

## Consolidated Financial Results for Fiscal Year Ended March 31, 2022 (Based on IFRS)

May 11, 2022

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Scheduled date to hold Ordinary General Meeting of Shareholders: June 17, 2022  
Scheduled date to file Securities Report: June 20, 2022  
Scheduled date to commence dividend payments: June 20, 2022  
Supplementary materials on financial results: Yes  
Financial results explanatory meeting: Yes (For institutional investors and analysts)

(Amounts less than ¥1 million are omitted)

### 1. Consolidated financial results for FYE2022 (April 1, 2021 – March 31, 2022)

#### (1) Consolidated operating results

(Percentages indicate year-on-year change)

	Revenue		Core operating income		Operating income		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
FYE2022	957,169	17.0	102,710	17.7	101,183	13.9	66,637	17.2	64,103	16.1	132,363	11.3
FYE2021	818,238	(3.8)	87,251	(3.4)	88,846	(5.4)	56,863	3.3	55,214	3.5	118,924	888.9

(Reference) Income before income taxes

FYE2022: ¥91,611 million [17.9%]

FYE2021: ¥77,706 million [(1.8) %]

Core operating income is calculated as operating income excluding certain gains and expenses attributable to non-recurring factors (non-recurring items).

	Basic earnings per share (Yen)	Diluted net income per share (Yen)	Return on equity attributable to owners of the parent (%)	Income before income taxes to total assets ratio (%)	Core operating income to revenue ratio (%)
FYE2022	148.13	–	11.2	4.8	10.7
FYE2021	127.59	–	12.0	4.3	10.7

(Reference) Share of profit (loss) of associates and joint ventures accounted for using the equity method

FYE2022: ¥3,512 million FYE2021: ¥5,602 million

#### (2) Consolidated financial position

	Total assets (¥ million)	Total equity (¥ million)	Equity attributable to owners of the parent (¥ million)	Equity attributable to owners of the parent ratio (%)	Equity attributable to owners of the parent per share (yen)
FYE2022 (March 31, 2022)	1,977,026	661,137	628,714	31.8	1,452.84
FYE2021 (March 31, 2021)	1,836,294	543,900	513,164	27.9	1,185.82

### (3) Consolidated cash flows

	Cash flows from operating activities (¥ million)	Cash flows from investing activities (¥ million)	Cash flows from financing activities (¥ million)	Balance of cash and cash equivalents at term-end (¥ million)
FYE2022	148,760	(70,858)	(77,946)	93,697
FYE2021	149,231	(59,686)	(103,159)	91,058

### 2. Dividends

	Annual Dividend					Total amount of dividends (¥ million)	Payout ratio (consolidated) (%)	Ratio of dividends to equity attributable to owners of the parent (consolidated) (%)
	End of 1 <sup>st</sup> quarter (Yen)	End of 2 <sup>nd</sup> quarter (Yen)	End of 3 <sup>rd</sup> quarter (Yen)	Term end (Yen)	Total (Yen)			
FYE2021	–	14.00	–	16.00	30.00	12,987	23.5	2.8
FYE2022	–	16.00	–	18.00	34.00	14,718	23.0	2.6
FYE2023 (est.)	–	18.00	–	18.00	36.00		23.3	

### 3. Forecasts for consolidated business operations for FYE2023 full term (April 1, 2022 – March 31, 2023)

(Percentages indicate year-on-year change)

	Revenue		Core operating income		Operating income		Net income		Net income attributable to owners of the parent		Basic earnings per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(Yen)
Full term	950,000	(0.7)	107,000	4.2	107,500	6.2	69,000	3.5	67,000	4.5	154.82

(Reference) Income before income taxes

FYE2023 full term: ¥97,000 million [5.9%]

#### \* Notes

(1) Changes in significant subsidiaries during the period: None

(Transfer of specified subsidiaries resulting in changes in the scope of consolidation)

(2) Changes in accounting policies, changes in financial forecasts

1. Changes in accounting policies required by IFRS: None
2. Changes in accounting policies other than 1.: None
3. Changes in accounting estimates: None

(3) Number of outstanding shares (common shares)

1. Number of outstanding shares at the end of the period (including treasury stock)	As of Mar.31, 2022	433,092,837 shares	As of Mar. 31, 2021	433,092,837 shares
2. Number of treasury stocks at the end of the period	As of Mar.31, 2022	344,870 shares	As of Mar. 31, 2021	342,332 shares
3. Average number of shares during the period	FYE2022	432,749,204 shares	FYE2021	432,752,228 shares

\* Financial reports are out of the scope of audit by certified public accountants or audit corporations.

\* Explanation on the appropriate use of the forecasts of financial results and other comments

- The forward-looking statements such as the forecasts of financial results stated in this document are based on the information currently available to the Company and certain assumptions that the Company judges as rational. The Company is under no obligation to guarantee their achievement. Actual financial results may vary significantly due to various reasons. For details on the assumptions of the forecasts and related matters, please see page 4, “(4) Future Outlook” in “1. Overview of Business Results.”
- The Company plans to hold a briefing of results for institutional investors and analysts on Friday, May 20, 2022. Financial results disclosed at that briefing will be posted on the Company website in a prompt manner following the briefing.

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## 1. Overview of Business Results

### (1) Overview of Business Results for the Fiscal Year Under Review

#### (General overview)

During fiscal year April 1, 2021 to March 31, 2022, revenue was strong. This was a result of strong economic recovery with underlying volume improvement in all business segments. Shipment volume of air separation gases (oxygen, nitrogen, and argon) all increased significantly compared to last fiscal year. Also contributing significantly to the performance was the high cost recovery, pass through, and surcharges that were implemented to recover the increasing cost of electricity, diesel, liquefied natural gas, supply chain disruptions, and other inflationary factors on a global level.

The NSHD Group achieved the following results for the fiscal year under review: revenue on a consolidated basis increased 17.0% year on year to ¥957,169 million; core operating income increased 17.7% to ¥102,710 million; operating income increased 13.9% to ¥101,183 million; and net income attributable to owners of the parent increased 16.1% to ¥64,103 million.

Core operating income is calculated as operating income excluding certain gains and expenses attributable to non-recurring factors (non-recurring items) such as losses arising from business withdrawal or downsizing.

#### (Overview of business performance by reportable segment)

A breakdown of business performance by reportable segment is as follows.

Segment income represents core operating income.

From the fiscal year under review, the NSHD Group has changed its reportable segments. Therefore, to facilitate the year-on-year comparisons shown below, the figures for the previous fiscal year have been reclassified based on the changes to the reportable segments.

#### ① Gas Business in Japan

In the industrial gas-related business, revenue from air separation gases, a core product, increased sharply year on year, mainly due to a general recovery in production activity in relevant industries. Additionally, revenue from LP gas rose as a result of higher cost pass through while underlying volumes were down slightly. In addition, revenue from electronic material gases and related businesses increased; industrial gas-related equipment and installation improved; medical-related equipment sales were also positive.

As a result, in the Gas Business in Japan, revenue increased 8.8% year on year to ¥372,033 million and segment income increased 3.5% to ¥30,939 million.

#### ② Gas Business in the United States

In the industrial gas-related business, revenue from air separation gases, a core product, significantly increased year on year, driven by a recovery in production activity, with growth centered on bulk gases. In addition, sales of carbon dioxide gases were strong. In equipment and installation, demand for welding and cutting equipment recovered after weakness in the previous fiscal year, with revenue increasing sharply. In the electronics-related business, revenue also increased and remained strong. In addition, high distribution surcharges and energy pass-through occurred throughout the fiscal year further increasing revenues.

As a result, in the Gas Business in the United States, revenue increased 18.3% year on year to ¥224,801 million and segment income increased 18.1% to ¥27,314 million.

#### ③ Gas Business in Europe

While the previous fiscal year was seriously impacted by the spread of COVID-19, this fiscal year has seen a consistent and solid economic recovery. In addition, the sharp rise in record energy costs that began in the second quarter accelerated through the fourth quarter, but we responded through price pass-through and cost reduction efforts. And, much of the increase in revenue was due to our efforts to pass on prices.

As a result, in the Gas Business in Europe, revenue increased 31.1% year on year to ¥209,778 million and segment income increased 25.2% to ¥26,303 million.

#### ④ Gas Business in Asia & Oceania

In the industrial gas-related business, air separation gas revenue, a core product, increased driven by a recovery in production activity in related industries. In LP gas, which makes up a large portion of sales in the Australia region, revenue increased due to increased volume as well as higher cost pass through of LP gas prices. In the electronics-related business, revenue increased in electronic material gases in East Asia. In equipment and installation, revenue increased in the industrial gas-related business.

As a result, in the Gas Business in Asia & Oceania, revenue increased 21.1% year on year to ¥123,533 million and segment income increased 43.9% to ¥12,837 million.

#### ⑤ Thermos Business

In Japan, revenue significantly increased year on year due to a recovery in shipment volumes of portable mugs and sports bottles from the previous fiscal year. Furthermore, sales volumes of frying pans and tumblers also increased, continuing from the previous fiscal year, in connection with the widespread adoption of new lifestyles where consumers spend longer periods of time at home. Overseas, shipping volume increased due to the recovery of business conditions in various regions.

As a result, revenue increased 12.0% year on year to ¥26,849 million, and segment income increased 24.6% to ¥6,441 million.

### (2) Overview of Financial Position for the Fiscal Year Under Review

Total assets amounted to ¥1,977,026 million as of March 31, 2022, an increase of ¥140,731 million from March 31, 2021. Foreign exchange rates resulted in an increase in total assets of approximately ¥105.5 billion. This mainly reflected foreign exchange rate changes, such as the yen's depreciation of ¥11.68 against the U.S. dollar and the yen's depreciation of ¥6.90 against the euro as of March 31, 2022, compared with the rates as of March 31, 2021.

In the fiscal year, trade receivables increased as a result of increased revenues from economic recovery and price revision activities, etc. In addition, the Company proceeded with the planned repayment of interest-bearing debt with a focus on continued debt reduction and financial soundness. The Company will continue to communicate openly and appropriately with the bond market and financial institutions to improve our liquidity and funding capacity.

The hybrid financing raised in January 2019 and March 2019 totaled ¥250 billion, and the rating agencies (Japan Credit Rating Agency and Rating, Ltd. and Investment Information, Inc.) have approved 50% of this financing as "equity". The Company has referred to this as equity-type debt. As a financial soundness indicator that considers this hybrid financing, the Company has established the Adjusted net D/E ratio\* as one of our key performance indicators and strives for the optimal composition of debt and equity. The Adjusted net D/E ratio achieved was 0.94 times, an improvement of 0.21 points from the end of the previous fiscal year.

(Note) Adjusted net D/E ratio: (Net interest-bearing debt – Equity-type debt) / (Equity attributable to owners of the parent + Equity-type debt)

#### [Assets]

Total current assets were ¥422,493 million, an increase of ¥53,592 million from March 31, 2021. The main changes were an increase in trade receivables, cash and cash equivalents, and the impact from yen depreciation against major currencies. Total non-current assets were ¥1,554,532 million, an increase of ¥87,139 million from March 31, 2021, mainly reflecting increases in plant, property and equipment, goodwill and the impact from yen depreciation.

#### [Liabilities]

Total current liabilities were ¥331,595 million, an increase of ¥5,575 million from March 31, 2021. The main changes were a decrease in bonds and borrowings, an increase in trade payables, and the impact from yen depreciation. Total non-current liabilities were ¥1,315,888 million, an increase of ¥17,918 million from March 31, 2021. The main factors were an increase in deferred tax liabilities, a decrease in bonds and borrowings, and the impact from yen depreciation.

#### [Equity]

Total equity amounted to ¥661,137 million, an increase of ¥117,237 million from March 31, 2021. The main factors were an increase due to the recording of profit attributable to owners of parent, a decrease due to retained earnings paid as dividends, and an increase in foreign exchange differences on translation of foreign operations.

The equity attributable to owners of the parent ratio stood at 31.8%, up 3.9 percentage points from the previous fiscal year-end.

### (3) Overview of Cash Flows for the Fiscal Year Under Review

#### [Cash flow from operating activities]

Net cash provided by operating activities decreased 0.3% year on year to ¥148,760 million. The main components were profit before income taxes, depreciation and amortization, and increase in trade receivables.

#### [Cash flow from investing activities]

Net cash used in investing activities increased 18.7% year on year to ¥70,858 million. The main use of cash was for the purchase of property, plant and equipment.

#### [Cash flow from financing activities]

Net cash used in financing activities decreased 24.4% year on year to ¥77,946 million. The main changes were repayment of

long-term borrowings, proceeds from issuance of bonds, and net variation in short-term borrowings.

As a result of the Company's operating, investing and financing activities, the balance of cash and cash equivalents as of March 31, 2022, after accounting for the effects of exchange rates, increased 2.9% year on year to ¥93,697 million.

	As of Mar. 31, 2018	As of Mar. 31, 2019	As of Mar. 31, 2020	As of Mar. 31, 2021	As of Mar. 31, 2022
Ratio of equity attributable to owners of the parent (%)	41.5	23.0	23.4	27.9	31.8
Ratio of equity attributable to owners of the parent on a market value basis (%)	74.9	41.2	39.6	49.6	51.1
Interest-bearing debt to cash flow (years)	3.9	10.2	6.7	6.4	6.2
Interest coverage ratio (times)	16.7	15.3	12.8	12.9	13.7

Notes: Ratio of equity attributable to owners of the parent: Equity attributable to owners of the parent / total assets

Ratio of equity attributable to owners of the parent on a market value basis: Market capitalization / total assets

Interest-bearing debt to cash flow: Interest-bearing debt / operating cash flow

Interest coverage ratio: Operating cash flow / interest payments

1. Each indicator is calculated based on consolidated financial data.
2. Market capitalization is calculated by multiplying the closing year-end share price by the number of shares outstanding at year-end.
3. Operating cash flow is from cash flow from operating activities in the Consolidated Statement of Cash Flows.  
Interest-bearing debt includes all debt on which interest is paid among liabilities recorded on the Consolidated Statement of Financial Position. Interest payments are from interest paid in the Consolidated Statement of Cash Flows.

#### (4) Future Outlook

The Company has formulated a medium-term management plan "NS Vision 2026: Enabling the Future" for the four-year period from FYE2023 to FYE2026. Based on the "four global regions + Thermos" management structure, the five business segments of the NSHD Group, the plan sets forth five key strategies: "Sustainability Management," "Exploring New Businesses Toward Carbon Neutrality," "Total Electronics," "Operational Excellence," and "DX Initiatives." Through the plan, the Company aims to strengthen the Group's comprehensive capabilities and achieve further growth to provide a bright and comfortable future for people, society, and the Earth.

The business environment is generally favorable across the regions where the Company operates, and demand for industrial gases continues to grow strongly in FYE2022 and beyond. However, the business environment is uncertain. Price of energy, commodities and other resources are soaring against a backdrop of heightened geopolitical risks, in addition to prolonged inflation and supply chain disruptions. Actual results may differ from the outlook in the medium-term management plan due to these factors.

For FYE2023, the Company expects growth in the industrial gases business through continued growth in the field of electronics and a focus on resilience markets such as food, beverage, pharmaceuticals, and healthcare. The Company foresees the global energy price spike that began in FYE2022 to continue at least through to the second quarter of FYE2023, especially in Europe and the United States. But the prices are expected to gradually return to more normal levels from the third quarter onward, pushing revenue down slightly from the previous fiscal year. Meanwhile, core operating income is expected to increase through increased sales volume, continued aggressive price revisions, productivity improvements, and cost reduction measures. Revenue from the Thermos Business had been severely affected by restrictions on consumers' outdoor activities due to COVID-19, but earnings are expected to improve in FYE2023 as a result of improved consumer confidence following the lifting of such restrictions.

The consolidated earnings forecast for the fiscal year ending March 31, 2023 is as follows. Assumed exchange rates against major currencies used in the forecast are 115 yen per U.S. dollar, and 125 yen per euro.

	Revenue	Core operating income	Operating income	Net income	Net income attributable to owners of the parent
Year ending Mar. 31, 2023 (¥ billion)	950.0	107.0	107.5	69.0	67.0
Year ended Mar. 31, 2022 (¥ billion)	957.1	102.7	101.1	66.6	64.1
Change (%)	(0.7)	4.2	6.2	3.5	4.5

(5) Basic Policy on Profit Distribution and Dividends for FYE2022 and FYE2023

The Company's basic policy is to maintain a stable and reliable dividend, while remaining mindful of the need to retain an internal reserve to enhance and strengthen the business structure. The Company will strive to return profits to shareholders through a dividend policy linked to consolidated business performance.

In accordance with this policy, the Company plans to set the year-end dividend for the fiscal year under review at ¥18 per share, an increase of ¥2 per share compared to the previous fiscal year. Therefore, the Company plans to pay an annual dividend of ¥34 per share, including an interim dividend of ¥16 per share. For the fiscal year ending March 31, 2023, the Company plans to pay an annual dividend of ¥36 per share, including an interim dividend of ¥18 per share.

2. Basic Policy on Selection of Accounting Standards

From the fiscal year ended March 31, 2017, the NSHD Group has adopted International Financial Reporting Standards (IFRS) primarily for the purpose of improving the international comparability of financial statements in the capital markets and to unify accounting procedures within the NSHD Group.

### 3. Consolidated financial statements and main notes

#### (1) Consolidated Statement of Financial Position

(Millions of yen)

	As of Mar. 31, 2021	As of Mar. 31, 2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	91,058	93,697
Trade receivables	182,077	218,480
Inventories	69,613	80,064
Other financial assets	6,710	7,310
Other current assets	19,441	22,940
Total current assets	368,901	422,493
Non-current assets:		
Plant, property and equipment	685,733	729,658
Goodwill	455,036	485,190
Intangible assets	237,751	241,320
Investments accounted for using the equity method	32,295	35,700
Other financial assets	49,739	55,410
Retirement benefit asset	2,467	2,468
Other non-current assets	1,120	1,163
Deferred tax assets	3,249	3,619
Total non-current assets	1,467,393	1,554,532
Total assets	1,836,294	1,977,026



(Millions of yen)

	As of Mar. 31, 2021	As of Mar. 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade payables	96,093	115,123
Bonds and borrowings	131,721	110,595
Income taxes payable	11,022	9,746
Other financial liabilities	58,428	65,228
Allowance	469	1,068
Other current liabilities	28,284	29,832
Total current liabilities	326,019	331,595
Non-current liabilities:		
Bonds and borrowings	780,895	779,749
Other financial liabilities	29,453	31,231
Retirement benefit liabilities	14,037	14,165
Allowance	3,870	5,107
Other non-current liabilities	19,359	20,918
Deferred tax liabilities	118,757	133,120
Total non-current liabilities	966,374	984,292
Total liabilities	1,292,394	1,315,888
Equity		
Share capital	37,344	37,344
Capital surplus	55,901	55,945
Treasury stock	(273)	(281)
Retained earnings	422,838	476,589
Other components of equity	(2,646)	59,115
Total equity attributable to owners of parent	513,164	628,714
Non-controlling interests	30,736	32,423
Total equity	543,900	661,137
Total liabilities and equity	1,836,294	1,977,026

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income  
(Consolidated Statement of Profit or Loss)

(Millions of yen)

	Year ended Mar. 31, 2021	Year ended Mar. 31, 2022
Revenue	818,238	957,169
Cost of sales	(500,799)	(598,597)
Gross profit	<u>317,439</u>	<u>358,572</u>
Selling, general and administrative expenses	(233,276)	(259,204)
Other operating income	3,949	2,241
Other operating expense	(4,867)	(3,937)
Share of profit of investments accounted for using the equity method	5,602	3,512
Operating income	<u>88,846</u>	<u>101,183</u>
Finance income	1,424	2,192
Finance costs	(12,564)	(11,765)
Profit before income taxes	<u>77,706</u>	<u>91,611</u>
Income taxes	(20,842)	(24,973)
Net income	<u><u>56,863</u></u>	<u><u>66,637</u></u>
Profit attributable to:		
Owners of parent	55,214	64,103
Non-controlling interests	1,648	2,534
Earnings per share		
Basic earnings per share (Yen)	127.59	148.13

## (Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Year ended Mar. 31, 2021	Year ended Mar. 31, 2022
Net income	56,863	66,637
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	7,617	6,773
Remeasurements of defined benefit plans	710	607
Share of other comprehensive income of investments accounted for using the equity method	(31)	70
Total of items that will not be reclassified to profit or loss	8,296	7,451
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	53,841	55,994
Effective portion of net change in fair value of cash flow hedges	56	299
Share of other comprehensive income of investments accounted for using the equity method	(133)	1,979
Total of items that may be reclassified subsequently to profit or loss	53,764	58,273
Total other comprehensive income, net of tax	62,060	65,725
Comprehensive income	118,924	132,363
Comprehensive income attributable to:		
Owners of parent	116,598	129,325
Non-controlling interests	2,325	3,038

(3) Consolidated Statement of Changes in Equity  
 FYE2021 (April 1, 2020 to March 31, 2021)

	(Millions of yen)			
	Share capital	Capital surplus	Treasury stock	Retained earnings
Balance at April 1, 2020	37,344	56,387	(268)	379,322
Net income	—	—	—	55,214
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	—	55,214
Purchase of treasury stock	—	—	(5)	—
Disposal of treasury stock	—	0	0	—
Dividends	—	—	—	(12,121)
Changes in ownership interest in subsidiaries	—	(485)	—	—
Business combinations or business divestitures	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	588
Change in scope of consolidation	—	—	—	(166)
Other changes	—	—	—	—
Total transactions with owners	—	(485)	(5)	(11,699)
Balance at March 31, 2021	37,344	55,901	(273)	422,838

	Other components of equity				Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Effective portion of net change in fair value of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans				
Balance at April 1, 2020	(71,170)	19	7,709	—	(63,441)	409,344	31,349	440,693
Net income	—	—	—	—	—	55,214	1,648	56,863
Other comprehensive income	53,141	52	7,507	682	61,383	61,383	677	62,060
Comprehensive income	53,141	52	7,507	682	61,383	116,598	2,325	118,924
Purchase of treasury stock	—	—	—	—	—	(5)	—	(5)
Disposal of treasury stock	—	—	—	—	—	0	—	0
Dividends	—	—	—	—	—	(12,121)	(681)	(12,803)
Changes in ownership interest in subsidiaries	—	—	—	—	—	(485)	(2,787)	(3,273)
Business combinations or business divestitures	—	—	—	—	—	—	54	54
Transfer from other components of equity to retained earnings	—	—	93	(682)	(588)	—	—	—
Change in scope of consolidation	—	—	—	—	—	(166)	—	(166)
Other changes	—	—	—	—	—	—	476	476
Total transactions with owners	—	—	93	(682)	(588)	(12,778)	(2,939)	(15,717)
Balance at March 31, 2021	(18,029)	71	15,310	—	(2,646)	513,164	30,736	543,900

FYE2022 (April 1, 2021 to March 31, 2022)

	(Millions of yen)			
	Share capital	Capital surplus	Treasury stock	Retained earnings
Balance at April 1, 2021	37,344	55,901	(273)	422,838
Net income	—	—	—	64,103
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	—	64,103
Purchase of treasury stock	—	—	(7)	—
Disposal of treasury stock	—	0	0	—
Dividends	—	—	—	(13,853)
Changes in ownership interest in subsidiaries	—	43	—	—
Business combinations or business divestitures	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	3,459
Change in scope of consolidation	—	—	—	41
Other changes	—	—	—	—
Total transactions with owners	—	43	(7)	(10,352)
Balance at March 31, 2022	37,344	55,945	(281)	476,589

	Other components of equity				Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Effective portion of net change in fair value of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans				
Balance at April 1, 2021	(18,029)	71	15,310	—	(2,646)	513,164	30,736	543,900
Net income	—	—	—	—	—	64,103	2,534	66,637
Other comprehensive income	57,457	296	6,844	623	65,222	65,222	503	65,725
Comprehensive income	57,457	296	6,844	623	65,222	129,325	3,038	132,363
Purchase of treasury stock	—	—	—	—	—	(7)	—	(7)
Disposal of treasury stock	—	—	—	—	—	0	—	0
Dividends	—	—	—	—	—	(13,853)	(991)	(14,844)
Changes in ownership interest in subsidiaries	—	—	—	—	—	43	(379)	(335)
Business combinations or business divestitures	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(2,836)	(623)	(3,459)	—	—	—
Change in scope of consolidation	—	—	—	—	—	41	5	46
Other changes	—	—	—	—	—	—	14	14
Total transactions with owners	—	—	(2,836)	(623)	(3,459)	(13,775)	(1,350)	(15,126)
Balance at March 31, 2022	39,428	368	19,319	—	59,115	628,714	32,423	661,137

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	Year ended Mar. 31, 2021	Year ended Mar. 31, 2022
<b>Cash flow from operating activities</b>		
Profit before income taxes	77,706	91,611
Depreciation and amortization	86,380	92,435
Impairment losses	2,022	1,216
Interest and dividends income	(821)	(965)
Interest expenses	12,554	11,601
Share of (profit) loss of investments accounted for using the equity method	(5,602)	(3,512)
Loss (gain) on sale and retirement of property, plant and equipment, and intangible assets	(295)	449
(Increase) decrease in trade receivables	2,248	(28,158)
(Increase) decrease in inventories	(766)	(6,764)
Increase (decrease) in trade payables	(938)	14,264
(Increase) decrease in retirement benefit asset	(394)	(580)
Increase (decrease) in retirement benefit liabilities	764	1,095
Other	(529)	4,756
Subtotal	172,328	177,451
Interest received	195	201
Dividends received	6,117	3,720
Interest paid	(11,548)	(10,842)
Income taxes refund (paid)	(17,860)	(21,770)
Net cash provided by operating activities	149,231	148,760
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(60,075)	(74,478)
Proceeds from sale of property, plant and equipment	1,434	1,516
Purchase of investment	(633)	(1,560)
Proceeds from sale and redemption of investments	252	6,083
Payments for acquisition of subsidiaries	(119)	(520)
Proceeds from sale of subsidiaries	—	0
Payments for acquisition of businesses	(608)	—
Other	64	(1,900)
Net cash used in investing activities	(59,686)	(70,858)

(Millions of yen)

	Year ended Mar. 31, 2021	Year ended Mar. 31, 2022
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	(22,924)	8,016
Net increase (decrease) in commercial papers	(3,000)	(10,000)
Proceeds from long-term borrowings	58,106	25,105
Repayment of long-term borrowings	(101,049)	(86,466)
Proceeds from issuance of bonds	—	25,000
Redemption of bonds	(10,000)	(15,000)
Repayment of lease obligations	(8,688)	(9,437)
Purchases of investments in subsidiaries not resulting in change in scope of consolidation	(2,834)	(276)
Dividends paid	(12,121)	(13,853)
Dividends paid to non-controlling interests	(681)	(991)
Other	34	(43)
Net cash used in financing activities	(103,159)	(77,946)
Effect of exchange rate changes on cash and cash equivalents	4,543	2,416
Net increase (decrease) in cash and cash equivalents	(9,070)	2,371
Balance of cash and cash equivalents at beginning of fiscal year	100,005	91,058
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	105	266
Increase in cash and cash equivalents resulting from merger	19	—
Balance of cash and cash equivalents at term-end	91,058	93,697

(5) Notes to the Consolidated Financial Statements

(Note regarding going concern assumption)

Not applicable.

(Segment information)

(1) Outline of reportable segments

The NSHD Group's reportable segments are components of the NSHD Group about which separate financial information is available and which are evaluated regularly by the Board of Directors in deciding how to allocate management resources and in assessing performance. No grouping of operating segments has been carried out for reporting purposes.

The NSHD Group conducts gas businesses in Japan and overseas, mainly for customers in the steel, chemical and electronics industries, and has built production and sales structures for its main products in Japan, the United States, Europe, and Asia & Oceania. In addition, the NSHD Group conducts the manufacture and sales of housewares such as stainless steel vacuum bottles. Therefore, the Company has established the following five reportable segments: Gas Business in Japan, Gas Business in the United States, Gas Business in Europe, Gas Business in Asia & Oceania, and Thermos Business.

(Changes to reportable segments)

In conjunction with its transition to a holding company structure, from the fiscal year under review, the Group has changed the reportable segments and adjustment amounts of the Company and certain consolidated subsidiaries to facilitate more appropriate evaluation of the management results of each segment. Furthermore, to facilitate the year-on-year comparisons, the figures for the previous fiscal year have been reclassified based on the changes to the reportable segments.

\* The Gas Business in Japan reportable segment has changed its name in Japanese, but the name remains the same in English.

The principal products and services included in the five reportable segments are shown in the table below.

Reportable segment	Main products and services
Gas Business in Japan	Oxygen, nitrogen, argon, carbon dioxide, helium, hydrogen, acetylene, gas-related equipment, specialty gases (electronic material gases, pure gases, etc.), electronics-related equipment and installation, semiconductor manufacturing equipment, cutting and welding equipment, welding materials, plants and machinery, liquid petroleum gas (LPG) and related equipment, medical-use gases (oxygen, nitrous oxide, etc.), medical equipment, stable isotopes
Gas Business in the United States	
Gas Business in Europe	
Gas Business in Asia & Oceania	
Thermos Business	Houseware and consumer goods

The accounting methods adopted for the reported operating segments are the same as the methods adopted to prepare the consolidated financial statements.

Revenue from inter-segment transactions and transfers is based primarily on prevailing market prices.



## (2) Figures of revenue and income (loss) by reportable segment

FYE2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts on the Consolidate d Statements of Income
	Gas Business in Japan	Gas Business in the United States	Gas Business in Europe	Gas Business in Asia & Oceania	Thermos Business	Total		
Revenue								
Revenue from external customers	341,990	189,994	160,035	102,036	23,964	818,021	217	818,238
Revenue from inter- segment transactions and transfers	13,675	18,182	42	2,179	25	34,105	(34,105)	—
Total	355,665	208,177	160,077	104,215	23,989	852,126	(33,887)	818,238
Segment income (Note 2)	29,889	23,129	21,015	8,921	5,168	88,124	(872)	87,251
Other items								
Depreciation and amortization	19,534	29,106	28,962	7,379	1,328	86,310	69	86,380
Impairment losses	155	—	—	765	—	921	—	921
Share of profit (loss) of investments accounted for using the equity method	193	348	(11)	(49)	2,360	2,842	0	2,842

Notes: 1. The (¥872) million negative adjustment for segment income is comprised of (¥49) million of intersegment eliminations and companywide expenses of (¥823) million that were not allocated to any particular reportable segment. These companywide expenses mainly comprise Group administration expenses at the Company that are not attributable to reportable segments.

2. Segment income represents core operating income, which is calculated as operating income excluding certain gains or losses attributable to non-recurring factors (non-recurring items) such as losses arising from business withdrawal or downsizing.

FYE2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts on the Consolidate d Statements of Income
	Gas Business in Japan	Gas Business in the United States	Gas Business in Europe	Gas Business in Asia & Oceania	Thermos Business	Total		
Revenue								
Revenue from external customers	372,033	224,801	209,778	123,533	26,849	956,996	173	957,169
Revenue from inter- segment transactions and transfers	10,929	17,020	148	3,314	18	31,432	(31,432)	—
Total	382,963	241,822	209,926	126,848	26,867	988,428	(31,258)	957,169
Segment income (Note 2)	30,939	27,314	26,303	12,837	6,441	103,837	(1,127)	102,710
Other items								
Depreciation and amortization	19,351	31,987	31,736	7,935	1,315	92,326	108	92,435
Impairment losses	4	—	—	136	—	140	—	140
Share of profit (loss) of investments accounted for using the equity method	298	—	41	184	3,159	3,683	0	3,684

Notes:1. The (¥1,127) million negative adjustment for segment income is comprised of ¥102 million of intersegment eliminations and companywide expenses of (¥1,229) million that were not allocated to any particular reportable segment. These companywide expenses mainly comprise Group administration expenses at the Company that are not attributable to reportable segments.

2. Segment income represents core operating income, which is calculated as operating income excluding certain gains or losses attributable to non-recurring factors (non-recurring items) such as losses arising from business withdrawal or downsizing.

Reconciliation of segment income with profit before income taxes is shown in the table below.

(Millions of yen)

	FYE2021 (April 1, 2020 to March 31, 2021)	FYE2022 (April 1, 2021 to March 31, 2022)
Segment income	87,251	102,710
Share of profit (loss) of investments accounted for using the equity method	2,759	(172)
Impairment losses	(1,100)	(1,075)
Other	(64)	(278)
Operating income	88,846	101,183
Finance income	1,424	2,192
Finance costs	(12,564)	(11,765)
Profit before income taxes	77,706	91,611

(Per-Share Information)

Basic earnings per share and the basis for share appraisal are as follows.

	FYE2021 (April 1, 2020 to March 31, 2021)	FYE2022 (April 1, 2021 to March 31, 2022)
Net income attributable to owners of the parent (¥ million)	55,214	64,103
Average number of shares (thousand shares)	432,752	432,749
Basic earnings per share (Yen)	127.59	148.13

Note: Diluted earnings per share are not listed as there are no dilutive shares.

(Significant Subsequent Events)

Not applicable.