



October 25, 2013

Notice regarding Acquisition of Shares of Benson Industrial Gases Technology Corporation

Taiyo Nippon Sanso Corporation (“TNSC”) hereby gives notice that it has reached a basic agreement with Benson Industrial Gases Technology Corporation (hereinafter “BIG”), a pressure swing adsorption (PSA*) gas generator manufacturer in Taiwan, to underwrite a part of the capital increase by third party allotment implemented by that company. Note that the acquisition of the shares is planned for the end of November this year.

1. Purpose of the share acquisition

As an industrial gas manufacturer TNSC has been developing its PSA gas generators business, primarily within Japan, for approximately 30 years. The domestic PSA gas generator market is centered on replacement and has been stable, but there are concerns about the increasing number of Japanese companies shifting their operations overseas. For this reason, we concluded that there is an urgent need to enter the Southeast Asian and Chinese markets, in which growth is expected going forward, in order to expand our business. BIG has a manufacturing base in Suzhou, China and is operating a PSA gas generator business in the Asian region. By acquiring approximately 30% of its shares, we are aiming to secure a supply of the high quality adsorbent agents which form the core technology in PSA gas generators. And at the same time we are aiming to utilize the manufacturing, sales, and service network of BIG in the Asian region to accelerate the overseas development of the PSA gas generator business of TNSC. We forecast that as a result of these measures the net sales of that business in TNSC will be 2.5 billion yen in 2016, approximately double the current levels.

2. Overview of Benson Industrial Gases Technology Corporation

- Location of Head Office: Taipei City, Taiwan
- Representative: David Lai
- Capital: 115 million yen
- Business description: manufacture and sale of nitrogen PSA gas generators, oxygen PSA gas generators, and hydrogen generators

[Explanation of terms]

PSA = Pressure Swing Adsorption.

PSA gas generators use the differences in the properties of gas with respect to adsorbent agents to continuously separate out the target gas while alternately repeating the operations of pressurization and decompression. There are oxygen PSA gas generators that extract oxygen from the air and nitrogen PSA gas generators that extract nitrogen and the adsorbent agents and processes that are used differ for each type.