



December 5, 2023

To whom it may concern:

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Notice Regarding Early Redemption of Hybrid Bonds (Public Subordinated Bonds)

Nippon Sanso Holdings Corporation (NSHD; formerly Taiyo Nippon Sanso Corporation) hereby announces that it will implement the complete early redemption of following hybrid bonds (subordinated bonds) (“the Hybrid Bonds”), which NSHD issued on January 29, 2019.

1. Background to Early Redemption of the Hybrid Bonds

As announced in the "Notice Regarding Issue of Hybrid Bonds (Public Subordinated Bonds)" dated December 4, 2018, NSHD has issued the Hybrid Bonds as a means of raising funds to help maintain its financial soundness while avoiding a decline in capital efficiency due to share dilution.

As the initial optional redemption date of January 29, 2024 is approaching, with consideration for financial soundness based on investment for growth and the cash-in-hand situation, NSHD has decided that complete early redemption will increase the flexibility of its financial strategy and contribute to improving corporate value.

Since the issuance of the Hybrid Bonds, there has been a steady improvement in financial soundness, and the replacement restrictions (*1) and exception clause (*2) stated in the bond notes for the Hybrid Bonds will be fulfilled. Therefore, there is no plan for replacement by hybrid debt financing prior to the implementation of early redemption, the repayment amount will be allocated from the proceeds of the 3rd, 4th and 5th series of unsecured bonds (with inter-bond pari passu clause) issued on August 31, 2023.

*1 A restriction stating that, if NSHD acquires the Hybrid Bonds by early redemption or purchase (“the Early Redemption, Etc.”), NSHD intends to raise funds through the issuance of replacement securities, etc., for which NSHD has gained approval from a rating agency as having equity that ranks pari passu with the common stock or the Hybrid Bonds for 12 months prior to the date of performing the Early Redemption, Etc.

*2 In the event of the Early Redemption, Etc., it is possible that the fundraising in *1 above, will be omitted in the case that both of the following requirements are fulfilled:

- (1) NSHD's adjusted consolidated net debt to shareholders' equity ratio as of the end of the consolidated fiscal year or quarterly consolidated fiscal period immediately preceding the date of the Early Redemption, Etc., as calculated based on the financial data (the "Financial Data") relating to the consolidated balance sheet that has been publicly announced by NSHD (including public announcements through financial statements), is 1.00x or less. NSHD's adjusted consolidated net debt to shareholders' equity ratio as of the end of the consolidated fiscal year or quarter immediately following the date of the Early Redemption, Etc. is 1.00x or less.
- (2) The amount of consolidated shareholders' equity as of the end of the consolidated fiscal year or quarter immediately preceding the date of the Early Redemption, Etc., as calculated based on the Financial Data, is 100 billion yen or more higher than the amount of consolidated shareholders' equity as of the end of the second quarter of the fiscal year ending March 2019.

2. Details of Early Redemption

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| 1. | Bonds to be redeemed prior to the maturity date | Taiyo Nippon Sanso Corporation
1st Series Deferrable Interest and Callable Unsecured Subordinated Bonds |
| 2. | Amount of issue | 100 billion yen |
| 3. | Payment date | January 29, 2019 |
| 4. | Maturity date | January 29, 2054 |
| 5. | Early redemption date | January 29, 2024 (initial redemption date) |
| 6. | Total early redemption amount | 100 billion yen |
| 7. | Early redemption price | 100 yen for bonds with face value of 100 yen |