



July 30, 2014

To whom it may concern,

**Notice Regarding Establishment of a Regional Headquarters in Southeast Asia
and Intra-Group Reorganization**

Taiyo Nippon Sanso Corporation (TNSC; President & CEO: Yujiro Ichihara) hereby announces the following details regarding its establishment of a regional headquarters in Southeast Asia and associated plans for intra-Group reorganization (contributions in kind to a wholly-owned subsidiary and mergers of consolidated subsidiaries).

1. Purpose of Regional Headquarters Establishment and Intra-Group Reorganization

TNSC is working to improve profitability by carrying out structural reforms on the basis of its Medium-Term Business Plan "Ortus Stage 1," while also taking steps to intensify business development initiatives in Southeast Asia and other growth markets. Although we have been generating steady earnings growth in Southeast Asian nations as we expand operations in countries such as Singapore, Malaysia, the Philippines, Vietnam, Thailand and Indonesia, we are now aiming to achieve an even greater rate of growth in the region by establishing a regional headquarters for these Southeast Asian operations going forward, and thereby tasking the entity with a role that includes supporting operations of companies under its supervision and ensuring more effective use of the region's managerial resources.

Moreover, in conjunction with setting up the regional headquarters as previously mentioned, we will also combine three of our Singapore-based consolidated subsidiaries^{*1} under the regional headquarters, thereby integrating the Singaporean and Malaysian business operations of those companies, while also working toward improving operational efficiencies through business expansion, and enhancing our capability to take on new market development.

*1 National Oxygen Pte. Ltd. (NOX; wholly-owned by TNSC)
Taiyo Nippon Sanso Singapore Pte. Ltd. (TNSS; 76.4% TNSC ownership)
Leeden Limited (Leeden; wholly-owned by TNSS)

2. Overview of Inter-Group Reorganization

- (1) TNSC wholly-owned regional headquarters will be established in Singapore, and the regional headquarters will be provided with contributions in kind in the form of shares of NOX and TNSS held by TNSC.
- (2) After that, the three companies NOX, TNSS and Leeden will be merged, with Leeden acting as the surviving entity.

3. Overview of the Regional Headquarters

1. Corporate Name	Taiyo Nippon Sanso Holdings Singapore Pte. Ltd.
2. Details of Business	Operational support with respect to Group companies in Southeast Asia, and stock ownership
3. Representative	Kunihiro Kobayashi, President (part time; Corporate Officer of TNSC's Corporate Planning & Global Operations Division)
4. Location	21 Tanjong Kling Road, Jurong Town, Singapore 628047
5. Established	July 31, 2014 (planned)
6. Stated Capital	SGD 144,712,000
7. Shareholder Structure	TNSC 100%

4. Overview of the Merged Company (Surviving Company)

1. Corporate Name	Leeden National Oxygen Ltd.
2. Details of Business	Manufacturing, wholesale and retail of welding-related equipment, safety equipment and high-pressure gas
3. Representative	Steven Tham Weng Cheong, Chairman & CEO (currently Chairman & CEO of Leeden)
4. Location	1 Shipyard Road, Singapore 628128
5. Effective Date of the Merger	September 30, 2014 (planned)
6. Shareholder Structure	Taiyo Nippon Sanso Holdings Singapore Pte. Ltd. 95.3% ^{*2} Local partners (Mr. Steven Tham and others) 4.7%

*2 Some equity of local partners will be acquired in conjunction with this phase of reorganization.

5. Impact on Operating Results

The impact on the operating results will be minimal, given that contributions in kind will be provided to one of TNSC's wholly-owned subsidiaries and the intra-Group reorganization will be carried out among TNSC consolidated subsidiaries.

END

Attachment 1 – Overview of the 3 Singapore-based Consolidated Subsidiaries

1.) NOX

1. Corporate Name	National Oxygen Pte. Ltd.
2. Details of Business	Manufacturing and sales of oxygen, nitrogen and argon
3. Representative	Shigeyuki Osawa, Managing Director
4. Location	21 Tanjong Kling Road, Jurong Town, Singapore 628047
5. Established	July 27, 1982
6. Stated Capital	SGD 36,918,000
7. Shareholder Structure	TNSC 100%

2.) TNSS

1. Corporate Name	Taiyo Nippon Sanso Singapore Pte. Ltd.
2. Details of Business	Control and management of business activities on the basis of equity holdings in Leeden Limited
3. Representative	Shigeyuki Osawa, President
4. Location	21 Tanjong Kling Road, Jurong Town, Singapore 628047
5. Established	August 31, 2011
6. Stated Capital	SGD 105,937,000
7. Shareholder Structure	TNSC 76.4%, Mr. Steven Tham Weng Cheong 12.0%, Mr. Kelvin Lee Chee Fatt 6.7%, NOX 4.9%

3.) Leeden

1. Corporate Name	Leeden Limited
2. Details of Business	Manufacturing, wholesale and retail of welding-related equipment, safety equipment and high-pressure gas
3. Representative	Steven Tham Weng Cheong, Chairman & CEO
4. Location	1 Shipyard Road, Singapore 628128
5. Established	May 1, 1964
6. Stated Capital	SGD 53,483,000
7. Shareholder Structure	TNSS 100%

Attachment 2 — Diagram of Organizational Reorganization

