

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).

 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<sup>\*1</sup> 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.

overview of the Regional freadquarters		
Taiyo Nippon Sanso Holdings Singapore Pte. Ltd.		
Operational support with respect to Group companies in		
Southeast Asia, and stock ownership		
Kunihiro Kobayashi, President (part time; Corporate		
Officer of TNSC's Corporate Planning & Global Operations		
Division)		
21 Tanjong Kling Road, Jurong Town, Singapore 628047		
July 31, 2014 (planned)		
SGD 144,712,000		
TNSC 100%		

#### 3. Overview of the Regional Headquarters

4. Overview of the Merged Company (Surviving Company)

1. Corporate Name	Leeden National Oxygen Ltd.
2. Details of	Manufacturing, wholesale and retail of welding-related
Business	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	September 30, 2014 (planned)
the Merger	
6. Shareholder	Taiyo Nippon Sanso Holdings Singapore Pte. Ltd. 95.3% <sup>*2</sup>
Structure	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.

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

### 1.) NOX

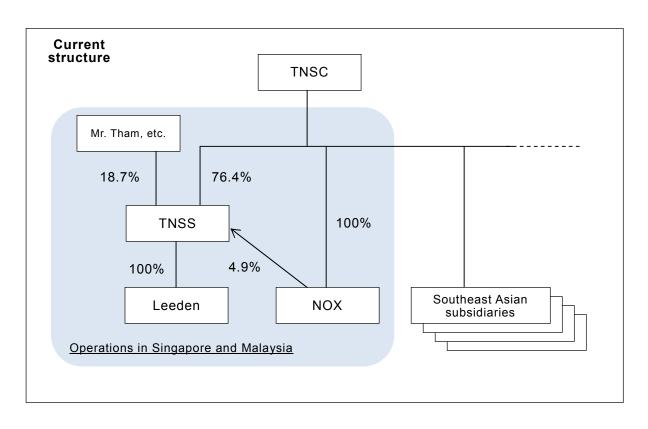
National Oxygen Pte. Ltd.
Manufacturing and sales of oxygen, nitrogen and argon
Shigeyuki Osawa, Managing Director
21 Tanjong Kling Road, Jurong Town, Singapore 628047
July 27, 1982
SGD 36,918,000
TNSC 100%

### 2.) TNSS

1. Corporate Name	Taiyo Nippon Sanso Singapore Pte. Ltd.
2. Details of	Control and management of business activities on the basis
Business	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	TNSC 76.4%, Mr. Steven Tham Weng Cheong 12.0%, Mr.
Structure	Kelvin Lee Chee Fatt 6.7%, NOX 4.9%

# 3.) Leeden

1. Corporate Name	Leeden Limited
2. Details of	Manufacturing, wholesale and retail of welding-related
Business	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	TNSS 100%
Structure	



#### Attachment 2 — Diagram of Organizational Reorganization

