

[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.

(Securities Code: 4091)

May 12, 2023

1-3-26 Koyama, Shinagawa-ku Tokyo
Nippon Sanso Holdings Corporation
Toshihiko Hamada, Representative Director, President CEO

Partial corrections to the targets and results of indicators tied to Performance-linked Bonuses for directors included in the Business Report sections of the Notices of Convocation of the 17th and 18th Ordinary General Meetings of Shareholders

Nippon Sanso Holdings Corporation (the “Company”) hereby announces that there were errors in the Business Report sections of the following documents published by the Company:

“Notice of Convocation of the 17th Ordinary General Meeting of Shareholders” for the fiscal year ended March 31, 2021 (held on June 18, 2021)

“Notice of Convocation of the 18th Ordinary General Meeting of Shareholders” for the fiscal year ended March 31, 2022 (held on June 17, 2022)

We sincerely apologize for the errors and provide details of the corrections below.

[Corrected sections and correction details]

•Corrected sections:

1. Page 35 of “Notice of Convocation of the 17th Ordinary General Meeting of Shareholders”
“• Targets & results of indicators tied to Performance-linked Bonuses for directors (excluding outside directors) in FYE 2021”
2. Page 46 of “Notice of Convocation of the 18th Ordinary General Meeting of Shareholders”
“• 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”

•Correction details:

For both 1 and 2 above, in sections where the Company should have provided targets and results of indicators for the preceding year of the fiscal year covered by each notice, the Company has incorrectly provided targets and results of the fiscal year covered by each notice*. For details of the corrections, please refer to the following pages.

* In principle, remuneration for the Company’s directors is based on an annual salary system.

The "Performance-linked Bonuses" portion of the remuneration vary according to business results. The amount of remuneration is determined by reflecting the degree of achievements of each fiscal year’s budget based on medium-term management plan targets as well as year-on-year performance improvements, and paid from July of the following fiscal year (for example, the amount of remuneration paid to directors from July of the fiscal year ended March 31, 2022 was determined by reflecting the business performance of the fiscal year ended March 31, 2021, etc.).

In the Business Report section for the fiscal year ended March 31, 2022, the Company has incorrectly provided targets and results of indicators for the fiscal year ended March 31, 2022, instead of targets and results of indicators for the fiscal year ended March 31, 2021 that have served as the basis for determining the amount of remuneration for directors paid in the fiscal year covered by the report. Similarly, in the Business Report section for the fiscal year ended March 31, 2021, the Company has incorrectly provided targets and results of indicators for the fiscal year ended March 31, 2021, instead of targets and results of indicators for the fiscal year ended March 31, 2020.

**1. Page 35 of “Notice of Convocation of the 17th Ordinary General Meeting of Shareholders”
Corrections to “•Targets & results of indicators tied to Performance-linked Bonuses for
directors (excluding outside directors) in FYE 2021”**

[Before correction]

•Targets & results of indicators tied to Performance-linked Bonuses for directors (excluding outside directors) in FYE2021

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

Indicator for evaluation	Target for <u>FYE2021</u>	Results for <u>FYE2021</u>
Consolidated revenue	<u>830,000 mil. yen</u>	<u>818,238 mil. yen</u>
Consolidated core operating profit margin	<u>9.9%</u>	<u>10.7%</u>

Year-on-year performance improvements

Indicator for evaluation	Results of <u>FYE2020</u>	Results of <u>FYE2021</u>
Consolidated revenue	<u>850,239 mil. yen</u>	<u>818,238 mil. yen</u>
Consolidated core operating profit	<u>90,337 mil. yen</u>	<u>87,251 mil. yen</u>
Profit attributable to owners of parent company	<u>53,340 mil. yen</u>	<u>55,214 mil. yen</u>

[After correction]

•Targets & results of indicators tied to Performance-linked Bonuses for directors (excluding outside directors) in FYE2021

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

Indicator for evaluation	Target for <u>FYE2020</u>	Results for <u>FYE2020</u>
Consolidated revenue	<u>890,000 mil. yen</u>	<u>850,239 mil. yen</u>
Consolidated core operating profit margin	<u>10.7%</u>	<u>10.6%</u>

Year-on-year performance improvements

Indicator for evaluation	Results of <u>FYE2019</u>	Results of <u>FYE2020</u>
Consolidated revenue	<u>740,341 mil. yen</u>	<u>850,239 mil. yen</u>
Consolidated core operating profit	<u>65,819 mil. yen</u>	<u>90,337 mil. yen</u>
Profit attributable to owners of parent company	<u>41,291 mil. yen</u>	<u>53,340 mil. yen</u>

**2. Page 46 of “Notice of Convocation of the 18th Ordinary General Meeting of Shareholders”
Corrections to “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”**

[Before correction]

- 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	<u>FYE March 2022 Target</u>	<u>FYE March 2022 2022 Results</u>
Consolidated revenue	25%	<u>865,000 mil. yen</u>	<u>957,169 mil. yen</u>
Consolidated core operating profit margin	25%	<u>11.1%</u>	<u>10.7%</u>

Year-on-year performance improvements

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

(Note) Since the medium-term management plan has not been formulated 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.

[After correction]

- 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

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

Indicator for evaluation	Weight for evaluation	<u>FYE March 2021 Target</u>	<u>FYE March 2021 Results</u>
Consolidated revenue	25%	<u>830,000 mil. yen</u>	<u>818,238 mil. yen</u>
Consolidated core operating profit margin	25%	<u>9.9%</u>	<u>10.7%</u>

Year-on-year performance improvements

Indicator for evaluation	Weight for evaluation	<u>FYE March 2020 Results</u>	<u>FYE March 2021 Results</u>
Consolidated revenue	16.6%	<u>850,239 mil. yen</u>	<u>818,238 mil. yen</u>
Consolidated core operating profit	16.6%	<u>90,337 mil. yen</u>	<u>87,251 mil. yen</u>
Net income attributable to owners of the parent	16.6%	<u>53,340 mil. yen</u>	<u>55,214 mil. yen</u>

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