

[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 22<sup>nd</sup> 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, 2025- to March 31, 2026]

## **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 Company shall establish the Code of Conduct as the basic policy of compliance in the Group and shall develop an organization and rules to ensure its effectiveness.
  - The Company shall assign a Group Chief Compliance Officer (hereinafter referred to as the “Group CCO”) and a Regional Chief Compliance Officer (hereinafter referred to as the “Regional CCO”) in each region. The Group CCO shall supervise compliance promotion activities in the Group, and each Regional CCO shall supervise compliance promotion activities in its region.
  - The Group CCO and Regional CCOs shall strive to enhance and ensure the penetration of the Group's compliance promotion activities.
  - The Global Compliance Committee shall be held by the Group CCO on a regular basis to share the compliance promotion policy and the contents of compliance promotion activities in each region, and to discuss individual issues as necessary.
  - The Company shall establish a whistle-blowing mechanism in Japan and overseas to ensure a system under which any compliance violations within the Group and the possibility of such violations can be reported by whistleblowers 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 Company shall establish the Risk Management Policy as the basic policy of risk management in the Group and shall develop 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 concerning employees who assist the Audit & Supervisory Board members, where the Audit & Supervisory Board members request the appointment of such employees
 

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 reports, 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 enhance and ensure the penetration of compliance promotion activities across the Group, and under the initiative of the Group CCO, a Regional CCO is assigned to each region where the Company conducts business, and develops compliance promotion activities in response to risks in each region.

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

With respect to compliance promotion in Japan, under the Taiyo Nippon Sanso Group Chief Compliance Officer, the persons in charge of compliance promotion appointed for the Company, Taiyo Nippon Sanso Corporation, and domestic Group companies implemented compliance training.

The Global Compliance Committee, held by the Group CCO, confirmed the compliance promotion policy, shared the status of compliance promotion activities and the progress of litigation in each region, exchanged information on various compliance themes, and discussed issues related to the promotion of compliance training and operational issues in the whistle-blowing system.

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

The Company has established whistle-blowing channels in each domestic and overseas Group company for the early detection and correction of compliance violations. For each whistle-blowing case, the Company takes actions such as improvements and recommendations based on thorough investigations, leading to the formulation of measures to prevent recurrence. In the operation of the whistle-blowing system, the protection of whistle-blowers and the prohibition of disadvantageous treatment are thoroughly ensured.

2. Operational status of information security

The Company recognizes information security as one of the key functions of its organization and has established the Global Information Security Council (GISC) for the purpose of managing information security risks. GISC, in collaboration with the management of the Company and each region, has established the Company's information security management program to effectively support the achievement of the strategic objectives of the Group. In developing the program and implementing various information security initiatives, the Company consistently takes into account a wide range of risks. In addition, it has strengthened our global response capabilities by expanding the Information Security team with specialists in relevant fields. Through these efforts, the Company protects its globally deployed business operations from increasing cyber threats as well as from potential risks associated with non-compliance with internal policies, laws, and regulations.

In addition, through its ongoing security awareness initiatives-including monthly region-specific phishing response trainings and quarterly global exercises-we assess employee maturity levels and provide additional targeted trainings as needed.

To address both company-wide and regional cybersecurity needs, the Company has implemented enterprise-wide security measures and enhanced consistency and efficiency by centrally managing testing, sharing of best practices, and investments in security technologies.

The Company's OT security program includes the identification and remediation of critical vulnerabilities through site penetration tests, on-site security maturity assessments, tailored training for specific target audiences, and the reinforcement of controls. Through these initiatives, the Company enhances the security level of production sites and support and promote the establishment of stable and secure production environments. In addition, it actively engages in digital transformation and artificial intelligence initiatives to promote innovation while managing risks associated with emerging technologies.

The Board of Directors receives reports on information security activities and provides guidance and oversight.

Through the activities of GISC described above and its collaboration with other departments, the information related to the execution of directors' duties is properly preserved and managed, and directors and Audit & Supervisory Board members are able to access such information.

### 3. Operational status of risk management

Based on the Global Risk Management Regulations, under the initiative of the Representative Director, President as the highest responsible person, the Company has assigned a Regional Risk Management Officer and a person in charge of risk management promotion in Japan, the United States, Europe, Asia & Oceania, and Thermos, respectively, to evaluate management risks from a medium- to long-term perspective and to formulate and promote countermeasures.

Also, for the purpose of enhancing 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 safety, the environment, quality and product safety, and intellectual property, the Company operates based on the Technical Risk Management Regulations. At the Global Strategy Review Committee held in February, the Company confirmed the status of initiatives at each Group company and determined the policy for initiatives as a holding company. Our Technological Risk Liaison Committee, whose members are responsible managers in the area of safety, the environment, quality assurance, 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

The Board of Directors resolves the duties to be entrusted to directors responsible for executing operations and appoints 12 executive officers. In addition, among the matters delegated to the Representative Director, President under the Company's corporate governance principles, important matters are deliberated at management meetings and decided by the Representative Director, President.

In February, the Company holds a Global Strategy Review Committee to examine in detail the strategies of each operating company and to consider the optimal allocation of resources across the

Group before submitting the budget proposal for the following fiscal year to the Board of Directors.

The Board of Directors formulates the Group's medium-term management plan, supervises management's execution and progress, and conducts analysis and evaluation of the results. During the fiscal year under review, after analyzing and evaluating the final results of the previous medium-term management plan, the Company formulated a new medium-term management plan aimed at further enhancing corporate value. By setting targets using financial indicators and sustainability indicators (Note), the Company will effectively manage progress and monitor, analyze, and evaluate results on an ongoing basis.

#### 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, safety & compliance activities, etc., and to discuss issues to ensure operational appropriateness in the Group companies.

In addition, in the important meetings for the internal control system of the Group, namely, the Global Compliance Committee, the Global Risk Management Committee, and the Global Strategy Review Committee, representatives of business segments attend and discuss issues of the Group as a whole.

#### 6. Operational status of internal audit

The Group has established audit organizations in Japan, the United States, Europe, Southeast Asia, and Oceania, and conducts operational audits of businesses in each region. The Corporate Audit Office of the Company is regularly in close cooperation with the audit organizations 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 organizations 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 organizations 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.

**(Note)** The previously used "non-financial key performance indicators (KPIs)" have been renamed "sustainability key performance indicators (KPIs)" in the new medium-term management plan.

## **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**

The Company has formulated the four-year medium-term management plan, "Next Innovation 2030 - Evolving for the Future", with the fiscal year ending March 2030 as its final year.

The previous medium-term management plan, "NS Vision 2026 - Enabling the Future", focused on building a foundation to support future growth as the first medium-term management plan after the transition to a pure holding company structure. Over these four years, through the steady execution of key focus fields, the Company has achieved results generally exceeding the initial plan and is building a foundation for the next stage of growth.

The new medium-term management plan will elevate the stage to one of continuous evolution toward the future under the slogan "Evolving for the Future." The Company has set forth key strategies: (I) enhancing the profitability of the industrial gas business, (II) accelerating the expansion of the electronics business, (III) creating future growth driver. Over the four-year period, the Company will challenge itself to steadily expand business profits and create future growth drivers. By leveraging its spirit of innovation, which is part of the Company's DNA and aligned with the Group philosophy, as well as enhancing its technological capabilities, the Company will strive to evolve into a company capable of addressing the challenges of the future, while adapting to changes in the environment surrounding industries and society.

#### **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. From the perspective of seeking the Group's sustained growth and long-term improvement in corporate value, 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., 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 has established and operates the framework 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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