

June 8, 2005

TNSC Group's Carbon Producers to Merge

Ekika Carbon Dioxide Co., Ltd., in which Taiyo Nippon Sanso Co., Ltd. is the leading shareholder with a 16.6% stake, and Nippon Tansan Company Limited, a wholly owned subsidiary of Taiyo Nippon Sanso Corporation (TNSC), have decided to jointly establish a holding company through a transfer of shares, and have recently signed an agreement to this effect.

The agreement calls for Ekika Carbon Dioxide and Nippon Tansan to establish a holding company - to be named the Japan Liquid Carbonics Holdings Co., Ltd. (JLCH) - on September 29, 2005. Following this, they will undertake a reorganization and integration of their carbon dioxide gas operations as members of the TNSC group.

In addition, plans call for the absorption by JLCH of TNSC's carbon dioxide operations by the end of 2008, resulting in the complete integration of the TNSC Group's carbon dioxide operations into one business unit.

Details of the Merger

Carbon dioxide is one of the main industrial gases, and is used in large quantities, primarily in the form of dry ice to keep frozen foods and beverages cold in transit, and as a shielding gas for the welding of metal. However, unlike oxygen, nitrogen and argon, which are produced by separation from the air, carbon dioxide is produced by refining by-product gases from the oil refining, chemical production and steel-making processes.

Our priority strategy in our carbon dioxide gas business is the development of a network of production bases around Japan, as well as the creation of an efficient distribution network to achieve maximum customer convenience.

Through the merger of Nippon Sanso Corporation Co., Ltd. and Taiyo Toyo Sanso Co., Ltd. in October 2004, Ekika Carbon Dioxide (in which Nippon Sanso was the leading shareholder with a 16.6% stake) and Nippon Tansan (a wholly-owned subsidiary of Taiyo Toyo Sanso) became TNSC Group affiliates. The two companies are taking this opportunity to establish a holding company as a TNSC subsidiary, with the aim of fully integrating TNSC's carbon dioxide business by the end of 2008, thereby bolstering the TNSC Group's competitiveness in the carbon dioxide business and

enhancing the quality of its customer services.

Merger Objectives

The integration of the TNSC Group's carbon dioxide businesses is aimed at:

1. Raising competitiveness by enhancing the efficiency of refining and distribution through the integration of distribution bases and the raw material gas supply bases currently operated by three TNSC Group companies.
2. Creating a solid business structure network that will ensure its position as the leading carbon dioxide supplier by establishing a stable gas supply system for users and enhancing the quality of the Group's services, undertaking strategic development of operations and efficient management.

Details of the Holding Company

1. Date of Establishment: September 29, 2005
2. Name: Japan Liquid Carbonics Holdings Co., Ltd.
3. Head office location: Minato-Ward, Tokyo

4. Directors and Corporate Auditors

Chairman: Takuzo Oku

President: Makoto Henmi

Directors: Hirosuke Matsueda

Yozo Taijima

Tatsuzo Fujiu

Auditors: Takehiko Kita

Hiroyuki Naka

5. Paid-in Capital: ¥100 million

6. Shares issued: 14 million shares

(Shares authorized for issuance: 56 million shares)

7. Allotment of shares:

a) Assuming that the enterprise values of the two companies are equivalent, newly issued shares of the holding company will be allotted in the following manner.

b) Number of shares outstanding of the two companies:

Ekika Carbon Dioxide Co., Ltd.: 7 million shares

Nippon Tansan Company Limited: 11 million shares

c) Share exchange ratio:

Ekika Carbon Dioxide - 1:1

One (1) share of the holding company per one (1) share of Ekika Carbon Dioxide Co., Ltd.

Nippon Tansan - 11:7

Seven (7) shares of the holding company per eleven (11) shares of Nippon Tansan

d) TNS's stake in the holding company: 58.3%

8. Accounts settlement: March 31