance at the Board of Directors meetings:** 14 appearances at 14 meetings

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 Mr. Yamada 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.

6

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

Reappointment, outside director, independent

Gender: Male

- **Number of Company shares owned:** 1,500
- **Years of service as an outside director:** 7
- **Record of attendance at the Board of Directors meetings:** 14 appearances at 14 meetings

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 Mr. Katsumaru 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.
7

Miri Hara (Date of birth: December 20, 1961)

Reappointment, outside director, independent

Gender: Female

- **Number of Company shares owned:** 0
- **Years of service as an outside director:** 1
- **Record of attendance at the Board of Directors meetings:** 10 appearances at 10 meetings

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)
June 2021	Outside director, the Company (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 Ms. Hara 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 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 her 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 Miri Hara 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 Ms. Hara will be extended if she is reelected as a director.

No.
8

Katsumi Nagasawa (Date of birth: October 18, 1956)

New appointment, outside director, independent

Gender: Male

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

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

April 1980	Joined Hitachi, Ltd.
April 2006	General Manager of Nuclear Power Business Development & Management Division, Nuclear Systems Division, Power Systems Group, Hitachi, Ltd.
October 2008	Vice President of Hitachi Power Systems America, Ltd. (now Mitsubishi Power Americas, Inc.*)
October 2010	General Manager of Global Business Division, Power Systems Company, Hitachi, Ltd.
January 2011	General Manager of Global Business Division, Power Systems Company, Hitachi, Ltd., and CSO of Hitachi-GE Nuclear Energy, Ltd.
April 2012	Corporate Officer for Hitachi, Ltd.; General Manager of Hitachi Works, Power Systems Company, Power Systems Group, Hitachi, Ltd.
April 2014	Managing Corporate Executive Officer, President & CEO of Power Systems Company, Power Systems Group, Hitachi, Ltd.
April 2016	Managing Corporate Executive Officer, CEO of Nuclear Business Unit, Hitachi, Ltd.
April 2017	Senior Corporate Officer for Hitachi, Ltd., General Manager of Global Nuclear Business Division, Nuclear Business Unit, Hitachi, Ltd.
April 2019	Chairman of the Board, Hitachi-GE Nuclear Energy, Ltd.
June 2020	Outside director, Sugino Machine Limited (current)

Significant concurrent positions

Outside director, Sugino Machine Limited

Reasons for nomination as candidate for outside director position

Katsumi Nagasawa had been engaged in the nuclear power business for many years at a general electrical appliance manufacturer, and subsequently served as an corporate executive officer of the company and as the chairman of the board of directors of its group company, among other important positions. We have nominated Mr. Nagasawa as a candidate for outside director in the expectation that he will effectively apply his wide experience and professional expertise in the field of technology, and a wealth of experience in corporate management in the manufacturing industry to the management of our Group.

Special interests

Katsumi Nagasawa has no special interests in the Company.

Reporting of independent director status

Katsumi Nagasawa 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. If this Proposal is approved and adopted, we will notify 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, if the election of Katsumi Nagasawa is approved, the Company and Katsumi Nagasawa intend 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.

* The nuclear power-related business of the former Hitachi Power Systems America, Ltd. was transferred to Hitachi America, Ltd.

No.

9

Masako Miyatake (Date of birth: August 19, 1958)

New appointment, outside director, independent

Gender: Female

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

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

April 1983	Joined The Chase Manhattan Bank N.A (now JPMorgan Chase Bank, N.A.)
October 2002	Registered as an attorney (Deregistered in 2011 to study abroad and reregistered in 2014)
October 2002	Joined Koga & Partners
June 2004	Joined Asahi & Koma Law Offices (now Nishimura & Asahi)
November 2014	Joined Nakano Law Office
November 2014	Reconciliator, Dispute Reconciliation Center for Nuclear Damage Compensation regarding Fukushima Nuclear Plant, Ministry of Education, Culture, Sports, Science and Technology (current)
April 2015	Conciliation Commissioner, Tokyo Family Court (current)
April 2018	Joined Blakemore & Mitsuki (current)
December 2018	Deputy Secretary-General, Japan International Dispute Resolution Center (current)
March 2019	Outside director, SUMIDA CORPORATION (current)
April 2019	Visiting Professor, Keio University Law School
April 2021	Professor, Keio University Law School (current)

Significant concurrent positions

Professor, Keio University Law School
Special Counsel, Blakemore & Mitsuki
Deputy Secretary-General, Japan International Dispute Resolution Center
Outside director, SUMIDA CORPORATION

Reasons for nomination as candidate for outside director position

Having accumulated a wealth of experience as an international lawyer over many years, Masako Miyatake has been practicing law in the fields of international transactions, finance, corporate governance, and litigation, arbitration and conciliation. Furthermore, she serves as an outside director at another 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 as an attorney as well as her wide experience in international transactions and global point of view to the management of our Group. Aside from her duties as an outside director, Dr. Miyatake has not been directly involved in corporate management. However, we believe she is capable of effectively fulfilling the role of an outside director at our Company, for the reasons given above.

Special interests

Masako Miyatake has no special interests in the Company.

Reporting of independent director status

Masako Miyatake is a candidate for the position of outside director. Also, she satisfies the requirements for independent directors as set forth 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 director.

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 Masako Miyatake is approved, the Company and Masako Miyatake intend 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.

(Note) 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: Advisory Committee on Appointments and Remuneration

The Company has established an Advisory Committee on Appointments and Remuneration as a discretionary advisory committee under the Board of Directors. The company president (CEO), chairman of the Board, and three independent outside directors are the members of this committee. The committee is 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.

Reference: Standards for the Independence of Outside Directors and Audit & Supervisory Board members

The Company considers a candidate for the position of Outside Director or Audit & Supervisory Board member to be independent provided the candidate does not fit any of the descriptions listed below as a result of a reasonable and feasible investigation by the Company.

1. A person who executes business for the Company and for a Company subsidiary (collectively the “Group”)*¹.
2. A person who executes business for the Company’s parent company or one of the Company’s sister companies.
3. A major shareholder of the Company (who directly or indirectly holds 10% or more of the total voting rights), or a person who executes business for such a shareholder.
4. A major business partner of the Group, or a person who executes business for such a partner:
 - (1) A major supplier*³ of the Company or important subsidiary of the Company*², or a person who executes business for such a supplier
 - (2) A major client*⁴ of the Company or important subsidiary of the Company, or a person who executes business for such a client
 - (3) A major financial institution*⁵ from which the Group raised funds, or a person who executes business for such a financial institution.
5. A person who executes business for an auditing firm which is the Group’s accounting auditor.
6. A person who executes business for a company in which an individual with an executive role in the Group serves as an outside director or an outside audit & supervisory board member.
7. A consultant, accounting professional, legal professional or any other individual who receives on average 10 million yen or more in cash or other assets per year in the last three fiscal years from the Group in addition to director’s remuneration*⁶.
8. A person, or board member or other persons executing business for a judicial person, partnership or other organizations, who receives on average 10 million yen or more per year as donation in the last three fiscal years from the Group.
9. A spouse or relative within the second degree of kinship of a person who falls under any of the following (excluding non-important personnel):
 - (1) A person as described in 1 through 8 above

However, those who are considered applicable shall fall under 1 or 2 above for the past ten years, and under 3 through 8 above for the past three years.

Supplementary provision: These Standards shall be effective for persons newly appointed from April 1, 2022 onwards.

*¹ A person who executes business refers to a director, corporate executive officer, executive officer, managing member who executes operations, board member and those equivalent thereto and employees of a judicial person, partnership, or other organizations.

*² Important subsidiaries of the Company refer to TAIYO NIPPON SANSO CORPORATION, Matheson Tri-Gas, Inc., Nippon Gases Euro-Holding S.L.U., and THERMOS K.K.

*³ A major supplier refers to a party who received payment of 2% or more of that supplier’s annual consolidated net sales in the most recent fiscal year from the Company or its important subsidiaries.

*⁴ A major client refers to a party to whom the Company or its important subsidiaries sold goods or services of 2% or more of its consolidated net sales in the most recent fiscal year.

*⁵ A major financial institution refers to a party whose outstanding loans to the Group exceed 2% of the Company’s consolidated total assets at the end of the most recent fiscal year.

*⁶ If the recipient is a judicial person, partnership, or other organization, this includes persons belonging to that organization.

Proposal 4: Revision of the maximum remuneration for outside directors

The total amount of remuneration for directors is limited to 800 million yen per year (including 50 million yen 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.

Although the number of outside directors was two at the time said proposal was approved, the number of outside directors will be five if Proposal 3 (Election of nine directors) is approved as proposed. Therefore, the Company intends to maintain the current limit of 800 million yen as remuneration for directors, of which the portion for outside directors is up to 100 million yen on an annual basis, on the condition that Proposal 3 is approved as proposed.

This proposal was made based on a resolution of the Board of Directors after deliberation by the Advisory Committee on Appointment and Remuneration, while the Board of Directors comprehensively took into consideration the size of the Company's business, the executive remuneration system and its payment level, and the current number of directors. Thus, the Company believes that this proposal is appropriate.

In addition, the policy on determining the contents of remuneration, etc. for individual directors of the Company is as described on page 47 of the Business Report.

In addition, as previously, the remuneration shall exclude the salary under employee status. While the number of directors is nine at the moment (including three outside directors), if Proposal 3 (Election of nine directors) is approved as proposed, the number will be nine (including five outside directors).

(Attachment)

Business Report

From April 1, 2021
to March 31, 2022

1. Current Status of Corporate Group

(1) Business conditions in fiscal year under review

The NSHD Group achieved the following results for the fiscal year under review. Revenue on a consolidated basis increased 17.0% year on year to ¥957,169 million, core operating income increased 17.7% to ¥102,710 million, operating income increased 13.9% to ¥101,183 million and net income attributable to owners of the parent increased 16.1% to ¥64,103 million.

During fiscal year April 1, 2021 to March 31, 2022, revenue was strong. This was a result of strong economic recovery with underlying volume improvement in all business segments. Shipment volume of air separation gases (oxygen, nitrogen, and argon) all increased significantly compared to last fiscal year. Also contributing significantly to the performance was the high cost recovery, pass through, and surcharges that were implemented to recover the increasing cost of electricity, diesel, liquefied natural gas, supply chain disruptions, and other inflationary factors on a global level.

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, a core product, increased sharply year on year, mainly due to a general recovery in production activity in relevant industries. Additionally, in LP gas, revenue rose as a result of higher cost pass through, while underlying volumes were down slightly. In addition, revenue from electronic materials gases and related businesses increased; industrial gas-related equipment and installation improved; medical-related equipment sales were also positive.

As a result, in the Gas Business in Japan, revenue increased 8.8% year on year to ¥372,033 million and segment income increased 3.5% to ¥30,939 million.

b. Gas Business in the United States

In the industrial gas-related business, revenue from air separation gases, a core product, significantly increased year on year, driven by a recovery in production activity, with growth centered on bulk gases. In addition, sales of carbon dioxide gases were strong. In equipment and installation, demand for welding and cutting equipment recovered after weakness in the previous fiscal year, with revenue increasing sharply. In the electronics-related business, revenue also increased and remained strong. In addition, high distribution surcharges and energy pass-through occurred throughout the fiscal year further increasing revenues.

As a result, in the Gas Business in the United States, revenue increased 18.3% year on year to ¥224,801 million and segment income increased 18.1% to ¥27,314 million.

c. Gas Business in Europe

While the previous fiscal year was seriously impacted by the spread of COVID-19, this fiscal year has seen a consistent and solid economic recovery. In addition, the sharp rise in record energy costs that began in the second quarter accelerated through the fourth quarter, but we responded through price pass-through and cost reduction efforts. And, much of the increase in revenue was due to our efforts to pass on prices.

As a result, in the Gas Business in Europe, revenue increased 31.1% year on year to ¥209,778 million and segment income increased 25.2% to ¥26,303 million.

d. Gas Business in Asia & Oceania

In the industrial gas-related business, air separation gas revenue, a core product, increased driven by a recovery in production activity in related industries. In LP gas, which makes up a large portion of sales in the Australia region, revenue increased due to both increased volume as well as higher cost pass through of LP gas prices. In the electronics-related business, revenue increased in electronic materials gases in East Asia. In equipment and installation, revenue increased in the industrial gas-related business.

As a result, in the Gas Business in Asia & Oceania, revenue increased 21.1% year on year to ¥123,533 million and segment income increased 43.9% to ¥12,837 million.

e. Thermos Business

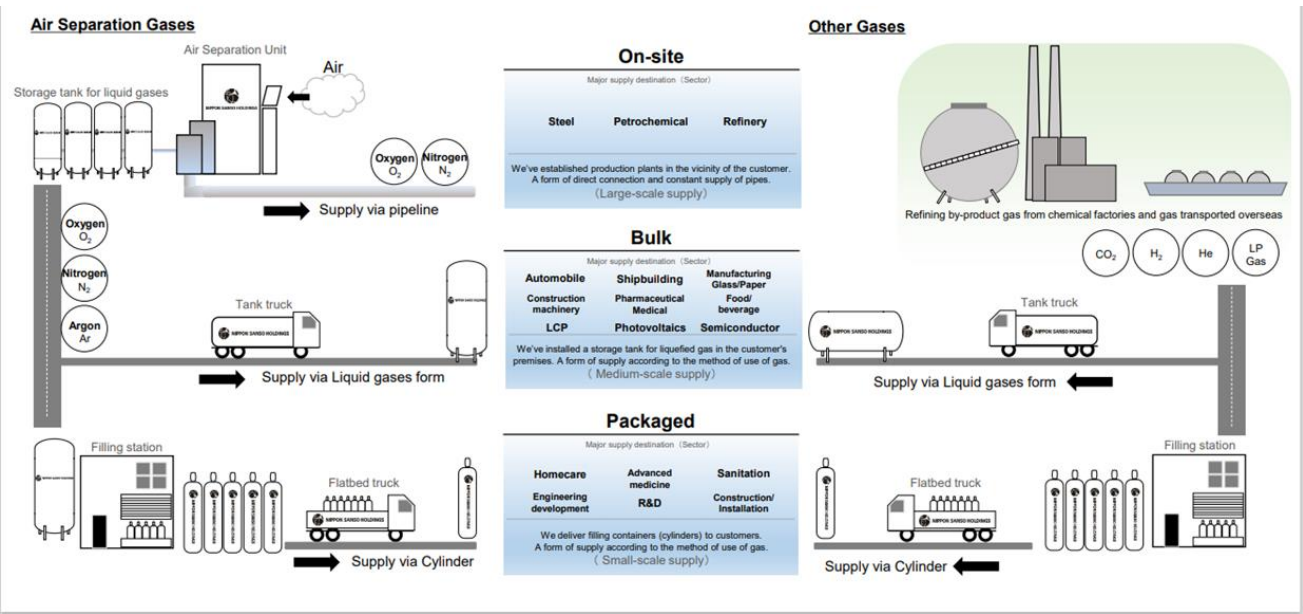
In Japan, revenue significantly increased year on year due to a recovery in shipment volumes of portable mugs and sports bottles from the previous fiscal year. Furthermore, sales volumes of frying pans and tumblers also increased, continuing from the previous fiscal year, in connection with the widespread adoption of new lifestyles where consumer spend longer periods of time at home. Overseas, shipping volume increased due to the recovery of business conditions in various regions.

As a result, revenue increased 12.0% year on year to ¥26,849 million, and segment income increased 24.6% to ¥6,441 million.

(Note) 1. In this fiscal year under review, the NSHD Group has changed its reportable segments. Therefore, to facilitate the year-on-year comparisons shown above, the figures for the previous fiscal year have been reclassified based on the changes to the reportable segments.

2. The core operating income of ¥102,710 million for the fiscal year is the total amount of core operating income of each segment minus the adjustment amount of -¥1,127 million yen. The negative adjustment for segment income is comprised of (¥102) million of intersegment eliminations and companywide expenses of (¥1,229) million that were not allocated to any particular reportable segment. These companywide expenses related principally to group mgmt. expenses that were not allocated to a particular reportable segment.

(Reference) Industrial gas supply systems



2) Plant & equipment investments

The Group makes capital investment primarily for the purpose of the acquisition of new facilities including gas production facilities, upgrade of existing facilities, rationalization, and research and development.

The total amount of the Group's plant and equipment investment in the fiscal year under review came to 82,036 million yen. The breakdown by each segment is as follows.

Segment	Capital Expenditure
Gas Business in Japan	18,510 mil. yen
Gas Business in the United States	27,735 mil. yen
Gas Business in Europe	21,690 mil. yen
Gas Business in Asia & Oceania	12,751 mil. yen
Thermos Business	913 mil. yen

* In addition to the above, companywide (common) capital investment amounted to 434 million yen.

3) Fund procurements

Item	Balance at beginning of period	Balance at end of period	Change
Borrowings	708,399 mil. yen	685,904 mil. yen	-22,494 mil. yen
Bonds and commercial papers	204,217 mil. yen	204,440 mil. yen	+222 mil. yen
Total	912,616 mil. yen	890,344 mil. yen	-22,272 mil. yen

4) Important organizational restructuring, etc.

None

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

Category	FYE March 2019	FYE March 2020	FYE March 2021	(FY Under Review) FYE March 2022
Revenue (millions of yen)	740,341	850,239	818,238	957,169
Core operating income (millions of yen)	65,819	90,337	87,251	102,710
Operating income (millions of yen)	66,863	93,921	88,846	101,183
Net income attributable to owners of the parent (millions of yen)	41,291	53,340	55,214	64,103
Basic earnings per share (yen)	95.42	123.26	127.59	148.13
Total assets (millions of yen)	1,771,015	1,751,732	1,836,294	1,977,026
Total equity (millions of yen)	435,854	440,693	543,900	661,137

(Note) The Group has applied the International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 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 the corporation, concurrently serves as a member of the Board of Directors of the Company (Note)

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 rules."

The Company paid Mitsubishi Chemical Holdings Corporation 1,192 million yen as outsourcing fees during the fiscal year under review. The Company was informed of the basis for the calculation before the amount of the fees was determined. Additionally, the Board of Directors has concluded that these outsourcing fees are appropriate in light of the nature of the services to be provided.

(Note) As of April 1, 2022, Mr. Hidefumi Date was appointed to "Director of the Board, Mitsubishi Chemical Holdings Corporation."

2) Status of significant subsidiaries

Segment	Subsidiary name	Capital	NSHD's Ownership Percentage (%)	Main business lines
Gas Business in Japan	Taiyo Nippon Sanso Corporation	mil. 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	mil. yen 600	*84.89	Manufacture & sales of liquefied carbon dioxide, dry ice, and sales of various compressed and liquefied gases
	JFE Sanso Center KK	mil. yen 90	*60	Manufacture & sales of oxygen, nitrogen, argon
Gas Business in the United States	Matheson Tri-Gas, Inc.	US dollar 55.77	100	Manufacture & sales of oxygen, nitrogen, argon, specialty gases, equipment, sales of cutting & welding equipment
	Western International Gas & Cylinders, Inc.	US dollar 1,246,000	*100	Manufacture & purchase and wholesale distribution of acetylene, propylene, cylinder gas, etc.
	Continental Carbonic Products, Inc.	US dollar 117,533	*100	Manufacture & sales of liquefied carbon dioxide, and dry ice
Gas Business in Europe	Nippon Gases Euro-Holding S.L.U.	Euro 100,000,000	100	Ownership of shares in related companies in Europe
	Nippon Gases Italia S.r.l.	Euro 30,000,000	*100	Ownership of shares in related companies in Italy
	Nippon Gases Espana S.L.U.	Euro 1,012,180.16	*100	Manufacture & sales of industrial gases, medical-use gases, and related instruments in Spain

Segment	Subsidiary name	Capital	NSHD's Ownership Percentage (%)	Main business lines
Gas Business in Asia & Oceania	Nippon Sanso Holdings Singapore Pte. Ltd.	Singapore dollar 189,209,065	100	Ownership of shares in related companies in Singapore
	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, and manufacture & sales of oxygen, nitrogen, and 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 industrial gases, 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
	Taiyo Nippon Sanso Trading (Shanghai) Co., Ltd.	US dollar 2,870,000	*100	Sales of specialty gases
	Nippon Sanso Taiwan, Inc.	New Taiwan dollar 160,000,000	*100	Manufacture & sales of nitrogen, sales of specialty gases and equipment
Thermos Business	THERMOS K.K.	mil. yen 300	100	Manufacture & sales of housewares

(Note) An * (asterisk) mark indicates a figure that includes indirect ownership.

(4) Challenging issues to be addressed

In the business environment surrounding the Group, especially the U.S. and Europe where signs of economic recovery have been observed in the current term, the volume of shipments of separation gases (oxygen, nitrogen and argon) exceeded the level of the previous fiscal year, although it is hard to predict when COVID-19 will be brought under control at this point in time. The Company has worked to ensure a stable supply system for separation gases in each place where we operate.

While demand steadily picked up as the economy recovered, rising resource prices and supply chain disruptions caused by geopolitical risks due to armed conflicts and political and economic frictions among countries are hindering economic recovery on a global scale. Therefore, it will be necessary to implement appropriate measures flexibly going forward. In addition, the Company expects that behavior patterns will change after the end of the COVID-19 pandemic, the industry-wide efforts to decarbonize in response to climate change risks will gain momentum, and the digitalization will progress further, among other things. Therefore, the Company is required to capture new business opportunities and establish its governance structure from a long-term perspective.

Under the recognition of the above environment, the Company has formulated its new medium-term management plan, "NS Vision 2026 —Enabling the Future," covering the four-year period from the fiscal year ending March 31, 2023, to the fiscal year ending March 31, 2026. The NS Vision 2026 is the first medium-term management plan after the Company transitioned to a holding company structure in October 2020. Under the NS Vision 2026, we set the following five key strategies in conjunction with newly established non-financial KPI targets in addition to existing financial KPI targets.

- I. Promote sustainability management:** in the environmental field, we are determined to reduce greenhouse gas emissions from our Group's business activities and strive to provide a wider variety and higher quality of goods, products, and services that contribute to the environment for our customers as well. Moreover, our endeavor includes ensuring process safety and improving product and service reliability, as well as respecting human rights and ensuring diversity and inclusion of human resources in order to remain a company trusted by society. Also, we will strive to enhance and gain support for compliance promotion activities.
- II. Explore new business toward carbon neutrality:** we are committed to reducing greenhouse gas emissions in the industries where our customers operate by providing goods, products, and services that contribute to the environment, and solutions. The Company will focus on strengthening collaboration with strategic partners, along with the technological development initiatives necessary to achieve this goal. We will also strive to strengthen external and intra-group communication regarding the Group's initiatives.
- III. Expand the electronics business:** we will provide quality assurance, new products, and solutions that deserve the trust of our semiconductor customers with significant current and future growth potential, while further leveraging and reinforcing the Group's preexisting resources.
- IV. Pursue operational excellence:** we will facilitate mutual sharing of productivity-enhancing know-how possessed by each operating company, which will be utilized within the Group, thereby promoting the efficiency and optimization of overall operations.
- V. Promote DX initiatives leading to new value creation:** we will upgrade our business model by linking, analyzing, and making use of digital data. At the same time, we will begin initiatives to promote the creation of new business values and customer experiences that contributes to customer satisfaction, productivity improvement, and employee satisfaction at the each operating company level. Furthermore, as the holding company, we aim to strengthen our global IT security system to uphold these efforts.

Each industrial gases business in the four geographic hubs focusses on the above five key strategies, while addressing management issues specific to each region.

- Gas Business in Japan: we will work to strengthen new products and services for the electronics industry and expand our solution business.
- Gas Business in the United States: we will seek to upgrade production bases, expand on-site business, and increase the density and scale of business by merging or acquiring local distributors.
- Gas Business in Europe: we will focus on resilient markets such as food and health care, make investments to acquire gas application technologies to accommodate customer needs, and expand business areas.
- Gas Business in Asia and Oceania: we will make efforts to acquire large-scale on-site projects, increase the capacity of the ASUs, gain HyCO* projects, and expand new products, services and business areas. We will carry out the transition to a flexible business operation structure comprising four subsegments: gas business in Southeast Asia and India; electronics business in East Asia; industrial gas business in East Asia; and gas business in Oceania.

* Business of supplying on large scale, via pipeline to oil refining and petrochemical industries, hydrogen (H₂) and carbon monoxide (CO) separated from natural gas, etc. by steam methane reforming (SMR) systems

In the Thermos business, the Group's sole B2C business, we will work to strengthen new products and kitchen equipment, expand directly operated stores and e-commerce, and enhance the Company's presence in overseas markets.

As the Company espouses “Proactive. Innovative. Collaborative. Making life better through gas technology.” as the Group's philosophy, we aim to devote ourselves to creating social value through innovative gas solutions that increase industrial productivity, realize a comfortable future for people, society, and the earth. As a first step toward achieving this goal, we will go on to address the issues listed above.

(5) Contents of main business lines (as of March 31, 2022)

Business segment	Main products & services
Gas Business in Japan	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
Gas Business in the United States	
Gas Business in Europe	
Gas Business in Asia & Oceania	
Thermos Business	Housewares

(6) Main business offices, etc. (as of March 31, 2022)

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
JFE Sanso Center KK	Fukuyama City, Hiroshima Pref., Japan
Matheson Tri-Gas, Inc.	Texas, U.S.A.
Western International Gas & Cylinders, Inc.	Texas, U.S.A.
Continental Carbonic Products, Inc.	Illinois, U.S.A.
Nippon Gases Euro-Holding S.L.U.	Madrid, Spain
Nippon Gases Italia S.r.l.	Milano, Italy
Nippon Gases Espana S.L.U.	Madrid, Spain
Nippon Sanso Holdings Singapore Pte. Ltd.	Singapore
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
Taiyo Nippon Sanso Trading (Shanghai) Co., Ltd.	Shanghai, China
Nippon Sanso Taiwan, Inc.	Hsinchu, Taiwan
THERMOS K.K.	Tsubame City, Niigata Pref., Japan

(7) Employees (as of March 31, 2022)

Business segment	No. of Employees	Year-on-Year Changes
Gas Business in Japan	6,346	-116
Gas Business in the United States	4,448	+47
Gas Business in Europe	2,912	0
Gas Business in Asia & Oceania	4,246	+78
Thermos Business	1,360	+27
Business Segments Total	19,312	+36
Companywide (common)	86	+5
Total	19,398	+41

(Note) 1. The numbers are those of employees.

2. The Company has changed the breakdown of business segments effective from the fiscal year under review. Accordingly, the figures for the previous fiscal year were reclassified to reflect the change and compared with the figures for the current fiscal year.

(8) Main sources of borrowings (as of March 31, 2022)

Source of Borrowings	Amount of Borrowings
Mizuho Bank, Ltd.	280,857 mil. yen
MUFG Bank, Ltd.	146,014 mil. yen
The Norinchukin Bank	138,200 mil. yen

2. Status of Company

(1) Status of shares (as of March 31, 2022)

- 1) No. of authorized shares 1,600,000,000
- 2) No. of shares issued 433,092,837
- 3) No. of shareholders 18,240

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
The Master Trust Bank of Japan, Ltd. (trust account)	30,798	7.11
Client shareholding association of Taiyo Nippon Sanso Corporation	17,085	3.95
Custody Bank of Japan, Ltd. (trust account)	13,377	3.09
Meiji Yasuda Life Insurance Company	10,007	2.31
Mizuho Bank, Ltd.	8,182	1.89
The Norinchukin Bank	3,500	0.81
Employee shareholding association of Nippon Sanso Holdings Corporation	3,180	0.73
JP MORGAN CHASE BANK 385632	3,167	0.73
Ibiden Co., Ltd.	3,004	0.69

(Note) 1. Our Company has 184,000 treasury shares.

2. The shareholding ratio excludes treasury shares.

(2) Status of Company officers

1) Status of directors & Audit & Supervisory Board (hereinafter, sometimes referred to as “A&S Board”) members (as of March 31, 2022)

Name	Position	Duties in charge & main concurrent posts
Toshihiko Hamada	Representative Director President	CEO Member of Advisory Committee on Appointments and Remuneration Member of the Board, KAITEKI Institute, Inc.
Yujiro Ichihara	Director	Chairman of the Board of Directors Member of Advisory Committee on Appointments and Remuneration
Kenji Nagata	Director	Representative Director & President, Taiyo Nippon Sanso Corporation
Thomas Scott Kallman	Director	Chairman and CEO, Matheson Tri-Gas, Inc.
Eduardo Gil Elejoste	Director	Chairman and President, Nippon Gases Euro-Holding S.L.U.
Akio Yamada	Director	Chairman of Advisory Committee on Appointments and Remuneration Chairman, Fair Trade Institute
Mitsuhiro Katsumaru	Director	Member of Advisory Committee on Appointments and Remuneration Of Counsel, Shiba International Law Offices Member of the Board (Outside director), Shimano Inc.
Miri Hara	Director	Member of Advisory Committee on Appointments and Remuneration Representative Certified Public Tax Accountant, Tax Corporation Yokohama Benten Accounting, Inc. Member of the Board (Outside director), SECOM CO., LTD.
Hidefumi Date	Director	Director of the Board, Managing Corporate Executive Officer, Mitsubishi Chemical Holdings Corporation Chief Financial Officer Representative Director and President of Mitsubishi Chemical Holdings Corporate Staff, Inc.
Junzo Tai	A&S Board member (Full-time)	
Akihiro Hashimoto	A&S Board member (Full-time)	
Masahiro Osada	A&S Board member (Full-time)	
Kazuya Kobayashi	A&S Board member (Full-time)	A&S Board member (Part-time), Taiyo Nippon Sanso Corporation

- (Notes) 1. Representative Director and President Toshihiko Hamada 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. The personnel change to the executive positions and responsibilities effective from the next day of the end of the fiscal year under review is as follows.

Name	Before the personnel change	After the personnel change	Date of personnel change
Hidefumi Date	Director of the Board, Managing Corporate Executive Officer and Chief Financial Officer, Mitsubishi Chemical Holdings Corporation	Director of the Board, Mitsubishi Chemical Holdings Corporation	April 1, 2022
	Representative Director and President of Mitsubishi Chemical Holdings Corporate Staff, Inc.	(Same as on the left)	*1

*1 Mitsubishi Chemical Holdings Corporate Staff, Inc. is slated to be dissolved as of June 1, 2022 in an absorption-type merger with Mitsubishi Chemical Holdings Corporation as the surviving company in accordance with the Merger Agreement concluded between the parties on March 31, 2022. Accordingly, Mr. Hidefumi Date's position as Representative Director and President of Mitsubishi Chemical Holdings Corporate Staff, Inc. will cease to exist as of the date of the dissolution.

3. Directors Akio Yamada, Mitsuhiro Katsumaru, and Miri Hara are outside directors.
4. A&S Board members, Akihiro Hashimoto, Masahiro Osada, and Kazuya Kobayashi are outside A&S Board members.
5. A&S Board members Junzo Tai, Akihiro Hashimoto, Masahiro Osada, and Kazuya Kobayashi have significant financial and accounting knowledge as follows.
- A&S Board member Junzo Tai has long-term professional experience at the Company's accounting department, and possesses a substantial level of financial and accounting knowledge.
 - A&S Board member Akihiro Hashimoto has long-term professional experience at financial institutions, and possesses a substantial level of financial and accounting knowledge.
 - A&S Board member 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.
 - A&S Board member Kazuya Kobayashi has long-term professional experience at financial institutions, and possesses a substantial level of financial and accounting knowledge.
6. The Company has designated Directors Akio Yamada, Mitsuhiro Katsumaru, and Miri Hara, and A&S Board members 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) Overview of contents of directors and officers (D&O) liability insurance agreement

The Company has 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 due to the acts in the course of their duties, 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.)

The insured parties of the insurance policy are directors, A&S Board members, and executive officers, etc. of the Company, and 6 consolidated domestic subsidiaries, including Taiyo Nippon Sanso Corporation and NIPPON EKITAN CORPORATION. For some of those subsidiaries, the insured parties bear the premium for derivative lawsuits endorsement. Meanwhile, the Company and the other subsidiaries themselves bear that premium, and the insured parties do not need to pay it for them.

Also, we specified the deductible amount to ensure the appropriateness of execution of duties by the insured. The damages below the deductible amount shall not be covered by the insurance policy.

4) Directors and A&S Board members who resigned or were discharged during the business year

There were no directors and A&S Board members who resigned or were discharged during the fiscal year under review.

5) Total amount of remunerations, etc. for directors & A&S Board members

Category of officers	Total remunerations (millions of yen)	Total amount of remunerations by type (millions of yen)		No. of corresponding officers
		Basic remuneration	Performance-linked remuneration	
Director (of which outside directors)	233 (33)	174 (33)	59 (—)	10 (3)
A&S Board members (of which outside A&S Board members)	103 (75)	103 (75)	— (—)	4 (3)
Total (of which outside officers)	337 (108)	278 (108)	59 (—)	14 (6)

- (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 A&S Board members 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 A&S Board members 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 who retired during the fiscal year under review.

6) Matters related to performance-linked remunerations, etc.

The Board of Directors and the Audit and Supervisory Board consult with the Advisory Committee on Appointment & Remuneration about appropriateness of the remuneration system for the directors and A&S Board members. The Advisory Committee on Appointment & Remuneration discusses the issue and submits the result to the Board of Directors and the Audit and Supervisory Board. 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. Also, outside directors and directors who mainly serve as officers of subsidiaries receive the fixed “Basic Monthly Remuneration” only as remuneration for directors of the Company. 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 and directors who mainly serve as officers of subsidiaries) in FYE March 2022(Note)

Degree of achievement in the budget of the fiscal year ended March 31, 2022

Indicator for evaluation	Weight for evaluation	FYE March 2022 Target	FYE March 2022 Results
Consolidated revenue	25%	865,000 mil. yen	957,169 mil. yen
Consolidated core operating profit margin	25%	11.1%	10.7%

Year-on-year performance improvements

Indicator for evaluation	Weight for evaluation	FYE March 2021 Results	FYE March 2022 Results
Consolidated revenue	16.6%	818,238 mil. yen	957,169 mil. yen
Consolidated core operating profit	16.6%	87,251 mil. yen	102,710 mil. yen
Net income attributable to owners of the parent	16.6%	55,214 mil. yen	64,103 mil. yen

(Note) Since the medium-term management plan has not been formulated yet for the FYE March 2022, "Degree of achievement in the budget of the FYE March 2022 (Consolidated revenue and Consolidated core operating profit margin)" is used to calculate directors' performance-linked remuneration (approved by the Board of Directors held on June 18, 2021), instead of "Degree of achievement in the budget based on medium-term management plan targets (Consolidated revenue and Consolidated core operating profit margin)" specified by the Company's internal regulations on remuneration for directors.

7) Details of non-monetary remuneration

None

8) Matters related to resolutions at General Meeting of Shareholders regarding remuneration, etc. for directors & A&S Board members

This is as described in the above (Notes) 2. and 3. of "5) Total amount of remunerations, etc. for directors & A&S Board members."

9) 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, the Representative Director/President, and Chairman of the Board of Directors, 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 have been revised three times.

b. Overview of determination policy

The amount of remuneration, etc. for directors and A&S Board members 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 A&S Board members.

The amount of remuneration for each director is determined on the basis of the policy described in "6) Matters related to performance-linked remunerations, etc."

Outside directors and directors who mainly serve as officers of subsidiaries receive the fixed "Basic Monthly Remuneration" only as remuneration for directors of the Company. 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.

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

At its meeting on June 18, 2021, the Board of Directors passed a resolution delegating the decision-making authority to Representative Director Toshihiko Hamada 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.

11) 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.
- Director Miri Hara is the Representative Certified Public Tax Accountant, Tax Corporation Yokohama Benten Accounting, Inc. and an Outside director, SECOM CO., LTD. The Company and the two entities where she concurrently works have no special interests in each other.

b. Main activities in fiscal year under review

- Main activities of outside directors & outside A&S Board members

Category	Name	Board meeting attendance	A&S Board meeting attendance	Main activities, remarks & overview of duties done in relation to role expected of outside director
Outside director	Akio Yamada	14 appearances at 14 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/A&S Board members, planning a successor to the President/CEO, mulling desirable remuneration for directors, etc.
Outside director	Mitsuhiro Katsumaru	14 appearances at 14 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/A&S Board members, planning a successor to the President/CEO, mulling desirable remuneration for directors, etc.
Outside director	Miri Hara	10 appearances at 10 meetings	—	Her experience as director of real estate management company for many years, expert knowledge as Certified Public Tax Accountant, and perspective of the promotion of diversity, and women's empowerment, were expected to be used in the Company's management. While offering necessary advice on the promotion of diversity in the Company, she expressed opinions, as a member of the Advisory Committee on Appointments & Remuneration, in discussing the selection of candidates for directors/A&S Board members, planning a successor to the President/CEO, mulling desirable remuneration for directors, etc.
Outside A&S Board member	Akihiro Hashimoto	14 appearances at 14 meetings	17 appearances at 17 meetings	He has provided the Board of Directors with advice to ensure appropriateness of decision-making. Also, as a full-time A&S Board member, 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 A&S Board member	Masahiro Osada	14 appearances at 14 meetings	17 appearances at 17 meetings	He has provided the Board of Directors with advice to ensure appropriateness of decision-making. Also, as a full-time A&S Board member, 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 A&S Board member	Kazuya Kobayashi	14 appearances at 14 meetings	17 appearances at 17 meetings	He has provided the Board of Directors with advice to ensure appropriateness of decision-making. Also, as a full-time A&S Board member, 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 14 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	100mil. yen
Total amount of money and other economic benefits to be paid by Company and its subsidiaries to accounting auditor	222 mil. yen

(Note) 1. Among the significant subsidiaries of the Company, the financial statements of Matheson Tri-Gas, Inc., Western International Gas & Cylinders, Inc., Continental Carbonic Products, Inc., Nippon Gases Euro-Holding S.L.U., Nippon Gases Italia S.r.l., Nippon Gases Espana S.L.U., Nippon Sanso Holdings Singapore Pte. Ltd., Leeden National Oxygen Ltd., NSC (Australia) Pty Ltd, Supagas Pty Ltd, Taiyo Nippon Sanso (China) Investment Co., Ltd., Taiyo Nippon Sanso Trading (Shanghai) Co., Ltd., and Nippon Sanso Taiwan, Inc. are audited (limited to audits stipulated in the Companies Act or the Financial Instruments and Exchange Act [including similar foreign laws]) by a certified public accountant or an auditing firm (including overseas auditors possessing qualifications similar to the Accounting Auditor of the Company) other than the Accounting Auditor of the Company.

2. Under our audit contract between the Company and its accounting auditor, remuneration, etc. for audits are not clearly distinguishable 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 the accounting auditor the work of elaborating a comfort letter 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 Board member 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, a Board member 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.

(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.

Consolidated Financial Statements

Consolidated Statements of Financial Position (As of March 31, 2022)

Assets		Liabilities	
Accounting item	Millions of Yen	Accounting item	Millions of Yen
Current assets	422,493	Current liabilities	331,595
Cash and cash equivalents	93,697	Trade payables	115,123
Trade receivables	218,480	Bonds and borrowings	110,595
Inventories	80,064	Income tax payable	9,746
Other financial assets	7,310	Other financial liabilities	65,228
Other current assets	22,940	Provisions	1,068
Non-current assets	1,554,532	Other current liabilities	29,832
Property, plant and equipment	729,658	Non-current liabilities	984,292
Goodwill	485,190	Bonds and borrowings	779,749
Intangible assets	241,320	Other financial liabilities	31,231
Investments accounted for using the equity method	35,700	Retirement benefit liabilities	14,165
Other financial assets	55,410	Provisions	5,107
Retirement benefit asset	2,468	Other non-current liabilities	20,918
Other non-current assets	1,163	Deferred tax liabilities	133,120
Deferred tax assets	3,619	Total liabilities	1,315,888
		Net assets	
		Net assets attributable to owners of parent	628,714
		Share capital	37,344
		Capital surplus	55,945
		Treasury shares	(281)
		Retained earnings	476,589
		Other components of equity	59,115
		Non-controlling interests	32,423
		Total net assets	661,137
Total assets	1,977,026	Total liabilities and net assets	1,977,026

(Note) Fractions of one million yen are rounded off

Consolidated Statement of Profit and Loss (From April 1, 2021 to March 31, 2022)

Accounting item	Millions of Yen
Revenue	957,169
Cost of sales	(598,597)
Gross profit	358,572
Selling, general & admin. Exps.	(259,204)
Other operating income	2,241
Other operating expenses	(3,937)
Equity earnings of affiliates	3,512
Operating income	101,183
Financial income	2,192
Financial costs	(11,765)
Profit before income taxes	91,611
Income taxes	(24,973)
Profit	66,637
Profit attributable to	
Owners of parent	64,103
Non-controlling interests	2,534

(Note) Fractions of one million yen are rounded off

(Reference) Condensed consolidated statements of Cash flows (unaudited)

	FYE2021 Full-term	FYE2022 Full-term	YoY	
(Unit: ¥ bn.)			Difference	%Change
Income before income taxes	77.7	91.6	+ 13.9	+ 17.9%
Depreciation and amortization	86.3	92.4	+6.1	
Changes in working capital	0.5	-20.6	-21.1	
Others	-15.3	-14.6	+0.7	
Cash flows from operating activities	149.2	148.7	-0.5	-0.3%
Capital expenditures	-60.0	-74.4	-14.4	
Investments and loans	-0.7	-2.0	-1.3	
Others (asset sales, etc.)	1.1	5.6	+4.5	
Cash flows from investing activities	-59.6	-70.8	-11.2	-18.7%
Free cash flow	89.5	77.9	-11.6	-13.0%
Cash flows from financing activities	-103.1	-77.9	+25.2	+24.4%

(Note) This “(Reference)Condensed consolidated statements of Cash flows” is solely for the convenience of shareholders and is outside scope of independent auditor’s nor Audit & Supervisory Board Member’s audit.

(Note) Fractions of 100 million yen are rounded off

Non-Consolidated Financial Statements

Balance Sheet (As of March 31, 2022)

Accounting items	Amount	Accounting items	Amount
(Assets)	Millions of Yen	(Liabilities)	Millions of Yen
Current Assets	48,026	Current Liabilities	93,381
Cash and cash in bank	12,836	Short-term loan payable	59,292
Account receivable	121	Commercial paper	7,000
Short-term loans receivable	29,613	Current portion of long-term loan	23,690
Other current assets	5,454	Accrued expenses	1,466
Non Current Assets	929,636	Other current liabilities	1,931
Tangible Assets	5,191	Non Current Liabilities	621,815
Building and structures	3,051	Bonds	198,000
Machinery and equipment	1,231	Long-term loan payable	421,809
Tools, furniture and fixtures	158	Deferred tax liabilities	1,689
Land	717	Other non-current liabilities	316
Lease assets	1	Total Liabilities	715,196
Construction in progress	31	(Net assets)	
Investments and Other Assets	924,444	Shareholders' Equity	258,949
Investment in securities	25,086	Share capital	37,344
Investment in affiliates stock	646,307	Capital surplus	57,860
Investment in LLC and partnership	128	Legal capital surplus	56,433
Investment in affiliates	9,931	Other capital surplus	1,427
Long-term loans receivables	242,641	Retained Earnings	163,945
Other investments	382	Legal retained earnings	7,664
Allowance for doubtful accounts	(34)	Other retained earnings	156,280
		Reserve for tax purpose reduction	857
		General reserve	65,717
		Retained earnings	89,705
		Treasury shares	(201)
		Valuation and Translation Adjustments	3,517
		Valuation difference on available-for-sale securities	10,886
		Deferred gain and loss on hedges	(7,369)
		Total Net Assets	262,466
Total Assets	977,662	Liabilities and Net Assets	977,662

(Note) Fractions of one million yen are rounded off

Profit and Loss Statement (From April 1, 2021 to March 31, 2022)

Accounting items	Amount	
		Millions of Yen
Operating revenue		18,741
Operating expenses		5,523
Operating Profit		13,217
Non operating income		
Interest income & Dividends	2,540	
Foreign exchange gains	291	
Others	17	2,849
Non operating expenses		
Interest expenses	5,960	
Loss on sale of non-current assets	12	
Others	199	6,171
Ordinary Profit		9,894
Extraordinary gain		
Gain on sale of investment securities	3,491	3,491
Extraordinary loss		
Loss on sale of investment securities	5	5
Profit Before Income Taxes		13,381
Income taxes	(1,583)	
Deferred tax	931	(652)
Profit		14,033

(Note) Fractions of one million yen are rounded off

Copy of Report of Accounting Auditor Regarding Consolidated Financial Statements

Independent Auditors' Audit Report

May 10, 2022

To: Board of Directors of Nippon Sanso Holdings Corporation

Ernst & Young ShinNihon LLC

Tokyo Office

Maruyama Takao

Designated Limited Liability Partner, Managing Partner

Certified Public Accountant

Kawawaki Tetsuya

Designated Limited Liability Partner, Managing Partner

Certified Public Accountant

Opinion

Under Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements (i.e., consolidated statement of financial position, consolidated statement of income, consolidated statement of changes in equity, important basic matters for the preparation of the consolidated financial statements, and other notes) of Nippon Sanso Holdings Corporation for the fiscal year from April 1, 2021 to March 31, 2022.

In our opinion, the above-mentioned consolidated financial statements, in all material respects, appropriately present the financial position and results of the operations of the group consisting of Nippon Sanso Holdings Corporation and its consolidated subsidiaries for the period covered by these statements, in compliance with the accounting standards that omit some items whose disclosure is required by the designated International Financial Reporting Standards as stipulated by the provision of the latter part of Article 120, Paragraph 1 of the Regulations on Corporate Accounting.

Basis for the Opinion

We conducted our audit by auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for Auditing the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries under the provisions related to professional ethics in Japan, and we fulfill other ethical responsibilities as auditors. We believe that we have obtained sufficient and appropriate audit evidence that serves as a basis for presenting our opinion.

Other descriptions

"Other descriptions" means the business report and its supplementary schedules. Management is responsible for preparing and disclosing other descriptions. The Audit & Supervisory Board and its members are responsible for monitoring the performance of duties by the Directors in their development and operation of the reporting process of the other descriptions.

Our firm's audit opinion for the consolidated financial statements does not cover the other descriptions. We do not express any opinion about the other descriptions.

In the audit of the consolidated financial statements, we have the responsibility to read over the other descriptions and, during that reading, to examine whether there are any material differences between the other descriptions and the consolidated financial statements or our knowledge obtained during our audit, and to check to see whether there are any signs of material errors in the other descriptions besides such material differences.

If, based on our work, we determine that there are material errors in the other descriptions, we are required to report that fact. The other descriptions have no issues that should be reported by us.

Responsibility of Management, Audit & Supervisory Board Members, and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for preparing and appropriately presenting consolidated financial statements in compliance with the accounting standards that omit some items whose disclosure is required by the designated International Financial Reporting Standards as stipulated by the provision of the latter part of Article 120, Paragraph 1 of the Regulations on Corporate Accounting. The responsibility includes development and operation of internal controls that management determines are necessary to prepare and appropriately present the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for evaluating the appropriateness of doing so on a going concern assumption, and for disclosing matters related to a going concern when such disclosure is obligatory in compliance with the accounting standards that omit some items whose disclosure is required by the designated International Financial Reporting Standards as stipulated by the provision of the latter part of Article 120, Paragraph 1 of the Regulations on Corporate Accounting.

The Audit & Supervisory Board and its members are responsible for monitoring the execution of duties by the Directors in their development and operation of the financial reporting process.

Auditor's Responsibility for Auditing the Consolidated Financial Statements

The auditor's responsibility is to obtain reasonable assurance on if the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion in the audit report on these consolidated financial statements from an independent position based on the audit conducted by the auditor. Misstatement can occur due to fraud or error. Misstatement is deemed material when it is reasonably estimated to individually or cumulatively influence the decision-making of the users of the consolidated financial statements.

In its auditing process, the auditor makes judgments as a professional specialist and conducts the following while maintaining professional skepticism by auditing standards generally accepted in Japan:

- Identify and assess the risks of material misstatement due to fraud or error. Design and perform audit procedure that deals with the risks of material misstatement. The selection and application of the audit procedures depend on the auditor's judgement. Moreover, obtain sufficient and appropriate audit evidence to provide a basis for expressing the audit opinion.
- The purpose of auditing the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control. But in assessing risks, the auditor considers internal controls relevant to the audit in order to design audit procedures that are appropriate for the circumstances.
- Evaluate the appropriateness of accounting policies and their application methods adopted by management, the reasonableness of accounting estimates made by management and the propriety of the relevant notes.
- Conclude whether or not it is appropriate for management to prepare the consolidated financial statements under the going concern assumption. Also, conclude whether or not the audit evidence obtained informs some material uncertainties about events or conditions that cast serious doubt on the going concern assumption. When uncertainties about the going concern assumption is acknowledged, it is required to issue an alert about the notes to the consolidated financial statements in the audit report. When the notes to the consolidated financial statements about material uncertainties are inappropriate, it is required to express an opinion with qualifications about these statements. The auditor's conclusion is based on audit evidence obtained up until the issue date of the audit report. Future events or conditions may cause the Company to stop continuing as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes to them comply with the accounting standards that omit some items whose disclosure is required by the designated International Financial Reporting Standards as stipulated by the provision of the latter part of Article 120, Paragraph 1 of the Regulations on Corporate Accounting. Also evaluate the presentation, structure, and content of the consolidated financial statements including their related notes, as well as whether the consolidated financial statements appropriately present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence about the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, monitoring, and conducting the audit of the consolidated financial statements. The auditor is solely responsible for the audit opinion.

The auditor reports to the Audit & Supervisory Board and its members on the scope and timing of the planned audits, material audit findings identified during the audit including any material weakness in internal controls, and other matters required by the auditing standards.

The auditor reports to the Audit & Supervisory Board and its members on its compliance with the provisions in Japan for professional ethics about independence, matters that are reasonably considered to influence the independence of the auditor, and the description of any safeguard measures taken to eliminate or reduce impediments.

Conflicts of Interests

The Company and its consolidated subsidiaries have no interest relationship with our audit firm or its managing partners that should be stated under the Certified Public Accountants Act.

Copy of Report of Accounting Auditor Regarding Non-Consolidated Financial Statements

Independent Auditors' Audit Report

May 10, 2022

To: Board of Directors of Nippon Sanso Holdings Corporation

Ernst & Young ShinNihon LLC

Tokyo Office

Maruyama Takao

Designated Limited Liability Partner, Managing Partner

Certified Public Accountant

Kawawaki Tetsuya

Designated Limited Liability Partner, Managing Partner

Certified Public Accountant

Opinion

Under Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the non-consolidated financial statements and their related documents (i.e., non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, notes to the non-consolidated financial statements, and supplementary schedules) of Nippon Sanso Holdings Corporation for the fiscal year from April 1, 2021 to March 31, 2022.

In our opinion, the above-mentioned non-consolidated financial statements and their related documents, in all material respects, appropriately present the financial position and results of operations for the period covered by these statements and documents by accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit by auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for Auditing the Non-consolidated Financial Statements and Their Related Documents." We are independent of the Company under the provisions related to professional ethics in Japan, and we fulfill other ethical responsibilities as auditors. We believe that we have obtained sufficient and appropriate audit evidence that serves as a basis for presenting our opinion.

Other descriptions

"Other descriptions" means the business report and its supplementary schedules. Management is responsible for preparing and disclosing other descriptions. The Audit & Supervisory Board and its members are responsible for monitoring the performance of duties by the Directors in their development and operation of the reporting process of the other descriptions.

Our firm's audit opinion for the non-consolidated financial statements and their related documents does not cover the other descriptions. We do not express any opinion about the other descriptions.

In the audit of the non-consolidated financial statements and their related documents, we have the responsibility to read over the other descriptions and, during that reading, to examine whether there are any material differences between the other descriptions and the non-consolidated financial statements and their related documents or our knowledge obtained during our audit, and to check to see whether there are any signs of material errors in the other descriptions besides such material differences.

If, based on our work, we determine that there are material errors in the other descriptions, we are required to report that fact.

The other descriptions have no issues that should be reported by us.

Responsibility of Management, Audit & Supervisory Board Members, and the Audit & Supervisory Board for the Non-consolidated Financial Statements and Their Related Documents

Management is responsible for preparing and appropriately presenting the non-consolidated financial statements and their related documents by accounting principles generally accepted in Japan. The responsibility includes development and operation of internal controls that management determines are necessary to prepare and appropriately present the non-consolidated financial statements and their related documents that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements and their related documents, management is responsible for evaluating the appropriateness of doing so on a going concern assumption, and for disclosing matters related to a going concern when disclosure is obligatory by accounting principles generally accepted in Japan.

The Audit & Supervisory Board and its members are responsible for monitoring the execution of duties by the Directors in their development and operation of the financial reporting process.

Auditor's Responsibility for Auditing the Non-consolidated Financial Statements and Their Related Documents

The auditor's responsibility is to obtain reasonable assurance on if the non-consolidated financial statements and their related documents as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion in the audit report on these statements and documents from an independent position based on the audit conducted by the auditor. Misstatement can occur due to fraud or error. Misstatement is deemed material when it is reasonably estimated to individually or cumulatively influence the decision-making of the users of the non-consolidated financial statements and their related documents.

In its auditing process, the auditor makes judgments as a professional specialist and conducts the following while maintaining professional skepticism by auditing standards generally accepted in Japan:

- Identify and assess the risks of material misstatement due to fraud or error. Design and perform audit procedure that deals with the risks of material misstatement. The selection and application of the audit procedures depend on the auditor's judgement. Moreover, obtain sufficient and appropriate audit evidence to provide a basis for expressing the audit opinion.
- The purpose of auditing the non-consolidated financial statements and their related documents is not to express an opinion on the effectiveness of the entity's internal control. But in assessing risks, the auditor considers internal controls relevant to the audit in order to design audit procedures that are appropriate for the circumstances.
- Evaluate the appropriateness of accounting policies and their application methods adopted by management, the reasonableness of accounting estimates made by management and the propriety of the relevant notes.
- Conclude whether or not it is appropriate for management to prepare the non-consolidated financial statements and their related documents under the going concern assumption. Also, conclude whether or not the audit evidence obtained informs some material uncertainties about events or conditions that cast serious doubt on the going concern assumption. When uncertainties about the going concern assumption is acknowledged, it is required to issue an alert about the notes to the non-consolidated financial statements and their related documents in the audit report. When the notes to the non-consolidated financial statements and their related documents about material uncertainties are inappropriate, it is required to express an opinion with qualifications about these statements and documents. The auditor's conclusion is based on audit evidence obtained up until the issue date of the audit report. Future events or conditions may cause the Company to stop continuing as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements and their related documents and the notes to them are prepared by principles generally accepted in Japan. Also, evaluate the presentation, structure, and content of these statements and documents including their notes, as well as whether these statements and documents appropriately present the underlying transactions and accounting events.

The auditor reports to the Audit & Supervisory Board and its members on the scope and timing of the planned audits, material audit findings identified during the audit including any material weakness in internal controls, and other matters required by the auditing standards.

The auditor reports to the Audit & Supervisory Board and its members on its compliance with the provisions in Japan for professional ethics about independence, matters that are reasonably considered to influence the independence of the auditor, and the description of any safeguard measures taken to eliminate or reduce impediments.

Conflicts of Interests

No interest relationship exists between the Company and our audit firm or its managing partners that should be stated under the Certified Public Accountants Act.

Copy of the Audit & Supervisory Board Audit Report

Audit Report

In regard to the Directors' performance of their duties for the business year from April 1, 2021 to March 31, 2022, the Audit & Supervisory Board has prepared this Audit Report after deliberations based on the audit reports prepared by each Audit & Supervisory Board member and reports as follows.

1. Method and Contents of Audits by the Audit & Supervisory Board and Its Members

- (1) The Audit & Supervisory Board determined the audit policies and division of duties, etc. and received reports from each Audit & Supervisory Board member regarding the implementation status and results of their audits, in addition to which it received reports from the Directors, etc. and the accounting auditor regarding the status of the performance of their duties and requested explanations as necessary.
- (2) In compliance with the audit standards established by the Audit & Supervisory Board and in accordance with the audit policies and division of duties, etc., each Audit & Supervisory Board member communicated with the Directors, the internal audit department, and other employees, etc., endeavored to gather information and develop the audit environment, and conducted audits using the following methods.
 - (i) The Audit & Supervisory Board members attended meetings of the Board of Directors and other important meetings either online or in person, received reports from the Directors and employees, etc. regarding the status of the performance of their duties, requested explanations as necessary, reviewed important decision-making documents, etc., and inspected the status of operations and assets. Additionally, in regard to subsidiaries, the Audit & Supervisory Board members communicated and exchanged information with the Directors and Audit & Supervisory Board members, etc. of subsidiaries either online or in person and received reports on business from subsidiaries as necessary.
 - (ii) In regard to the content of resolutions of the Board of Directors regarding the development of systems to ensure that the Directors' performance of their duties complies with laws, regulations, and the Articles of Incorporation and other systems provided for in Article 100, paragraph (1) and paragraph (3) of Regulations for Enforcement of the Companies Act as systems necessary to ensure the appropriateness of operations of the corporate group composed of a stock company and its subsidiaries, as well as the systems developed pursuant to those resolutions (i.e., internal control systems) stated in the Business Report, the Audit & Supervisory Board members periodically received reports from the Directors and employees, etc. regarding the status of the establishment and operation of those systems and requested further explanations as necessary and expressed opinions in regard thereto.

The Audit & Supervisory Board members also received reports from the Directors, etc. and Ernst & Young ShinNihon LLC on their evaluation of internal controls for financial reporting and on the status of auditing such internal controls and requested further explanations as necessary.

- (iii) In regard to the basic policies provided for in Article 118, item (iii)(a) of Regulations for Enforcement of the Companies Act, the efforts provided for in item (iii)(b) of that article, the matters given due consideration provided for in item (v)(a) of that article, and the judgment and reasons provided for in item (v)(b) of that article, each as stated in the Business Report, the Audit & Supervisory Board members considered the contents thereof taking into account matters such as the status of deliberations at meetings of the Board of Directors and by any other method.
- (iv) The Audit & Supervisory Board members monitored and checked whether the accounting auditor maintained an independent position and conducted appropriate audits, received reports from the accounting auditor on the status of the performance of its duties, and requested further explanations as necessary. Additionally, the Audit & Supervisory Board members received notification from the accounting auditor that, in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), etc., it had developed systems in order to ensure that its duties are appropriately performed (as listed in each item of Article 131 of the Ordinance on Accounting of Companies) and requested further explanations as necessary.

Using the methods above, the Audit & Supervisory Board examined the Business Report, the supplementary schedules thereto, the accounting documents (i.e., the balance sheet, statement of income, statement of changes in net assets, and explanatory notes to accounting documents), the supplementary schedules to the accounting documents, and the consolidated accounting documents (i.e., the consolidated statement of financial position, consolidated statement of income, consolidated statement of changes in equity, and explanatory notes to consolidated accounting documents) for the business year.

2. Audit Results

(1) Results of audit of business report, etc.

- (i) We acknowledge that the Business Report and the supplementary schedules thereto accurately present the status of the Company in accordance with laws, regulations, and the Articles of Incorporation.
- (ii) We do not acknowledge any misconduct nor any material fact constituting a violation of any law, regulation, or the Articles of Incorporation in relation to the Directors' performance of their duties.
- (iii) We acknowledge the content of the resolutions of the Board of Directors regarding internal control systems to be reasonable. Additionally, we do not acknowledge any matters that should be commented upon in regard to the statements in the Business Report or the Directors' performance of their duties relating to the internal control systems, including the internal controls for financial reporting.
- (iv) We do not acknowledge any matters that should be commented upon in regard to the basic policy regarding persons who control the determination of financial and business policies of the Company stated in the Business Report. We acknowledge that the efforts provided for in Article 118, item (iii)(b) of Regulations for Enforcement of the Companies Act and stated in the Business Report are in compliance with that basic policy and do not harm the common interests of the shareholders of the Company, and that their purpose is not to maintain the positions of the Directors of the Company.
- (v) In regard to transactions with the parent company stated in the Business Report, we do not acknowledge any matters that should be commented upon, in regard to the matters given due consideration so that the interests of the Company are not harmed when engaging in such transactions, the judgment of the Board of Directors regarding whether or not such transactions harm the interests of the Company, and the reasons for that judgment.

(2) Results of audit of accounting documents and supplementary schedules thereto

We acknowledge the methods and results of the audit by the accounting auditor, Ernst & Young ShinNihon LLC, to be reasonable.

(3) Results of audit of consolidated accounting documents

We acknowledge the methods and results of the audit by the accounting auditor, Ernst & Young ShinNihon LLC, to be reasonable.

May 11, 2022

The Audit & Supervisory Board of Nippon Sanso Holdings Corporation

Audit and Supervisory Board Member (Full-time)

Audit and Supervisory Board Member (Full-time)

Audit and Supervisory Board Member (Full-time)

Audit and Supervisory Board Member (Full-time)

(Note) Audit & Supervisory Board Members Akihiro Hashimoto, Masahiro Osada, and Kazuya Kobayashi are Outside Company Auditors specified by Article 2, Item (xvi) and Article 335, Paragraph (3) of the Companies Act.

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Memo

Map to the Venue of the 18th Ordinary General Meeting of Shareholders

Date and time: Friday, June 17, 2022, 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

Telephone: (03) 3447-1111

Nearest stations:

Shinagawa Station (Takanawa Exit) of JR Line and Keihin Kyuko Line (9-minute walk)

Takanawadai Station (A1 Exit) of Toei Asakusa Line (7-minute walk)

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