

[Translation for Reference and Convenience Purposes Only]

Note1. 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.

Other Electronic Matters related to the 21st Ordinary General Meeting of Shareholders (matters omitted from this convocation notice) (Excerpt)

- System to Ensure the Appropriateness of Business Operations and Implementation Status of Such Systems;
- Basic Policy on the Control over the Company;
- Consolidated statement of changes in equity;
- Notes to consolidated financial statements;
 - Statement of changes in equity; and
- Notes to non-consolidated financial statements.

[From April 1, 2024- to March 31, 2025]

Nippon Sanso Holdings Corporation

Among the electronically provided information, the following are to be omitted from the documents to be delivered to shareholders who requested paper copies in accordance with the provisions of applicable Japanese law and Article 17 of our Articles of Incorporation: “System to Ensure the Appropriateness of Business Operations and Implementation Status of Such Systems”; “Basic Policy on the Control over the Company”; “Consolidated statement of changes in equity”; “Notes to consolidated financial statements”; “Statement of changes in equity”; and “Notes to non-consolidated financial statements”

Note2. “Consolidated statement of changes in equity”; “Notes to consolidated financial statements”; “Statement of changes in equity”; and “Notes to non-consolidated financial statements” are stipulated in the Japanese original version only and omitted from this English translated version.

System to Ensure the Appropriateness of Business Operations and Implementation Status of Such Systems

1) Overview of internal control system

The system to ensure the appropriateness of business (“internal control system”) specified by the Companies Act and the Regulation for Enforcement of the Companies Act, is determined by a resolution adopted at the Board of Directors, as follows.

1. System for confirming the execution of duties by Company Group directors & employees complies with laws/regulations & Articles of Incorporation

- The directors of the Company shall determine the basic policy of compliance in the Group and establish an organization and rules to ensure its effectiveness.
- The Group Chief Compliance Officer (hereinafter referred to as “Group CCO”) is assigned to the Company, and a Regional Chief Compliance Officer (hereinafter referred to as “Regional CCO”) is assigned to each region. The Group CCO is in charge of supervision of compliance promotion activities in the Group, and the Regional CCO is in charge of supervision of compliance promotion activities in its region.
- The Group CCO and Regional CCO shall strive to enhance and establish the Group's compliance promotion activities.
- The “Global Compliance Committee” is held by the Group CCO on a regular basis, to share the compliance promotion policy and contents of compliance promotion activities in each region, and to discuss on the respective issue as necessary.
- The Company shall establish a whistle-blowing mechanism in Japan and overseas to ensure a system that allows us to report compliance violations within the Group and the possibility of such violations without suffering any disadvantage.
- In order to ensure the reliability of financial reporting, an internal control reporting system shall be established and its effective and efficient operation and evaluation shall be carried out.
- The Company’s audit department shall carry out an internal audit of the operational status of the above organizations, institutions and systems.

2. Matters concerning storage & management of information related to execution of duties by directors

- Information related to the execution of duties by directors shall be appropriately stored and managed based on the Information Security Policy, etc., established under the Information Security Management System of the Group.
- The above storage and management system shall allow relevant information to be kept available to directors and the Audit & Supervisory Board members.
- The Company’s internal audit department shall carry out an internal audit of the above operational status.

3. Regulations & other systems for managing Group risk of loss

- The directors of the Company shall determine the basic policy of risk management in the Group and establish an organization and rules to ensure its effectiveness.
- Risk management shall be carried out by the department in charge of the relevant field, and the Global Risk Management Committee shall be established to select important risks for the entire Group and formulate countermeasures.
- The Company’s internal audit department shall carry out an internal audit of the operational status of the above organization and institutions.

4. System to ensure efficient execution of duties by Group directors
 - In order to ensure the efficient execution of duties by directors, the Board of Directors shall practice reasonable division of duties and appoint appropriate executive officers.
 - The Representative Director, President shall execute his duties based on the basic policy specified by the Board of Directors, and discuss and decide on the necessary issues at the management meeting.
 - The Global Strategy Review Committee shall formulate the Group's management strategy and manage its progress.
 - A medium-term Group management plan shall be formulated, quantitative and qualitative targets shall be set to achieve the plan, and performance management shall be carried out through quarterly monitoring.
5. System to ensure appropriateness of Group operations
 - The Group shall manage its business based on the above policy, group management rules and other related regulations, and compliance promotion, risk management and other systems that make up the internal control system shall cover the entire Group. As a holding company, the Company shall support setting up and operating the internal control system of each Group company while respecting the independence of each Group company, and shall manage such internal control system according to the prevailing situation.
 - The Company's internal audit department shall cooperate with the internal audit department of each Group company, and shall grasp and evaluate the status of setting up and operating the internal control system in the Group through the audit of each Group company.
6. System for appointment of employees sought by Audit & Supervisory Board members to assist them

The Audit & Supervisory Board shall have a secretariat established as an organization for assisting the duties of the Audit & Supervisory Board members and as an entity independent of the command and order of directors. Dedicated employees shall be assigned to the secretariat.
7. Matters for securing independence of above employees from directors & ensuring effectiveness of instructions given to such employees
 - Employees of the Audit & Supervisory Board's secretariat mentioned in the preceding item shall not receive the command and order of directors when receiving an order necessary for audit work from the Audit & Supervisory Board members.
 - The evaluation of the above employees shall be carried out by the Audit & Supervisory Board members, and the prior consent of the Audit & Supervisory Board members shall be obtained for their transfer, disciplinary action, etc.
8. System for reporting to Audit & Supervisory Board members, system for ensuring no unfavorable treatment of anyone reporting to Audit & Supervisory Board members because of the report
 - The Audit & Supervisory Board members and directors shall hold regular meetings to share information, and directors and employees shall report the following matters 1) to 5) to the Audit & Supervisory Board members without delay in addition to legal matters.
 - The Company's directors and employees, and the directors, the Audit & Supervisory Board members and employees of each Group company shall report to the Company's department in charge of regarding matters corresponding to 4) or 5) below, and may also report directly to the Audit & Supervisory Board members or the Audit & Supervisory Board.
 - It is prohibited for anyone who has made a report to the Audit & Supervisory Board members specified in this item to be treated unfavorably because of the report.
 - 1) Contents decided by directors regarding important matters that affect the management of the Company or each Group company;
 - 2) Results of internal audits conducted by the department in charge of such internal audits in the Company or each Group company;
 - 3) Of the whistle-blowing mechanism, any matter that has a significant impact on the management of the Company or each Group company;
 - 4) Matters that violate compliance and have a significant impact on the management of the Company or each Group company;
 - 5) Among matters related to poor quality and product defects, matters that have a significant impact on the management of the Company or each Group company.

9. Policy related to processing of expenses or debts incurred in the Audit & Supervisory Board members' execution of duties

When an Audit & Supervisory Board member requests prepayment or reimbursement of expenses for the execution of his/her duties, the request shall be met promptly unless it is deemed that the expenses or debts related to the request are not necessary for the execution of the relevant Audit & Supervisory Board member's duties.

10. Other systems to ensure effective audits by Audit & Supervisory Board members

The Audit & Supervisory Board shall cooperate with the internal audit department, and shall receive a prior report on the audit plan of an accounting auditor, regularly receive reports on audit results, and make other efforts to maintain close relations with the accounting auditor in order to supervise the accounting auditor and ensure the independence of the accounting auditor from directors.

2) Operational status of internal control system

1. Operational status of compliance

The Company strives to improve and gain support for compliance promotion activities across the Group, and under the initiative of Group Chief Compliance Officer (Group CCO), a Regional Chief Compliance Officer (Regional CCO) is assigned to the zones where our business is conducted, and develops compliance promotion activities in response to risks in each zone.

As for compliance promotion in overseas regions, under the initiative and supervision of Group CCO, Regional CCOs in the United States, Europe, East Asia, Taiwan, Southeast Asia/India, and Australia promoted compliance activities, such as training in accordance with the regional compliance risks.

In order to promote our compliance in Japan, the persons in charge of compliance promotion who were appointed for domestic Group companies, including the Company, Taiyo Nippon Sanso Corporation, and Thermos K.K., by the Taiyo Nippon Sanso Group CCO implemented compliance training.

In the Global Compliance Committee held by the Group CCO, we exchanged information on various compliance themes, discussed the issues to be solved to promote compliance training and the operational issues in the whistle-blowing mechanism, while confirming the compliance promotion policy, sharing the status of compliance promotion activities in each region and the progress status of lawsuit.

The contents of Global Compliance Committee are reported to the Board of Directors.

We also have a whistle-blowing channel in place in each domestic and overseas Group company for early discovery and correction of compliance violations. For each whistle-blowing case, we respond with remedy action, recommendations, etc. based on thorough investigations, thus leading to formulation of countermeasures to prevent any recurrence. In the specific operation of the whistle-blowing mechanism, we thoroughly protect whistle-blowers and prohibit their detrimental treatment.

2. Operational status of information security

The Company established the Global Information Security Council (GISC) for the purpose of managing information security risks. GISC actively promotes awareness of information security among employees and management throughout our group companies worldwide. In line with the objectives established for the fiscal year under review, GISC has raised security awareness among our group companies, and improved the information security program to better align with our business operations.

Our Information Security Policy has been implemented across all group companies. The IT teams and information security teams of each Group company are actively working to ensure compliance with the Information Security Policy, through the implementation and enhancement of necessary security measures.

During the fiscal year under review, we assessed incident response capabilities of our Group companies to strengthen the group's resilience to security incidents. Based on the results of the assessment, we have strengthened our security functions as necessary and deployed advanced incident response solutions across our Group companies. Furthermore, we have entered into a global partnership with cybersecurity companies with extensive experience. This partnership enables our Group companies across the world to utilize expert-level incident response support.

We are committed to ongoing security awareness training designed to ensure that all employees maintain a high level of vigilance against potential security risks. This commitment has led to strengthened security measures and has promoted compliance with our Information Security Policy in our workplaces.

When we adopt new technologies, including AI, GISC implements the necessary governance and data protection measures in collaboration with each business department. These measures are essential to implement the latest technology in a secure manner across the entire organization.

We continue to strengthen GISC by hiring experts in cybersecurity and IT risk management. Furthermore, GISC leverages its global presence to share insights with information security experts in each region, continuously promoting our initiatives to implement best practices and improve our security framework.

The status of the above information security activities is reported to the Board of Directors.

The activities of GISC such as the above and collaboration between GISC and other departments enable the directors and Audit & Supervisory Board members to access information related to the execution of duties by directors.

3. Operational status of risk management

Based on the Nippon Sanso Holdings Corporation Global Risk Management Regulations, under the initiative of the Representative Director, President as CEO, the Company assigned the risk management supervision manager and person in charge of risk management promotion in Japan, the United States, Europe, Asia & Oceania, and Thermos K.K. respectively to evaluate the management risk from the medium- to long-term viewpoint and formulate and promote countermeasures.

Also, for the purpose of enhanced risk management of the whole Group, we held the Global Risk Management Committee in February, and discussed the important management risks for the entire Group from the medium- to long-term viewpoint, while sharing the risk evaluation results and risk management status based on the common evaluation standard for the Group.

Furthermore, the Risk Management Liaison Meeting is held with key group companies to confirm risk information and the status of risk response and share best practices among the Group.

As for technological risks associated with security, the environment, product quality/safety, and intellectual property, we confirmed efforts made by each Group company at the Global Strategy Review Committee held in February and determined a policy framework for initiatives to be taken as a holding company. Our Technological Risks Liaison Committee, whose members are responsible managers in the area of security, the environment, product quality/safety, and intellectual property of the Company and Group companies, holds a meeting twice a year, and we work on the decisions made by the committee.

The contents of the risk management activities mentioned above are reported to the Board of Directors.

4. Operational status of duties of directors

At the Board of Directors, the contents of duties commissioned to directors who execute the duties are determined by the resolution, and nine executive officers are appointed. Also, important operational matters delegated to the Representative Director, President in accordance with corporate governance principles are discussed at management meetings and are subject to a final decision by the Representative Director, President.

Before the proposal of the budget of the next fiscal year to the Board of Directors, the meeting of the Global Strategy Review Committee is held in February, and the optimal allocation of resources in the whole Group is examined, while checking details of strategies of each operating company.

5. Operational status of the system to ensure appropriateness of Group operations

Important matters on the Group companies' operations, such as huge investment, require approval at a management meeting or by the Board of Directors of the Company. Also, the Representative Director, President or CFO, etc. has meetings with the responsible manager of each business segment on a regular basis, to receive reports on performance, security & compliance activities, etc., and to discuss issues to ensure operational appropriateness in the Group companies.

Besides, in the important committees for internal control system of the Group, namely, the Global Compliance Committee, the Global Risk Management Committee, and the Global Strategy Review Committee, the representatives of business segments attend to discuss issues for the whole Group.

6. Operational status of internal audit

The Group has audit organizations in Japan, the U.S., Europe, and Southeast Asia, and conducts operational audits in each region. The Corporate Audit Office of the Company is regularly in close cooperation with the audit departments in the regions mentioned above to check and evaluate the operational status of the internal control system of the whole Group, and conduct audits of the Company, Asian & Oceanian Group companies, Thermos K.K. and its Group companies. Its audits focused on checking legal compliance and status of internal control in major operational processes, based on the individual risk factors.

To carry out technical audit, the Group has audit organizations in Japan, the U.S., and Europe, and conducts audits of operations in each region. The Sustainability Management Office of the Company is in close cooperation with the audit departments in the regions mentioned above to check and share the status of management of technological risks of the whole Group, and conduct a technical audit of Asian & Oceanian Group companies and Thermos K.K.'s Group companies. Its audits focused on verifying the operational status of the safety management system and the status of corrective actions taken in response to audit findings. To carry out quality audit, the Group has audit organizations in Japan, the U.S., Europe, and Thermos K.K., and conducts audits of operations in each region. The Sustainability Management Office is in close cooperation with the audit departments in the regions mentioned above to check and evaluate the establishment and operational status of the quality management system of the whole Group, and conduct quality audits of Asian & Oceanian Group companies. Its audits focused on confirming consistency, storage, and management of quality records.

7. Operational status of financial reports

We distributed internal control checklists to the Company and Group companies to continue improving business quality and ensure the efficiency of internal control related to financial reports. Each company's self-assessment was confirmed by the Corporate Audit Office and the accounting auditor based on documented evidence, and matters deemed to have insufficient control were corrected on the part of relevant companies.

8. Operational status of audit by Audit & Supervisory Board members

The Audit & Supervisory Board members attended internal important meetings such as meetings of the Board of Directors and management meetings. They had interviews with the top management including directors and executive officers, accessed important approval documents, and conducted audits of domestic and overseas Group companies, etc., in accordance with the audit policy & plan decided by the Audit & Supervisory Board. Any matter that has a significant impact on the management of the Company or each Group company was reported directly or via the Company's responsible department to the Audit & Supervisory Board, and it was found that no one who reported such a matter was treated unfavorably because of his or her reporting.

Also, the Audit & Supervisory Board made efforts to improve effectiveness of audits, by maintaining close relations with the internal audit department and the accounting auditor, supervising the accounting auditor, and regularly exchanging information, opinions, etc. with outside directors.

The Audit & Supervisory Board have a secretariat established as an organization for assisting the duties of the Audit & Supervisory Board members and as an entity independent of the command and order of directors. Dedicated two employees are assigned to the secretariat. The employees of the Audit & Supervisory Board's secretariat mentioned above do not receive commands or orders from directors after they are authorized by the Audit & Supervisory Board members to carry out audit work. Also, the evaluation of the above employees is carried out by the Audit & Supervisory Board members.

The expenses necessary for or debts incurred in the Audit & Supervisory Board members' execution of duties are promptly processed.

Other than the above, we are operating our internal control system in a proper manner to ensure the appropriateness of business.

Basic policy on the control over the Company

I. Basic policy regarding what anyone controlling Company's policy decisions on finance & business should be

The Company makes it a fundamental principle that anyone controlling the Company's policy decisions on its finance and business must fully understand the Company's management philosophy, sources of corporate value, relationship of trust with stakeholders supporting the Company, etc., and secure and improve the Company's corporate value, as well as common benefits of shareholders, in the long term.

Shares in the Company, a listed enterprise, are authorized to be traded freely through the stock market by many shareholders and investors. Should a major purchase or takeover bid be proposed, we do not rule it out totally as long as it contributes to securing and improving corporate value of the Company and, eventually, common benefits of shareholders.

We believe that final judgment on whether or not to accept such a major purchase offer, etc. should be subject to the intention of shareholders.

II. Initiatives contributing to realization of basic policy

We are taking the following initiatives so that many investors may continue investment from a long-term perspective and that corporate value of the Company and, eventually, common benefits of shareholders, may be improved.

We believe that these initiatives will contribute to realizing the above basic policy regarding control over the Company.

1. Initiatives to improve corporate value

In May 2022, in order to implement the Group Philosophy and Group Vision, the Company announced the "NS Vision 2026/Enabling the Future" (period: four years from April 2022 to March 2026), which is the first medium-term Group management plan after its shift to the current holding company structure.

Under the business operation structure of four global business segments & Thermos business, we formulate five key strategies (I. Promote sustainability management, II. Explore new business toward carbon neutrality, III. Expand electronics business, IV. Pursue operational excellence, V. Promote DX initiatives leading to new value creation). By putting these strategies into action, we will aim to enhance the Group's collective strength and to achieve further growth, and will strive to improve corporate value while contributing to a brilliant and bright future for human beings, society, and the earth.

2. Initiatives to improve corporate value by enhancing corporate governance

The Company's Board of Directors has formulated corporate governance principles that will guide our corporate governance. The Company believes it the essence of corporate governance to ensure transparency and objectivity in decision-making, based on the positions of shareholders, customers, employees, regional communities, etc., from the perspective of seeking the Group's sustained growth and long-term improvement in corporate value, and to make effective use of management resources we have and boost management vitality through swift and resolute decision-making. We are striving to improve corporate governance along the lines of fundamental thinking as follows.

- (1) Respect shareholders' rights and ensure equality.
- (2) Consider the benefits of shareholders and other stakeholders, and work in partnership with them in an appropriate manner.
- (3) Disclose corporate information in a timely and appropriate manner to ensure transparency.
- (4) Improve the effectiveness of the Board of Directors' function of supervising business execution by separating supervisory and executive functions.
- (5) Conduct constructive dialogue with shareholders to contribute to the Group's sustained growth and medium- to long-term improvement in corporate value.

Also, as for the internal control system, the Company makes efforts to enhance our law-abiding spirit and corporate ethics, based on “the Nippon Sanso Holdings Group Code of Conduct.” and operates a framework built as stated in the aforementioned “System to Ensure the Appropriateness of Business Operations and Implementation Status of Such Systems”.

The Company will build deeper trust with our stakeholders, including shareholders, clients, and employees, by working on the aforementioned initiatives, etc., and will aim to stably enhance corporate value from the medium- to long-term viewpoint.

3. Initiatives to prevent inappropriate parties from controlling Company’s decision-making on finance & business in light of its basic policy

Against any party trying to make massive purchases of shares in the Company, we will take appropriate measures, to the extent permitted by relevant laws such as the Companies Act and the Financial Instruments & Exchange Act, including the pursuit of information necessary and sufficient for shareholders to judge the advisability of such a move, coupled with the disclosure of opinions of the Company’s Board of Directors, and efforts to secure time for shareholders to examine such an issue.

4. Board of Directors’ judgment of our specific initiatives & its reasoning

The Company’s Board of Directors believes that the initiatives described in the above II. 1. 2. and 3. items are in accordance with the basic policy described in item I., matching the corporate value of the Group, including the Company, and eventually common benefits of shareholders, and that these initiatives are not intended to maintain the positions of the Company’s officers.

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Important Notice – Trading of Nippon Sanso Holdings Corporation Common Stock, Disclaimer Regarding Un-sponsored American Depositary Receipts

Nippon Sanso Holdings Corporation ("NSHD") encourages anyone interested in buying or selling its common stock to do so on the Tokyo Stock Exchange, which is where its common stock is listed and primarily trades. NSHD's disclosures are not intended to facilitate trades in, and should not be relied on for decisions to trade, un-sponsored American Depositary Receipts ("ADRs").

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