

NSHD
Working towards
a sustainable future.



NIPPON SAN SO HOLDINGS

Web IR Conference on Sustainability initiatives

December 6, 2022
Tokyo (Japan)

The Gas Professionals

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● Financial information

NSHD’s financial statements are prepared in accordance with international Financial Reporting Standards (“IFRS”).

Contents

1. **Sustainability Management Strategy**
2. **Measures to achieve Non-financial KPI**
3. **Business Opportunities in Carbon Neutrality**

Appendix

(Information)

In this slide deck, the term "Carbon Neutrality (Neutral)" appears frequently, so the abbreviation "CN" is used for the sake of readability and visibility. Please be aware of this in advance.

Opening remarks

1. Sustainability Management Strategy

Enhancing Corporate value through Sustainability orientation

Our group's Mid-term management plan (MTP)

NS Vision 2026 | Enabling the Future

Oct. 2020

To a holding company structure
(Trade name changed in accordance with change of structure)

Apr. 2022

Mar. 2026

Apr. 2015
CSO* appointed
(* Chief sustainability Officer)
Formulated materiality

Dec. 2018
Acquisition of Praxair's
European operations

Feb. 2019
Acquisition of Linde's
U.S. HyCO business

Nov. 2019
Started disclosing information
via website, etc., in support of
TCFD.

Jul. 2020
Started our independent
response to CDP

Feb. 2021
Establishment of corporate philosophy,
vision, code of conduct and policies

Nov. 2021
Reinforcement of internal sustainability
management system
(Group Sustainability Management Office established)

Dec. 2021
Updated our Materiality

Jan. 2022
Signed the United Nations Global Compact
(UNGC)

Jun. 2021 and Jun. 2022
Review of Board composition

May 2022
MTP [NS Vision2026] released

● **Launch of Eight non-financial programs**

1. **CNP I** : Carbon Neutral Program I
2. **CNP II** : Carbon Neutral Program II
3. **ZWP**: Zero Waste Program
4. **SWP**: Sustainable Water Program
5. **SFP**: Safety First Program
6. **QRP**: Quality Reliability Program
7. **TDP**: Talent Diversity Program
8. **CPP**: Compliance Penetration Program

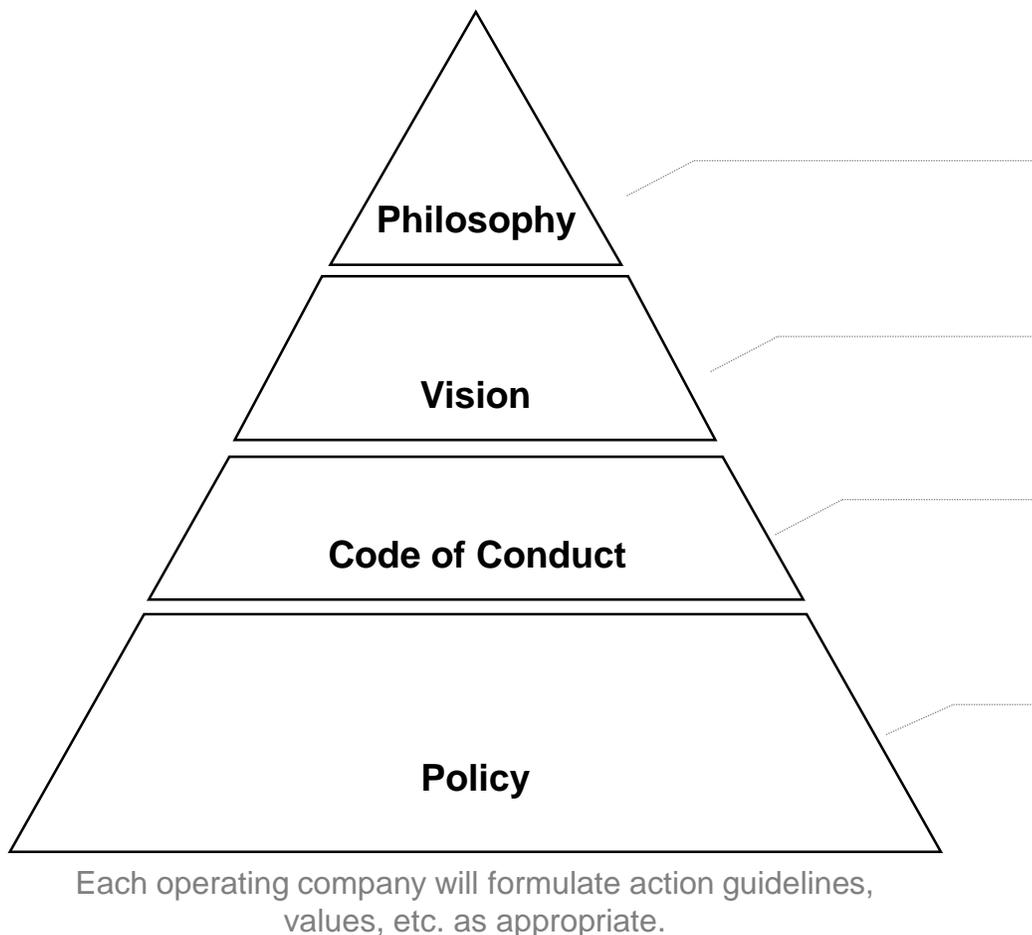
● **Establishment and disclosure of non-financial KPI (see following pages)**

● **Publication of TCFD Scenario Analysis Results**

Laying the foundation for Sustainability Management

Our Group's Philosophy System

(established in Feb. 2021)



Proactive. Innovative. Collaborative.
Making life better through gas technology.
The Gas Professionals

We aim to create social value through innovative gas solutions that increase industrial productivity, enhance human well-being and contribute to a more sustainable future.

The contents of the Charter of Corporate Behavior (Keidanren) are largely covered in our Code of Conduct. Therefore, rather than establishing a new "Charter of Corporate Behavior," we have reviewed the current Code of Conduct, taking into account recent social trends.

12 policies developed for disclosure

- Anti Corruption Policy
- Environmental Policy
- Occupational Safety and Health/ Industrial Safety and Disaster Prevention Policy
- Product Safety and Quality Policy
- Intellectual Property Policy
- Procurement Policy
- Global Policy on Respecting Human Rights, Contributing to Communities, Employment, Labor and Health
- Global Competition Law Compliance Policy
- Global Tax Policy
- Investor Relations (IR) Policy
- Information Security Policy
- Internal Audit Policy

To operate as a unified group

Sustainability Management and Operating Structure

Board of Directors (Nine Directors, five of whom are outside)



← Reporting

Supervision

Representative Director, President CEO



* Once a year in principle

Management Committee
(Once a month in principle)

The committee deliberates and makes decisions on important matters related to the execution of duties by the Representative Director, President CEO.

Global Strategy Review Committee*

Global Risk Management Committee*

Global Compliance Committee*

Group Sustainability Management Office (GSMO)



CSO

Technological Risk Liaison Committee

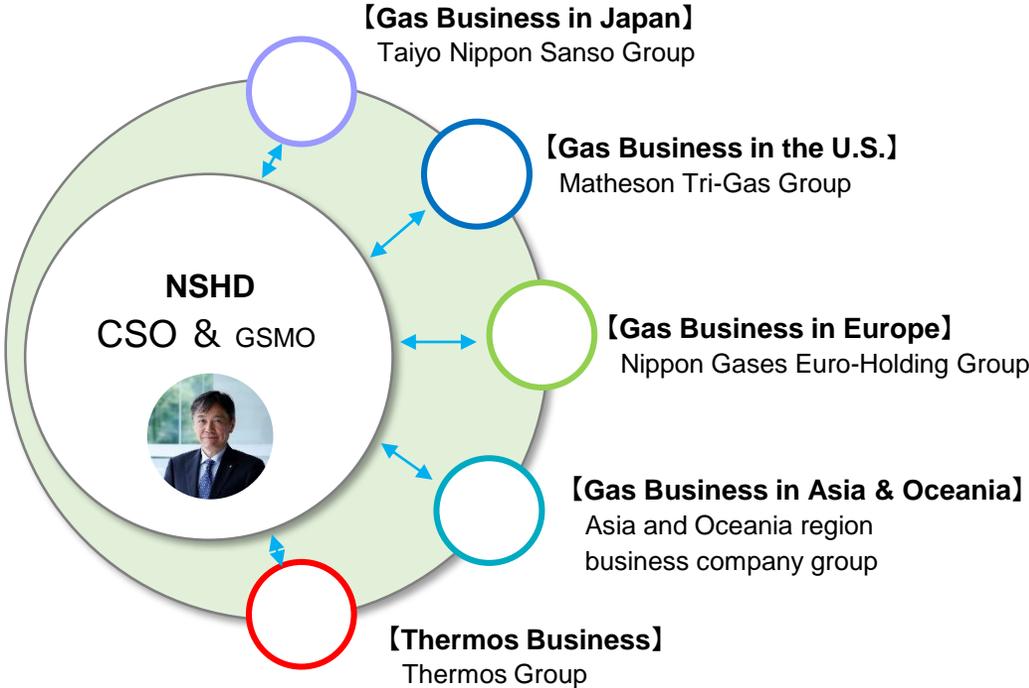
Meeting between NSHD and each operating company to determine specific measures to be taken

Gas Business in Japan / Gas Business in the U.S. / Gas Business in Europe / Gas Business in Asia & Oceania / Thermos Business

Major Non-financial matters & agendas for consideration by the Board of Directors (FYE2022)

- Development of Non-financial KPI
- CDP response policy
- Review of materiality
- Validation of TCFD scenario analysis results
- Signature to UNGC

Group companies Close collaborative relationship



↔ Collaboration



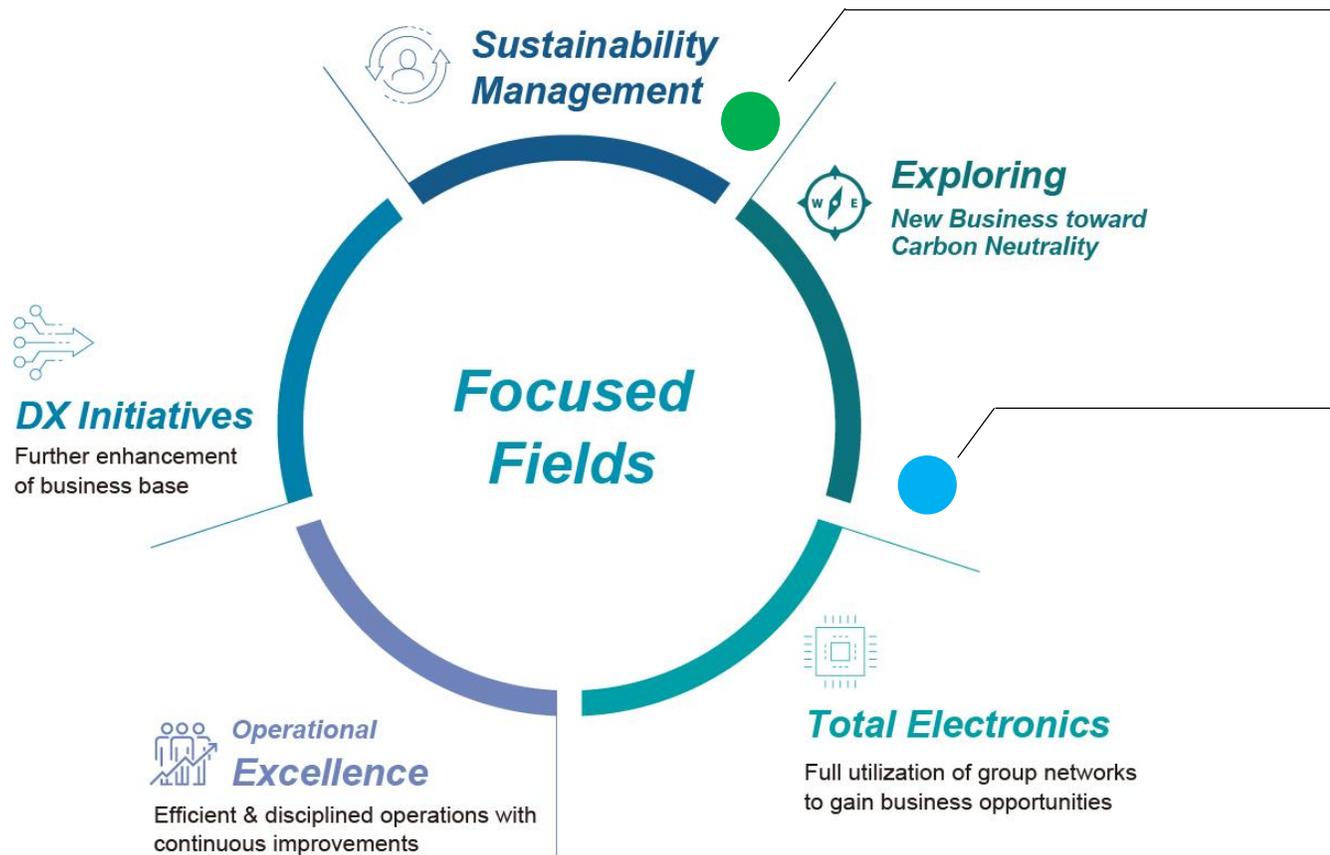
NIPPON SANSO HOLDINGS

Implement the five focused fields

Our MTP

NS Vision 2026 : Enabling the Future

Slogan



2. Measures to achieve Non-financial KPI

Explainer: Toshifumi Abe, General Manager



Sustainability Management
Group Sustainability Management Office,
NIPPON SANZO Holdings Corporation

3. Business Opportunities in Carbon Neutrality

Explainer: Satoshi Suzuki, General Manager



Business Planning & Admin,
Corporate & Business Planning,
Group Corporate Planning office
NIPPON SANZO Holdings Corporation
(and, CN global executive team in NSHD Group)

Eight Non-financial programs & Our MTP NS Vision 2026 Non-financial KPI

- 1 **CNP I** : Carbon Neutral Program I
- 2 **CNP II** : Carbon Neutral Program II
- 3 **ZWP**: Zero Waste Program
- 4 **SWP**: Sustainable Water Program
- 5 **SFP**: Safety First Program
- 6 **QRP**: Quality Reliability Program
- 7 **TDP**: Talent Diversity Program
- 8 **CPP**: Compliance Penetration Program

	<u>FYE2026 Target</u>
Environment	
<Environment>	
• Reduction rate of GHG emissions (Base year: FYE2019 ^{*1})	18% down
• GHG reduced contribution exceeds GHG emission (Scope 1+2)	<u>X>Y</u>
• Breakdown information (Unit: Thousands of tonnes CO ₂ e)	
X: Lower customer GHG emissions through environmental product offerings and applications	
Y: NSHD Group GHG emission (Scope 1 +2)	
Social	
<Safety Management>	
• Lost Time Injury Rate	<u>≤1.6</u>
<HR>	
• Rate of female employees	<u>≥22%</u>
• Rate of female management posts	<u>≥18%</u>
Governance	
<Compliance>	
• Rate of receiving compliance training ^{*2}	<u>100%</u>

*1 The figure for the volume of GHG emissions for FYE2019, which is the reference value, calculate the actual GHG emissions in FYE2019 plus the following:
1) estimated emissions of the Gas Business in Europe in FYE2019 and 2) estimated emissions of the U.S. HyCO business in FYE2019.

*2 We plan to begin data collection from the current fiscal year; FYE2023.

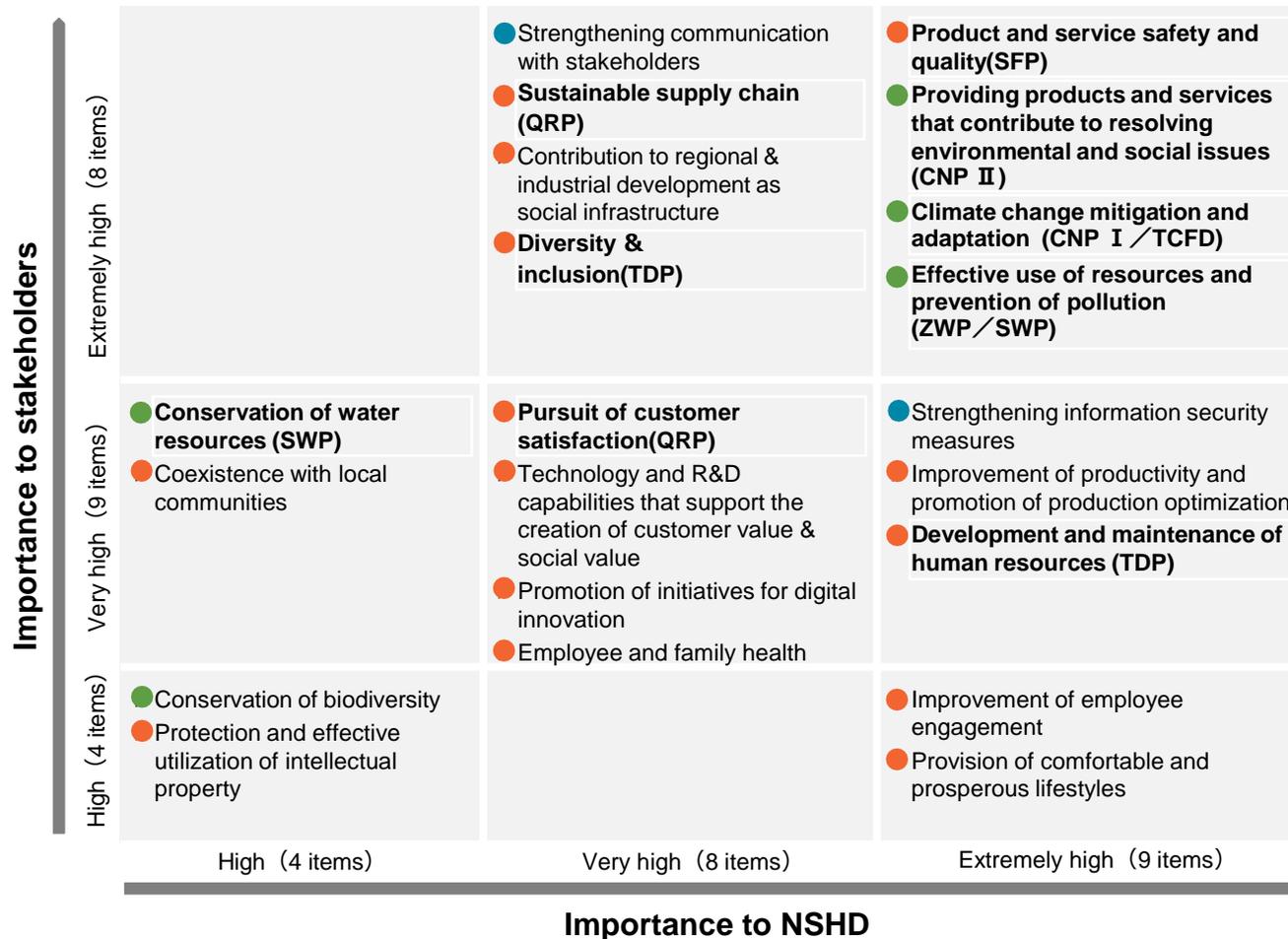
Relationship between Materiality & Eight Non-financial programs

Materiality (24 items)

Preconditions for the Enterprise Existence (3 items)

- Respect for Human Rights (UNGC)
- Safety & Security (SFP)
- Corporate Ethics (CPP)

● related to the global environment ● related to social systems ● related to the Company and its organizational structure



● Eight Non-financial programs

1. **CNP I** : Carbon Neutral Program I
2. **CNP II** : Carbon Neutral Program II
3. **ZWP**: Zero Waste Program
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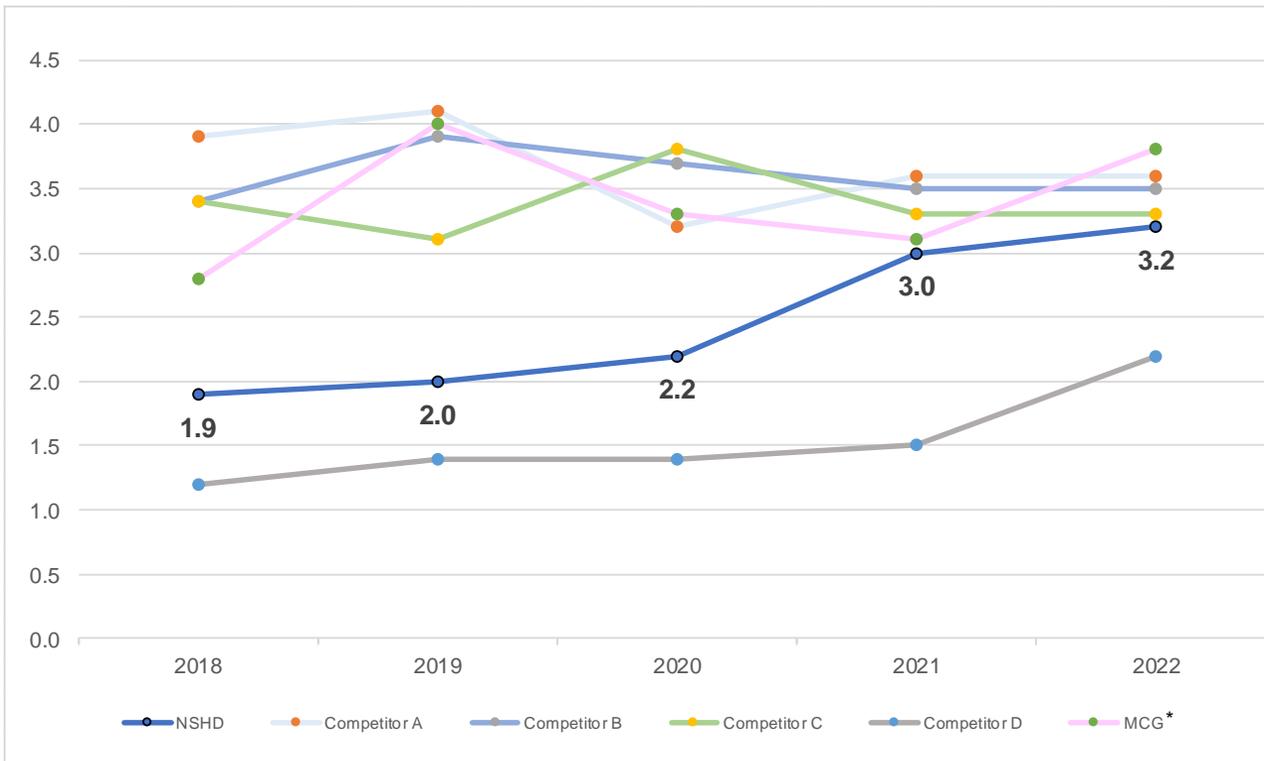
(Supplementary information)

- UNGC** : United Nations Global Compact
- TCFD** : Task Force on Climate-Related Financial Disclosures

* This materiality is an updated version of the 2015 version, which was reviewed internally and approved by the Company's Board of Directors in Dec. 2021.

Non-financial related external evaluations (FTSE/CDP)

FTSE Russell's ESG Ratings



After 2020, through courteous communication with the evaluation agencies, **the Improvement trend since the establishment of the holding company structure.**

CDP Climate Change

	2018	2019	2020	2021
NSHD	(B)	(A-)	B	A-
Competitor A	A-	A-	A-	A-
Competitor B	A-	A-	A-	A-
Competitor C	B	D	B	B
Competitor D	B-	A-	B	B
MCG*	B	A-	B	B

As of 2021, we have improved to the same level of evaluation compared to our peers.

Since the Company began responding independently in 2020. In 2018 & 2019, the evaluation shown are the results of the assessment on a MCG basis. As of the end of Nov. 2022, the assessment results for 2022 have not been received.

* MCG : Mitsubishi Chemical Group Corporation (Mitsubishi Chemical Holdings Corporation changed of trade name to Mitsubishi Chemical Group Corporation effective on July 1, 2022)

2. Measures to achieve Non-financial KPI

CNP I : To reduce the Group's GHG emissions through our own efforts

(Carbon Neutral Program I)

Aiming for CN by 2050

Achieving CN through Technological breakthrough



GHG emissions reduction target (Base year: FYE2019*)
(Greenhouse gas)

FYE2026 : 18% down, FYE2031 : 32%down
(Reference) FYE2022 actual : 9%down

* The figure for the volume of GHG emissions for FYE2019, which is the reference value, calculate the actual GHG emissions in FYE2019 plus the following: 1) estimated emissions of the Gas Business in Europe in FYE2019 and 2) estimated emissions of the U.S. HyCO business in FYE2019.

Scenarios for achieving goals

(External environment) Factors beyond the Group's control

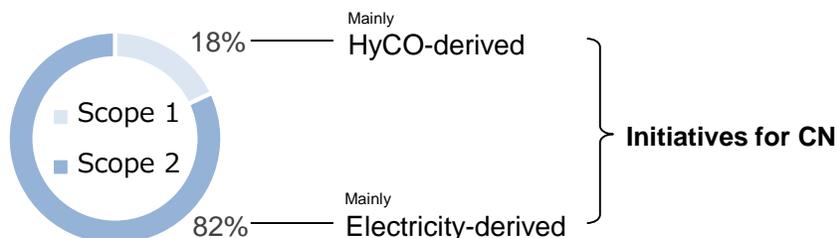
▷ Changes in power supply configuration

Reduction due to revision of emission factors (Scope2)

Estimates based on IEA emission factor projections

Source: IEA Carbon intensity of electricity generation in selected regions in the Sustainable Development Scenario, 2000-2040

● Composition of GHG emissions of our group



(Internal measures) Factors that can be controlled by the Group

▶ Further promotion of energy conservation & efficiency of energy use - Reduced energy consumption

- ① Replacement of Air Separation Units (ASUs)
- ② Reduction of electricity usage through digital solution technologies
- ③ Streamlining of logistics and review of transport

▶ Promotion of the use of renewable energy and green power - Greening Electricity Procurement

- ① Switch to electricity companies with low emissions coefficients
- ② Purchase green power certificates
- ③ Introduce renewable energy

▶ Carbon capture and offsets - Consideration of CCUS implementation

- ① Promote CO₂ capture
- ② Carbon offset through new technology, forest conservation, and tree-planting activities, etc.

CNP II : To reduce GHG emissions of our customers through the promotion of our products

(Carbon Neutral Program II)

Contribute to the reduction of global GHG emissions through the Group's products and technologies



X: Lower customer GHG emissions through environmental product offerings and applications
Y: NSHD Group GHG emission (Scope 1 + 2)
FYE2026 : X > Y

(Reference) FYE2022 actual : **Achieved** (X > Y)

Unit: thousands of tonnes CO₂e

X: 6,865 (Products and services: 3,176, Industrial gases: 3,689)

Y: 5,921 (Composition ratio: Scope 1: 18%, Scope 2: 82%)

Scenarios for achieving goals

(External environment) Factors beyond the Group's control

▷ Social demands from the perspective of global environmental protection

Working toward Net Zero is a corporate imperative.

▷ Technological evolution on the customer side

**Drive toward carbon neutrality at our group's customers
Dramatic technological development and rapid replacement of existing technologies**

(e.g., Hydrogen-reduced iron making with economic rationality, highly efficient electric furnace conversion)

(Internal measures) Factors that can be controlled by the Group

▶ **Contribution by the Group's existing technologies**

- ① Oxygen-enriched combustion in blast furnaces
- ② H₂ and NH₃ combustion in industrial furnaces
- ③ Carbon capture and utilization (on a small scale)

▶ **Expansion of the Group's contribution area**

- ① Areas of contribution other than the above existing technologies (In addition to in-house R&D, mutual collaboration with other companies through strategic alliances, etc.)
- ② Carbon capture and utilization (on a large scale)

ZWP / SWP: To preserve the global environment

(Zero Waste Program / Sustainable Water Program)

Zero Waste Program

Aiming to reduce waste emissions

The 3R (Reduce, Reuse, Recycle) of waste disposal is a requirement of the times, and we will work on proper management and recycling of waste to reduce emissions and build a resource cycle.

<New Initiatives in the Japan Gas Business>

We started HALD (Halve Amount of Landfill Disposal) to halve the amount of industrial waste generated by Taiyo Nippon Sanso (non-consolidated) in Japan for landfill disposal by FYE2026.

Sustainable Water Program

Aiming to minimize water risk

Effective use of water resources is a must, and we aim to conserve water resources in our corporate activities through efficient use of water.

Identify water risks and implement measures for high-risk sites

- Conduct an annual water stress survey using Aqueduct, a water risk assessment tool developed by the World Resource Institute, to identify production plants (ASU and HyCO plants) in high-risk areas.
- In production plants in high-risk areas, work to reduce water withdrawal and consumption by increasing the amount of water circulated, etc.

SFP/QRP: To ensure the safety of our workforce and improve the reliability of our quality

(Safety First Program/Quality Reliability Program)

Safety First Program

Aiming to be a global leader in the industrial gas industry through safety



FYE2026 : Lost Time Injury Rate ≤ 1.6

Safety is the foundation of our company's existence, and in the spirit of "**Selling gases is Selling safety.**", we will strive to maintain a safe and stable supply by further promoting safety.

<Specific measures to achieve>

- Share information on accidents, occupational injuries, and best practices
- Improve security capabilities through the use of smart security (DX, AI, IoT)
- Enhancement of safety education
- Utilize TNSC's Technical Academies to foster safety culture and improve hazard sensitivity
- Promote investment in safety

Quality Reliability Program

Aiming to improve quality and reliability

Thoroughly promote awareness of the importance of quality, further raise the awareness of operations personnel, and promote the introduction of automated technologies.

<Specific measures to achieve>

- Thorough training on quality ethics and compliance
- Implementation of quality audit program
- Promote automation of testing, inspection, and analysis records, etc.
- Efforts to improve customer satisfaction through Semiconductor Specialty Gas-Quality Committee (SSG-QC) activities

TDP / CPP: Toward Human Resource Development that Supports and Generates Sustainable Growth

(Talent Diversity Program / Compliance Penetration Program)

Talent Diversity Program

Launched a strategy to develop human resources for sustainable growth.



FYE2026 :	FYE2031 :
Rate of female employees 22%	25%
Rate of female management posts 18%	22%

Promote the recruitment, development, and exchange of diverse human resources essential for sustainable growth

<Specific measures to achieve>

- To ensure the acceptance of a diverse workforce & ease of work.
- Promote cross-regional exchange of human resources
- Strengthen succession planning

Compliance Penetration Program

Thoroughly adhere to the prerequisites
(corporate ethics, safety and security, and respect for human rights)
for maintaining corporate existence



FYE2026 :
Rate of receiving compliance training 100%

Promote the establishment of compliance by spreading awareness and acquiring correct knowledge of compliance

<Specific measures to achieve>

- Continue compliance training in each region to disseminate knowledge and corrective actions for all employees
- Prevention of compliance violations
- Detection of compliance violations through dissemination and operation of the internal reporting system

To enhance Corporate value through Communication

Internal communication

Aiming to strengthen overall strength and expression through intra-group communication

<Specific measures to achieve>

- To disseminate common values and attitudes, the Integrated report prepared with the cooperation of each operating company was redeveloped and relearned within the Group.
- **Operational Excellence Day**
(one of five key strategies: Operational Excellence)
to share best practices at operating companies in each region

External communication

Provide up-to-date and accurate information about the Group that meets the needs of stakeholders

<Specific measures to achieve>

- Promote communication with customers and business partners through the Group as a whole, based on shared values and attitudes
- Execute appropriate initiatives and disclosures that reflect careful dialogue with external evaluation agencies (FTSE, MSCI, etc.), investors, and analysts.

3. Business Opportunities in Carbon Neutrality

What we aim to be

The Gas Professionals

(Experts who are well versed in the physical properties and features of gases)

Producing industrial gases and supplying them safely and reliably to all industrial fields.

Contributing to the development of each industry and solving social issues through the supply of industrial gases.

Our Group's Goals

(Toward 2030)

Solution provider for a CN Society

NS Vision 2026 Focused Fields : Exploring New Business toward Carbon Neutrality

Slogan

“Enable carbon neutral world”

Basic Policy and Promotion Structure

Recognition of business environment and response stance

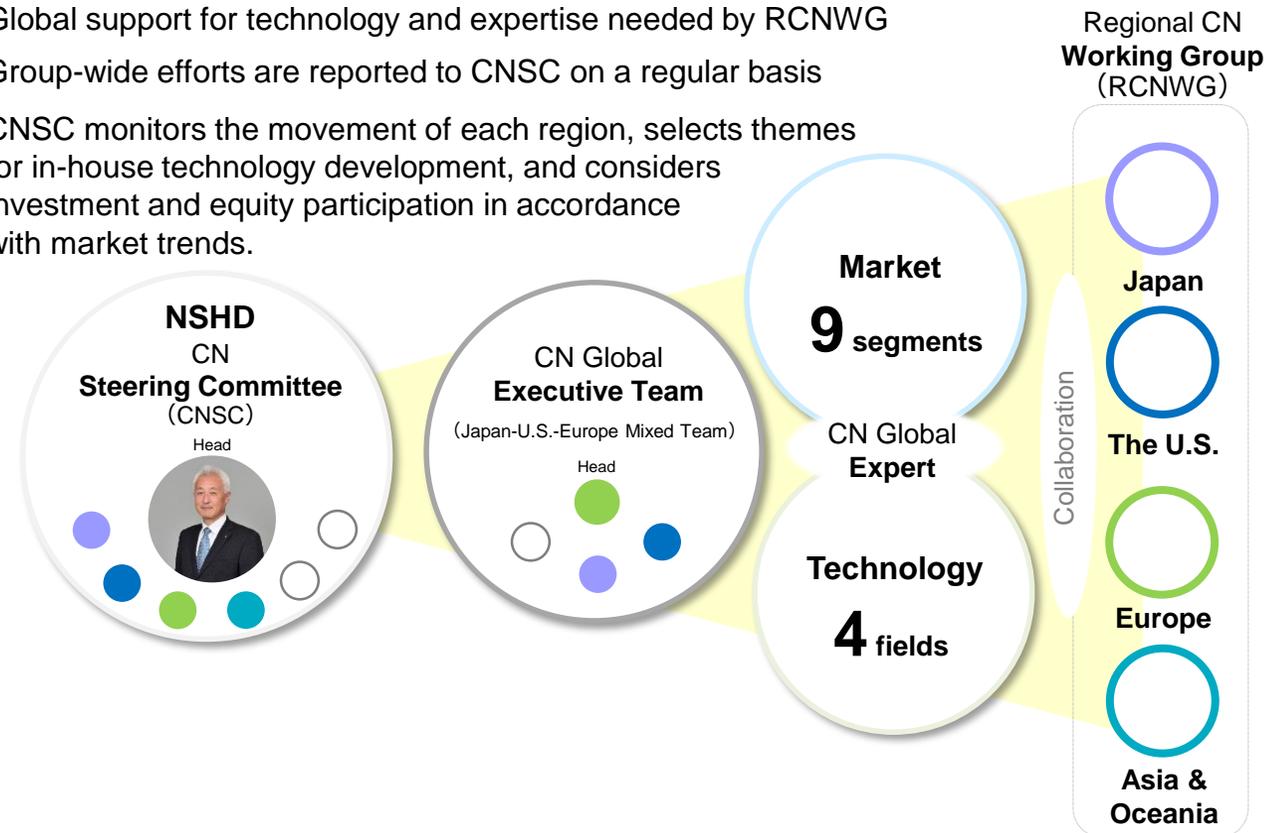
- ✓ All industries (steel, chemical, glass, cement, automotive, electronics, etc.) are moving toward CN
- ✓ Economic and technological challenges make it difficult to build an ideal green society in a single step.
- ✓ Each region has different methods and priorities for addressing CN
- ✓ 30-year transition period may cause a temporary swing or loss of momentum in CN efforts due to war, epidemics, etc.

Basic Policy

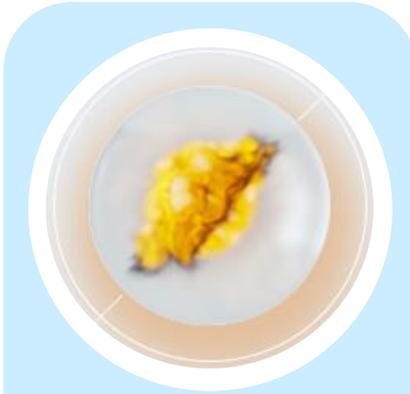
- ✓ Ensure contribution to CN by proposing realistic and feasible solutions (Quick wins)
- ✓ Promote in-house technology development and collaborate with strategic partners
- ✓ Strengthening the ability to communicate with all stakeholders

Integrated promotion system to respond promptly to customer needs

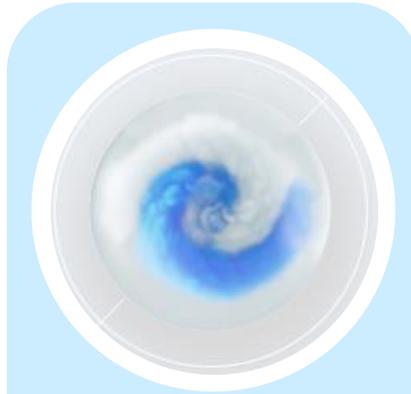
- ✓ Information is shared frequently by the RCNWG and CN global experts (by market segment and technology field).
- ✓ Global support for technology and expertise needed by RCNWG
- ✓ Group-wide efforts are reported to CNSC on a regular basis
- ✓ CNSC monitors the movement of each region, selects themes for in-house technology development, and considers investment and equity participation in accordance with market trends.



Four technologies for contributing CN



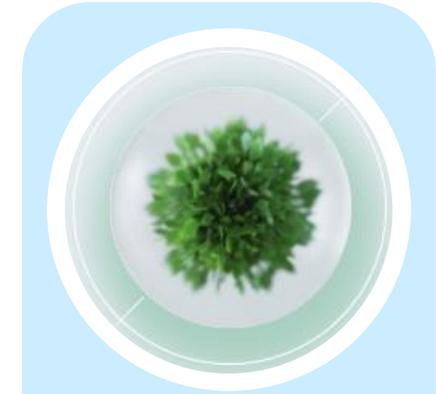
Combustion
(Oxy-fuel combustion)



HyCO*



CO₂ Recovery



O₂ Production

(Technology)

Combustion technology is a key enabler for CN goals. Oxyfuel combustion has a high flame temperature and a small amount of exhaust gas, improving heat transfer efficiency.

Hydrogen production processes from fossil fuels may be modified to isolate the CO₂ as a pure stream to then be dried, compressed and transported for storage or utilization.

CO₂ recovery units capture the CO₂ emitted by industrial processes and prepare it for other uses. By using the most suitable CO₂ capture technology it's possible to reuse the product in different production processes or in other areas of industry after purification.

The process to produce oxygen is traditionally done by the cryogenic distillation of air into its main components, which are oxygen and nitrogen gas. The oxygen is further compressed to the required pressure of the carbon neutral application.

(Main target)

Steel, Glass, Aluminum,
Non-ferrous
Other metal processing

Refineries, Petrochemicals
Renewable fuels, Steel

Steel, Refineries,
Petrochemicals, Cement

Any manufacturing industry
that uses oxidation processes

* HyCO business : On-site supply of hydrogen (Hydrogen) and carbon monoxide (Carbon monoxide) mainly to petroleum refining and petrochemical companies

Our Activities (1)



Combustion field

Partnering with Sarralle, which has extensive engineering experience in the environmental, energy, and steel sectors, in the field of oxygen and hydrogen burners to provide solutions for CN in the European steel industry.



Combustion field

Successful demonstration test of glass melting by 100% Hydrogen combustion using a Hydrogen-Oxygen burner developed jointly with a glass manufacturing company. It was confirmed that the same melting capacity as that achieved by 100% Natural Gas combustion.

Comparison of combustion conditions inside a Glass Melter



H₂ 100%



H₂ 50% + LNG 50%



LNG 100%



Our Activities (2)



HyCO field

In addition to conventional Hydrogen production from LNG (HyCO), Hydrogen can also be produced and supplied from renewable Hydro-carbon fuel*, a byproduct of renewable diesel produced by Vertex Energy



* renewable Hydro-carbon fuel (feedstocks) : C1-C10 hydrocarbon streams including bio-naphtha and other bio-offgases

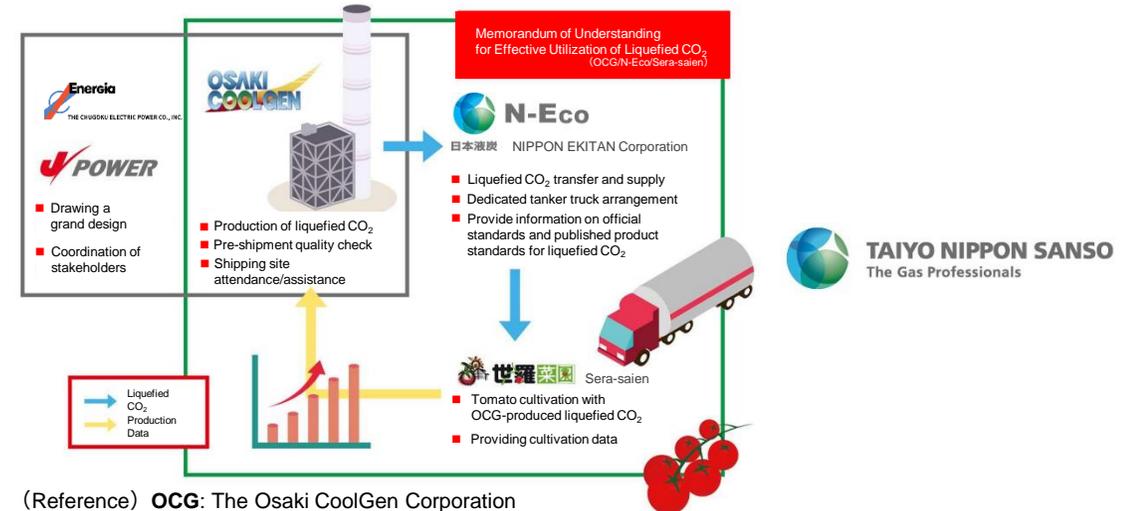


CO₂ Recovery field

Participation in a joint demonstration project for the recovery and subsea storage of CO₂ from blast furnace off-gas of a steel manufacturing company



Participation in a demonstration test for effective utilization of CO₂



(Reference) OCG: The Osaki CoolGen Corporation
<https://osaki-coolgen.jp/en/project/overview.html>

NS Vision 2026 Focused Fields : Exploring New Business toward Carbon Neutrality

Our thought

The value standard of “CN” and “Sustainability” will be added to the perspective of all activities.

Qualitative changes in the Value Chain adapted to the new society are essential.

1. Quick wins : Building on our track record of acquiring CN projects
2. Co-creation of value
: Developing our own technologies while building collaborative relationships with partners with advanced technological capabilities
3. Strengthening “Communications” with all stakeholders
(e.g. : Build a dedicated website as a tool for this purpose. > <https://www.carbonneutralworld.com/>)

Contributing to CN by 2050 as an industrial gas supplier

Two important perspectives on the transition period of the next 30 years

Efficient **Means of reducing environmental impact** × **Economic viability** as a business

Closing remarks

The Gas Professionals

Q&A Session



Senior Executive Officer,
Group Sustainability
Management Office,
and CSO
(Chief Sustainability Officer)

Takeshi Miki



Senior Executive Officer,
Group Human Resources &
Corporate Secretariat
Office
and General Manager,
Human Resources

Satoshi Wataru



General Manager,
Sustainability Management,
Group Sustainability
Management Office

Toshifumi Abe



General Manager,
Business Planning & Admin,
Corporate & Business
Planning,
Group Corporate Planning
Office

Satoshi Suzuki



General Manager,
Investor relations,
Group Finance &
Accounting Office

Keita Kajiyama



General Manager,
Public relations,
Group Human Resources &
Corporate Secretariat
Office

Takayoshi Umehara

Appendix

Respond appropriately to climate change risks

In line with the recommendations of TCFD*

The results of the Group's impact analysis of opportunities and risks related to climate change and the Group's response are as follows,

Type		Climate change risks	Financial impact	Business risks	Business opportunities	Response/Actions by the NSHD Group
Transition	Policy regulations	Introduction of carbon pricing	Large	<Medium to long term> • Decrease in profits due to increased tax burden	<Medium to long term> • Acquire business opportunities by differentiating through early response	• Increase introduction of renewable energy by power purchase agreement and green power certificates
	Technology	Replacement to low-carbon alternative products/Progress in energy saving	Medium	<Medium to long term> • Decrease in sales of existing products due to screening of low-carbon products	<Short to medium term> • Increase profit margin by energy saving • Increase in demands for existing products that contribute to low carbonization <Medium to long term> • Increase in business opportunities through environmental product offerings and applications that contribute to low carbonization	• Promote the development of environmental product offerings and applications that contribute to low carbonization • Promote energy saving by improving productivity through the introduction of DX technology, etc. (introduction of SAITEKI optimization of delivery)
	Markets	Changes in market needs/ Changes in customers' business activities	Large	<Long term> • Decrease in sales due to changes in the manufacturing process of the steel and chemical sector • Decrease in sales due to new entrants utilizing by-product O2 gas as demand for water electrolysis process expands	<Medium to long term> • Increase in demand for blue and green H ₂ • Increase in demand for green fuels • Increase in demand for CO ₂ capture for CCUS	• Promote the introduction of carbon-free (H ₂ , NH ₃) combustion technology • Expand the use of oxygen combustion • Acquire demand for medium-scale CO ₂ capture in response to CCUS • Expansion of the H ₂ supply business by the HyCO business • Increase sales of environmental product offerings and applications that contribute to low carbonization
	Reputation	Industry criticism	Large	<Medium to long term> • Investor valuation decline for GHG emitting companies	<Medium to long term> • Continue stable funding by demonstrating contribution to GHG emission reduction	• Disclosure of quantitative data on GHG emission reduction contributions through integrated reports, etc. • Promote disclosure of Non-financial information
Physical	Acute	Intensification of disasters/ Frequent typhoons/Heavy rain/ Droughts	Medium	<Medium to long term> • Plant shutdowns due to disasters caused by abnormal weather • Increase in premiums paid	—	• Promotion of disaster countermeasures • Use of insurance
	Chronic	Sea level rise/Rise in average temperatures	Small	<Long term> • Narrowing of profit margin due to increase in running costs of air separation units caused by rising temperatures	<Medium to long term> • Increasing demand for medical products to treat diseases	• Replacement of aging air separation units to reduce running costs • Provision of medical oxygen, etc.

* TCFD: The final report was released in June 2017 and recommends that companies and others disclose items on governance, strategy, risk management, and indicators and targets related to climate change-related risks and opportunities.

Corporate Information

(As of March 31, 2022)

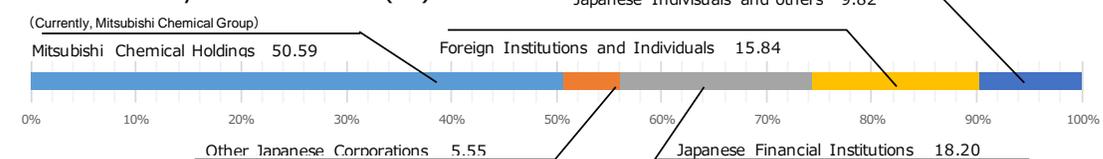
Company Name	Nippon Sanso Holdings Corporation
Founded	October 30, 1910
Headquarters	1-3-26 Koyama Shinagawa-ku, Tokyo 142-0062, Japan
TEL	81-3-5788-8500
	Representative Director, President CEO
Representative	Toshihiko Hamada
Common stock	37.3 billion yen

Stock information

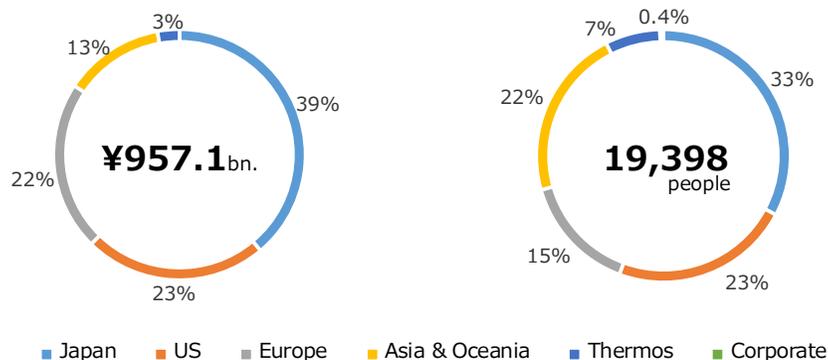
(As of March 31, 2022)

Number of shares	433,092,837
Number of shareholders	14,709
Listed stock exchanges	Tokyo Stock Exchange Prime Market
Ticker	4091.T

Distribution by share holders (%)



Revenue / Employee personnel by Segment (As of March 31, 2022)



Corporate Philosophy

The Gas Professionals

Group Philosophy

Proactive. Innovative. Collaborative.
Making life better through gas technology.

Group Vision

We aim to create social value through innovative gas solutions that increase industrial productivity, enhance human well-being and contribute to a more sustainable future.

Main Core business

Industrial Gas business



Electronics business



Thermos business



FYE2023 Financial Forecast (IFRS)

Revenue	¥1,160.0 bn.	Net income attributable to owners of the parent	¥68.0 bn.
Operating income	¥113.0 bn.	EPS	¥157.11

Overview

Plan Name	NS Vision 2026
Slogan	Enabling the Future
Period	4 years from April 2022 to March 2026
Released date	May 11, 2022

Financial target

(Final fiscal year in the plan: FYE2026)

Revenue	¥975.0-1000.0 bn.
Core Operating Income	¥125.0-135.0 bn.
EBITDA margin	Group: ≥24 % Japan, the U.S., EU, A&O, Thermos: ≥17-33%
Adjusted net D/E ratio	≤0.7 times
ROCE after Tax	≥6 %

(Note) Forex rate (Assumption) : USD ¥115 EUR ¥125

Non-Financial target

<Environment>

Reduction rate of GHG emissions	FYE2026:	18 %
(Base year: FYE2019)	FYE2031:	32 %

GHG reduced emissions through environmental product offer
 FYE2026: Lower GHG emissions through environmental product offerings and applications
 > NSHD Group GHG emission

<Safety Management>

Lost Time Injury Rate	FYE2026:	≤1.6
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<Compliance>

Rate of receiving compliance training	FYE2026:	100 %
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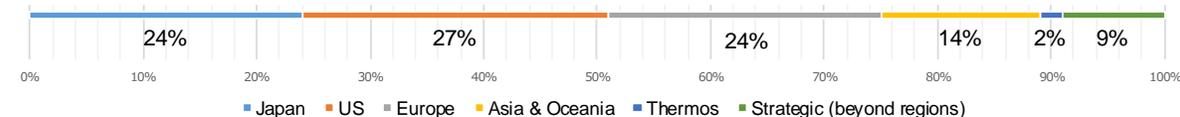
<HR>

Rate of female employees	FYE2026:	≥22 %
	FYE2031:	25 %
Rate of female management posts	FYE2026:	≥18 %
	FYE2031:	22 %

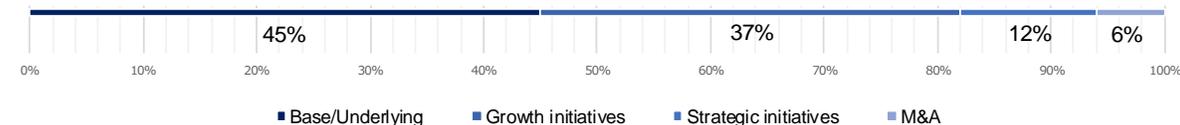
Capital allocation

Cash-in	(the total for 4 years)
[Operating Cash flow]	¥730.0 bn.
Cash-out	¥433.0 bn.
[Investment as a whole]	

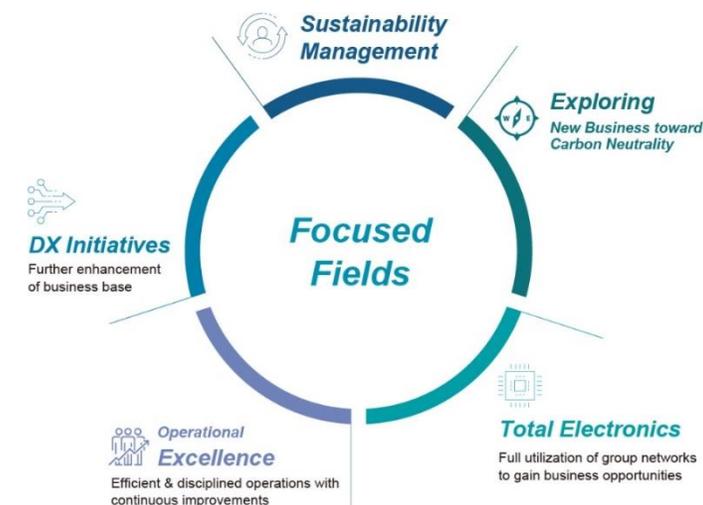
Composition ratio by Business



Composition ratio by Initiative

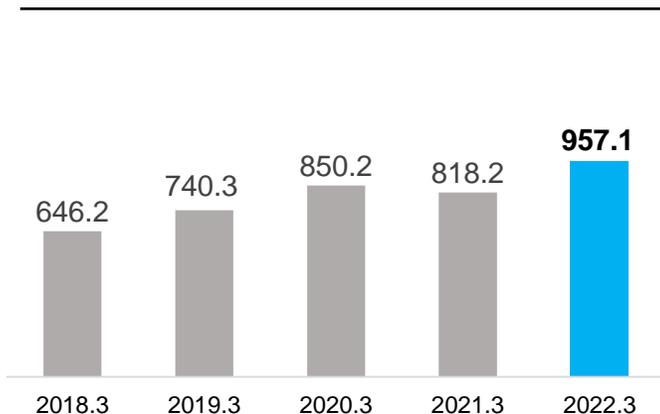


Focused fields

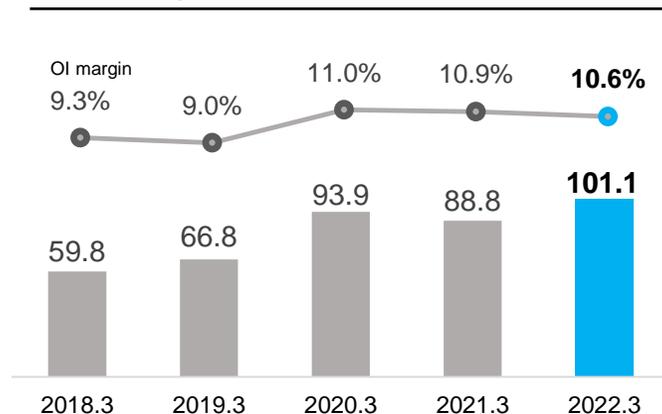


Business performance over the past five years

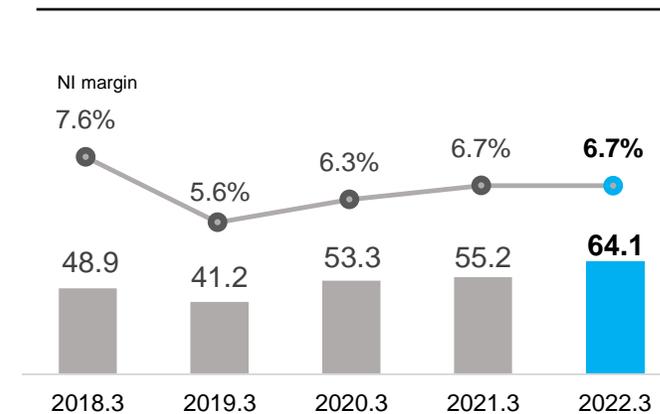
Revenue (¥ bn.)



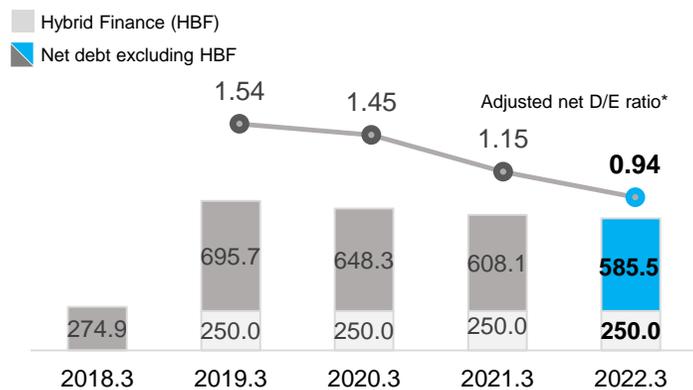
Operating income (IFRS) (¥ bn.)



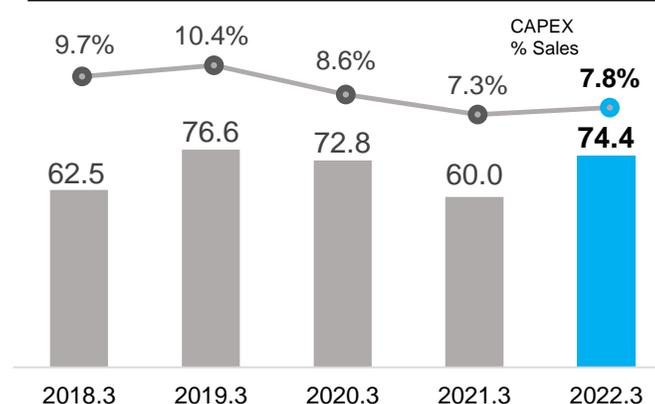
Profit attributable to owners of the parent (¥ bn.)



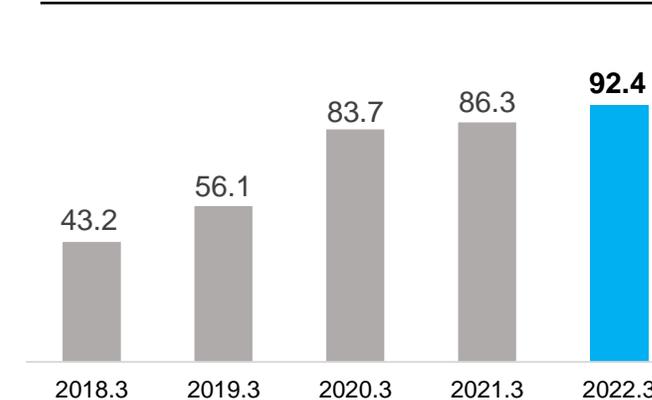
Net interest-bearing debts (¥ bn.)



Capital expenditures (¥ bn.)



Depreciation and amortization (¥ bn.)

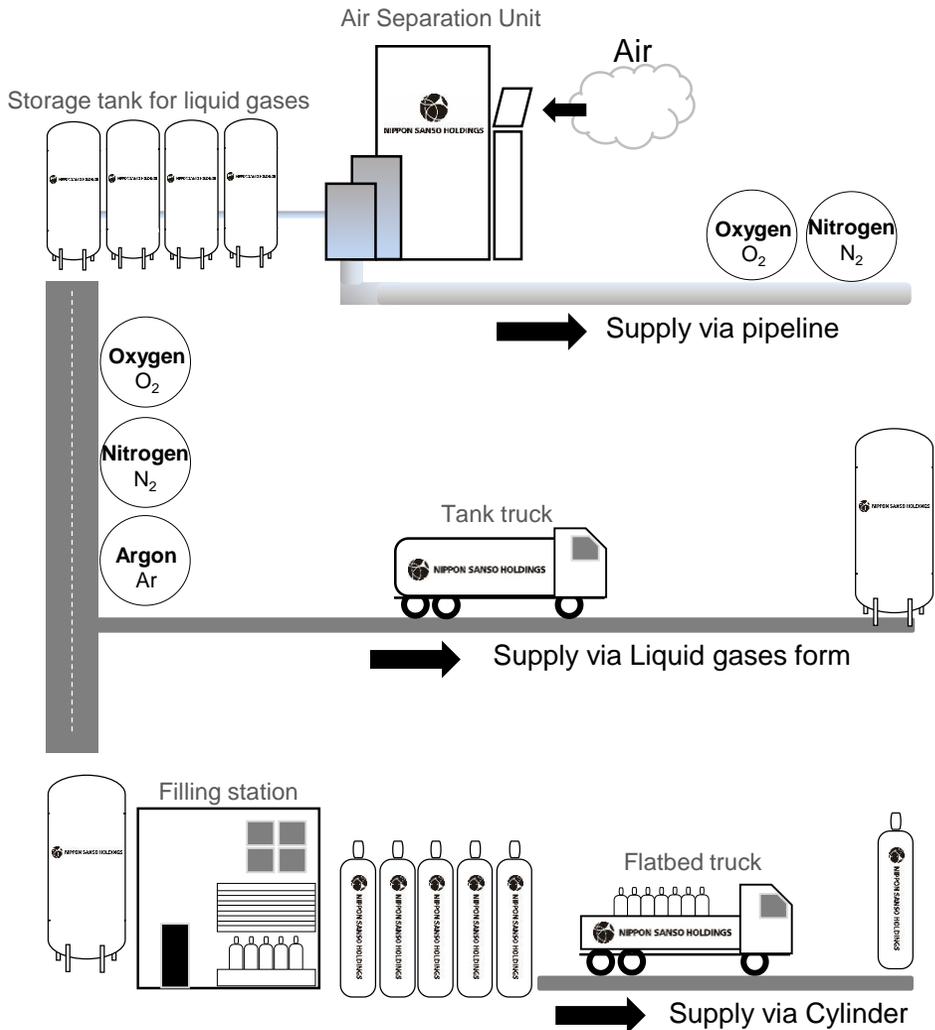


*Adjusted Net D/E Ratio: an indicator of safety (financial soundness) calculated in consideration of this part due to 50% of the amount raised by HBF is permitted as "Equity" by rating agencies.

*It's recorded on a construction basis until FYE2019 and on a cash basis from FYE2020 onwards.

Industrial gas supply systems

Air Separation Gases



On-site

Major supply destination (Sector)

Steel Petrochemical Refinery

We've established production plants in the vicinity of the customer. A form of direct connection and constant supply of pipes. (Large-scale supply)

Bulk

Major supply destination (Sector)

Automobile Shipbuilding Manufacturing
 Glass/Paper
 Construction machinery Pharmaceutical Food/beverage
 Medical
 LCP Photovoltaics Semiconductor

We've installed a storage tank for liquefied gas in the customer's premises. A form of supply according to the method of use of gas. (Medium-scale supply)

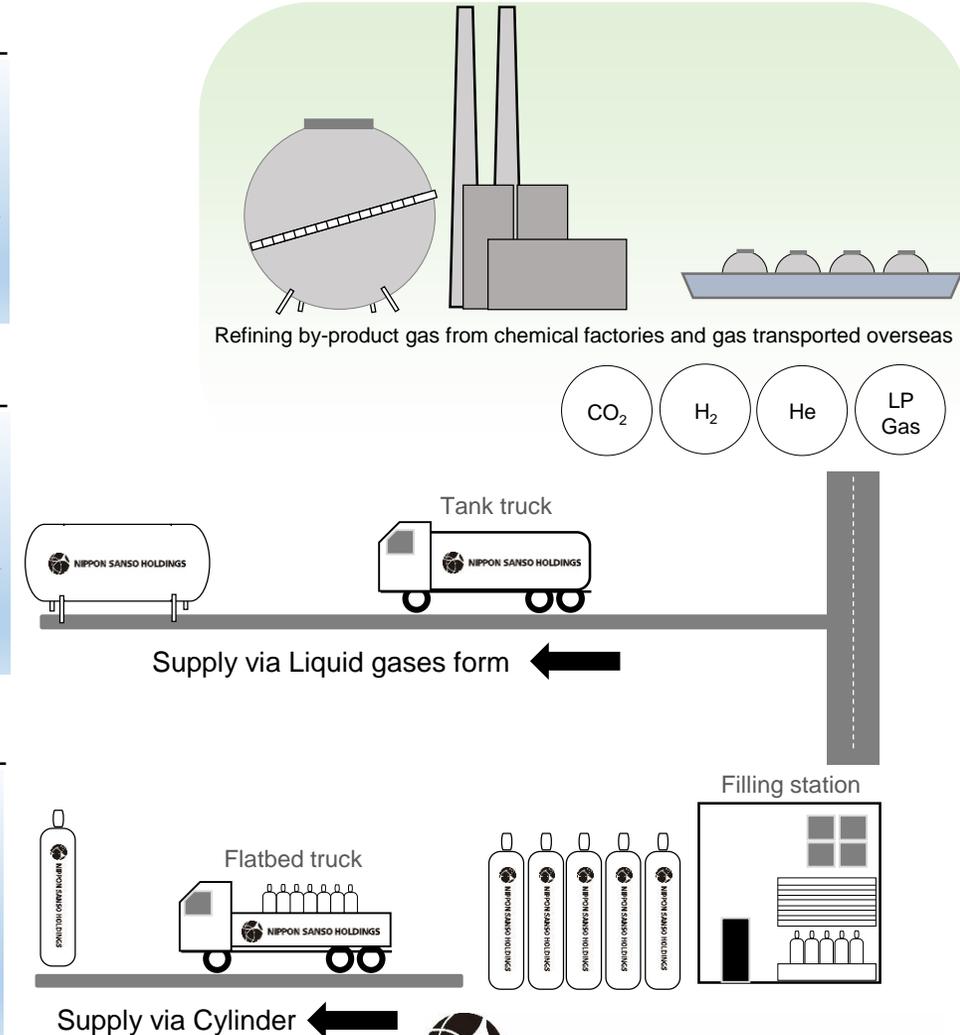
Packaged

Major supply destination (Sector)

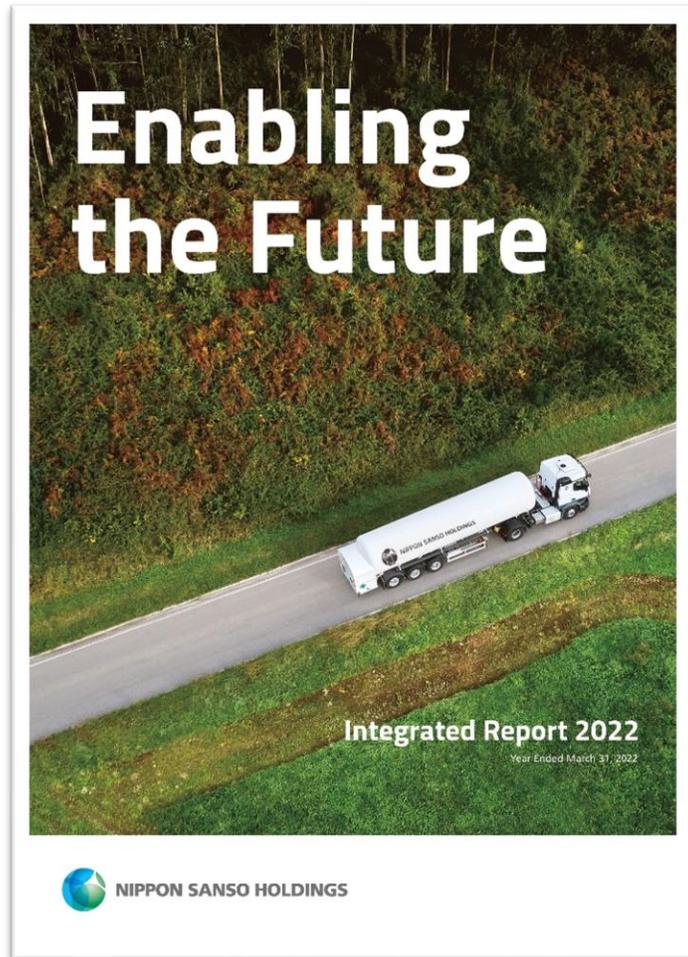
Homecare Advanced medicine Sanitation
 R&D
 Engineering development Construction/Installation

We deliver filling containers (cylinders) to customers. A form of supply according to the method of use of gas. (Small-scale supply)

Other Gases



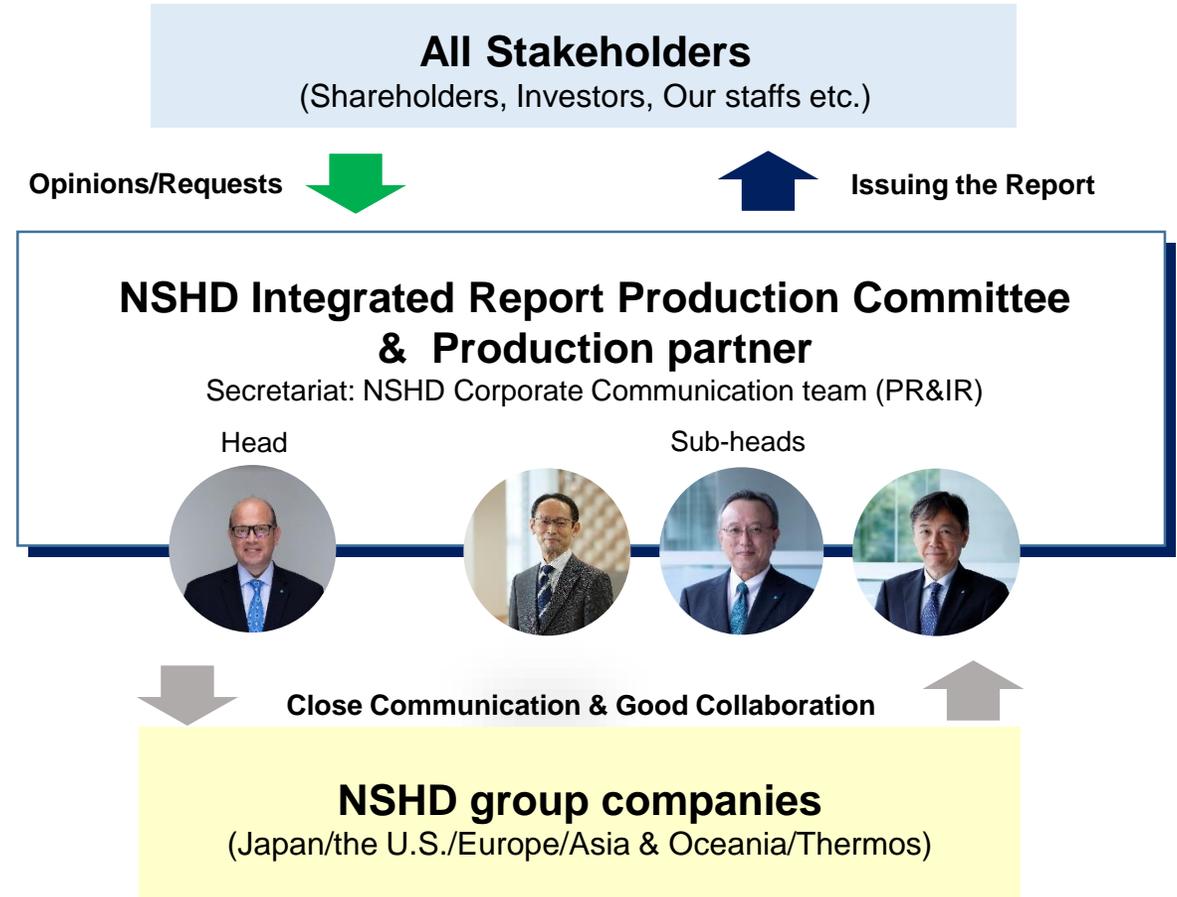
Improving to fruitful report for our stakeholders



NSHD integrated report 2022
(We have released on September 28.)

Please jump to the access webpage link. > https://www.nipponsanso-hd.co.jp/en/ir/library/integrated_report.html

Production process for 2022 edition



THERMOS

Thermos products deliver what matters every time.

As the leading manufacturer of convenient insulated product for over 100 years, Thermos is trusted by consumers to provide innovative portable containers that promote a safe and healthy lifestyle.

Thermos delivers when it matters.

At Thermos, We carefully choose the best available materials, and produce products with consistent quality and reliable performance. We ensure the excellence of our products by testing for quality.



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Upcoming IR events

Q3 FYE2023 Earnings Call

February 2, 2023

www.nipponsanso-hd.co.jp/en/

NIPPON SANSO Holdings Corporation (Ticker:4091.T)

Headquarters : 1-3-26 Koyama Shinagawa-ku, Tokyo 142-0062, Japan



NIPPON SANZO HOLDINGS

The Gas Professionals

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