

A stylized world map composed of small white dots on a blue gradient background, which transitions from light blue at the top to a darker blue at the bottom.

Emerging onto a Still Wider Stage

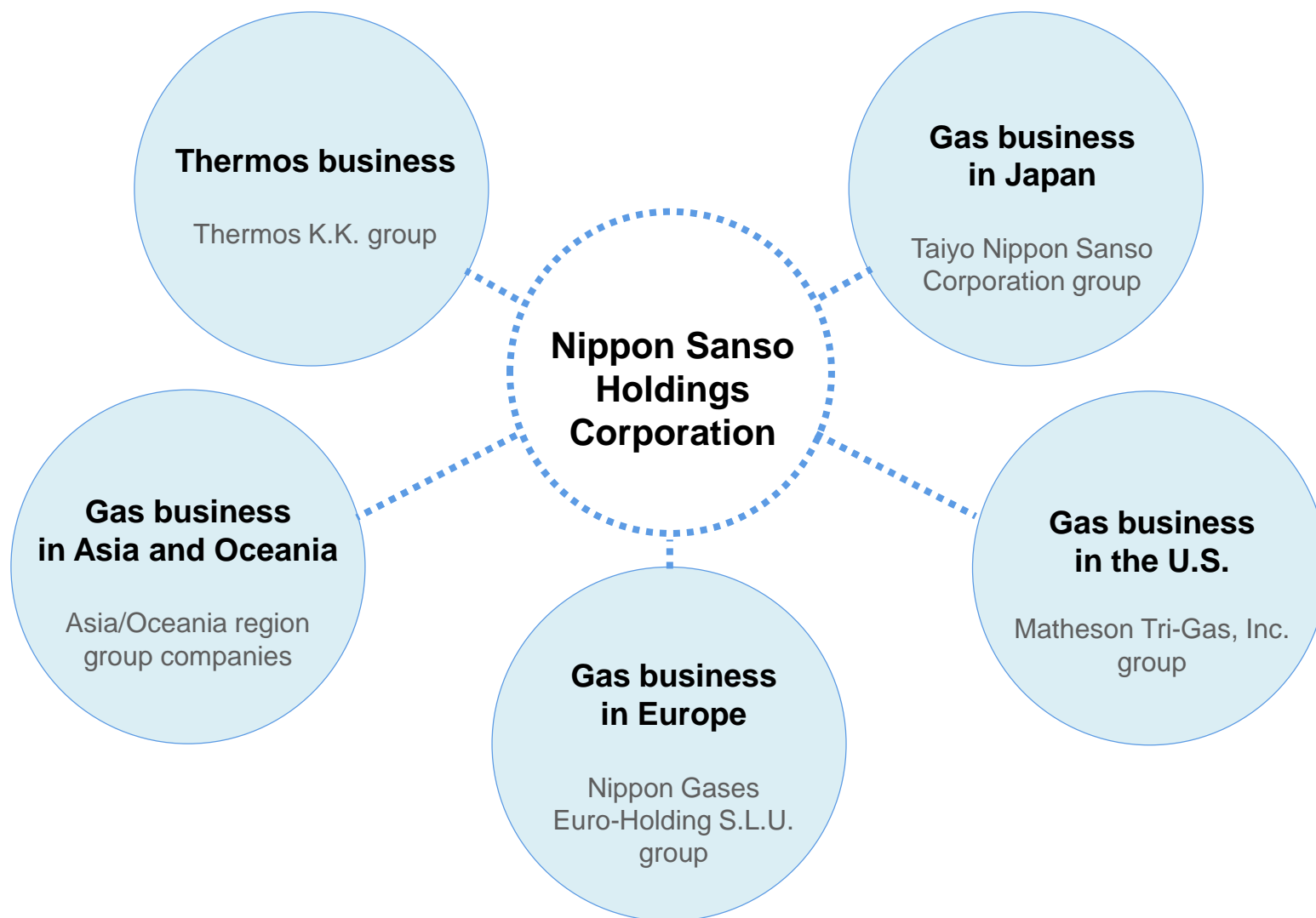
Consolidated Business Performance for the First half of the FYE2021

November 12, 2020



NIPPON SANSO HOLDINGS

NSHD's Group operating structure from October 1, 2020



Establishing a competitive group operation framework as a global gas major.

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 - Gas business in Japan
 - Gas business in Asia and Oceania
 - Thermos business



Business Performance for the First half of FYE2021

Overview



Ortus Stage 2

Overview of business performance

(Billions of yen)

	FYE2020 1H results Margin	FYE2021 1H results Margin	YoY Change % Change	FYE2021 Forecasts <small>(Announced on May 12)</small> Margin
Revenue	422.8	384.5	-38.3 -9.1%	830.0
Core operating income	45.4 10.8%	36.7 9.6%	-8.7 -19.2%	82.0 9.9%
<small>Non-recurring profit and loss</small>	1.2	-0.0	-1.2	-
Operating income	46.7 11.1%	36.6 9.5%	-10.1 -21.6%	82.0 9.9%
Net income attributable to owners of the parent	27.7 6.6%	21.0 5.5%	-6.7 -24.3%	44.0 5.3%

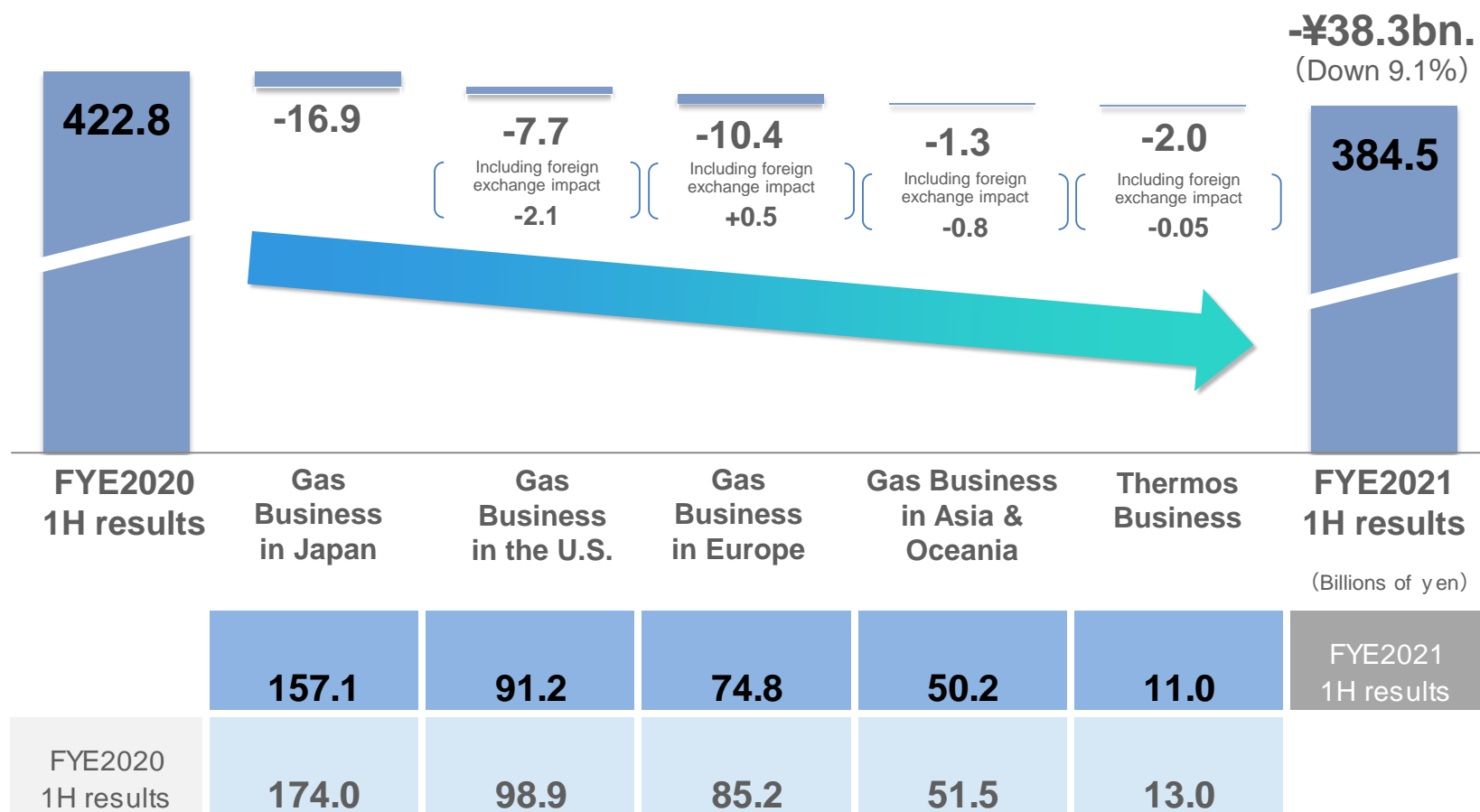
- Foreign currency translations (average rate during the period)

(Yen)	USD (US\$)	EUR (€)	AUD (AU\$)
FYE2020 1H	108.67	120.91	74.75
FYE2021 1H	106.32	121.66	73.91

- The Company hasn't announced FYE2021 1H targets due to the difficulty of the reasonable calculation the business performance effects by the spread of COVID-19 at the time of the announce of the full-year of FYE2020 and FYE2021 Q1.

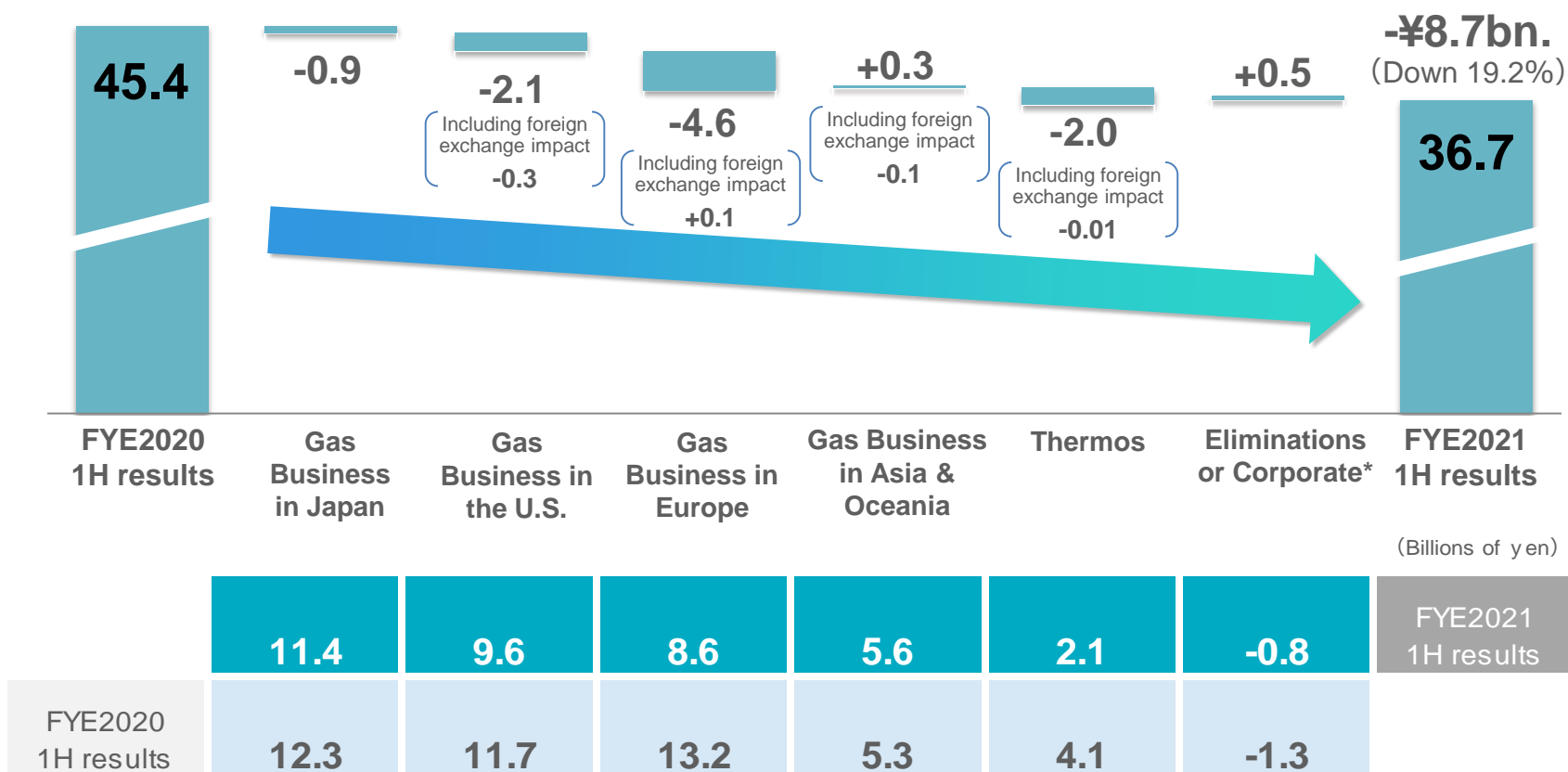
Overview of Business Performance: Reasons for Changes in Revenue

- As each region experienced economic downturn due to the spread of COVID-19, revenue in mainly Europe and the U.S. decreased significantly. However, businesses performance sequentially improved month after month from Q1 to Q2.



Overview of business performance: Reasons for Change in Core Operating Income

- 1H Operating Income decreases as a result of lower volumes as production activity in each region reduced. The electronics business centered in Japan and East Asia was solid given the electronic material gas and related equipment and installations.



* "Eliminations or Corporate" : Intersegment eliminations and companywide expenses that were not allocated to any particular reportable segment. These companywide expenses related principally to basic research expenses that were not allocated to a particular reportable segment.



Business Performance for the First half of FYE2021

Business Performance by Segment



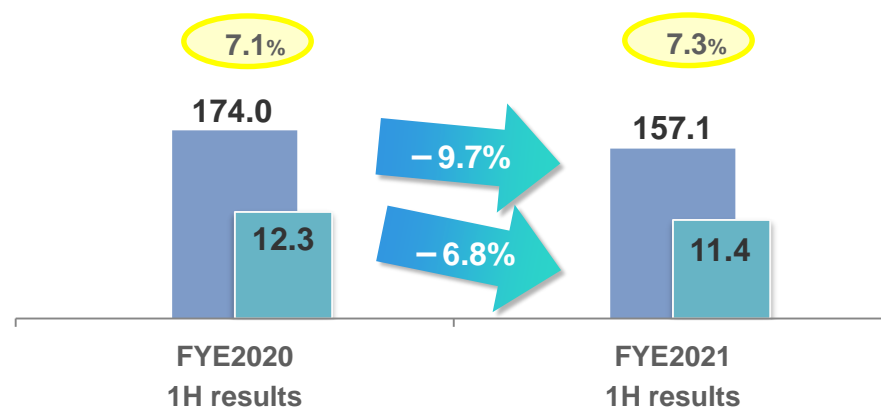
Business Performance by Segment : Gas Business in Japan

Gas Business in Japan

(Billions of yen)

■ Revenue
■ Segment income
○ Segment profit margin

	FYE2020 1H results	FYE2021 1H results	YoY Change
Revenue	174.0	157.1	-16.9
Segment income (core operating income)	12.3	11.4	-0.9



Reasons for changes in revenue

- Bulk & On-site (Air separation gases): Demand decreased sharply across the manufacturing sector as a whole.
- Equipment and installation, other (Electronics-related): Sales of Equipment and installation for semiconductor manufacturers increased.

Reasons for changes in segment income

- In bulk gases, earnings decreased mainly due to a decrease in revenue from air separation gases.
- Lower costs due to falling fuel prices.
- In Electronics related, earnings increased due to an increase in revenue from Equipment and installation.

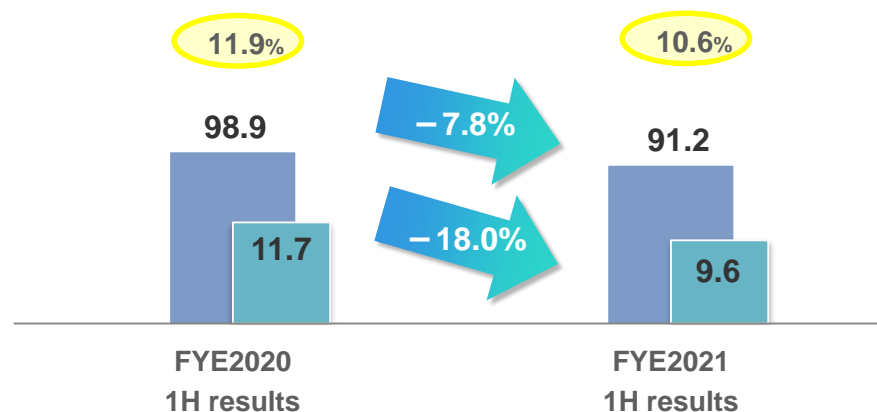
Business Performance by Segment : Gas Business in the U.S.

Gas Business in the U.S.

(Billions of yen)

	FYE2020 1H results	FYE2021 1H results	YoY Change
Revenue	98.9	91.2	-7.7
Segment income (core operating income)	11.7	9.6	-2.1

■ Revenue
■ Segment income
○ Segment profit margin



*Impact of foreign currency translation: negative impacts of ¥2.13 bn. on revenue and ¥0.25 bn. on segment income.

Reasons for changes in revenue

- Packaged & Bulk: Demand decreased sharply across the manufacturing sector as a whole.
- Helium: Revenue increased due to pricing effects.
- On-site: Revenue decreased due to low levels of operation.
- Electronics: Revenue of specialty gases remained flat.
- Welding and cutting-related: Revenue decreased due to a soft demand for automobile and construction industry.

Reasons for changes in segment income

- In bulk gases, earnings decreased mainly due to a decline in revenue from air separation gases.
- Earnings decreased due to a decline in revenue from packaged gases and welding and cutting-related business.
- In bulk gases, earnings increased due to higher pricing.
- Temporary income and removal of prior-year amounts from non-operating transactions.
- Rationalization.

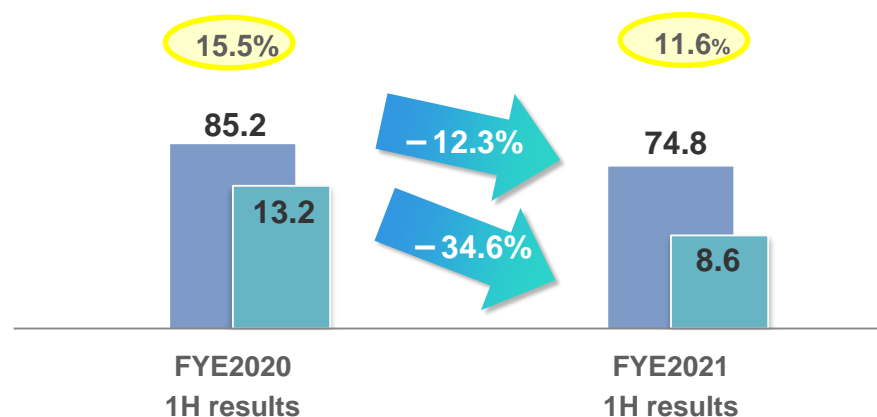
Business Performance by Segment : Gas Business in Europe

Gas Business in Europe

(Billions of yen)

	FYE2020 1H results	FYE2021 1H results	YoY Change
Revenue	85.2	74.8	-10.4
Segment income (core operating income)	13.2	8.6	-4.6

■ Revenue
■ Segment income
○ Segment profit margin



*Impact of foreign currency translation: positive impacts of ¥0.52 bn. on revenue and ¥0.08 bn. on segment income.

Reasons for changes in revenue

- Packaged: Lower revenue centered on air separation gases, in addition to soft sales mainly in the refrigerant gas business (next-generation refrigerant gas) in Italy.
- Bulk & On-site: Demand decreased sharply across the manufacturing sector as a whole.
(large impact on business results due to the spread of COVID-19 and related imposed government restrictions)

Reasons for changes in segment income

- Earnings decreased due to a large decline in revenue across Bulk, Packaged and all other areas generally.
- Earnings decreased due to soft sales in the refrigerant gas business (next-generation refrigerant gas) .
- In bulk gases, earnings increased due to pricing effects.

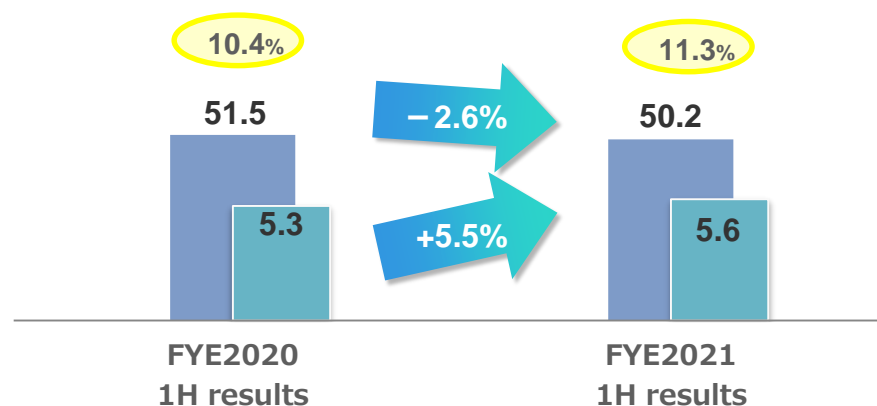
Business Performance by Segment : Gas Business in Asia and Oceania

Gas Business in Asia and Oceania

(Billions of yen)

	FYE2020 1H results	FYE2021 1H results	YoY Change
Revenue	51.5	50.2	-1.3
Segment income (core operating income)	5.3	5.6	+0.3

■ Revenue
■ Segment income
○ Segment profit margin



*Impact of foreign currency translation: negative impacts of ¥0.76 billion on revenue and ¥0.06 billion on segment income.

Reasons for changes in revenue

- Bulk: In the Philippines, shipment volume decreased, as demand fell sharply in response to the impact of city lockdowns. Revenue similarly decreased in other regions as well.
- Specialty gases: Shipments were favorable in China and Taiwan.

Reasons for changes in segment income

- Earnings increased due to an increase in revenue from specialty gases in East Asia.
- Profitability improved in the LP gas business in Australia.
- Earnings decreased due to a decrease in revenue in South East Asia as a whole.

Business Performance by Segment : Thermos Business

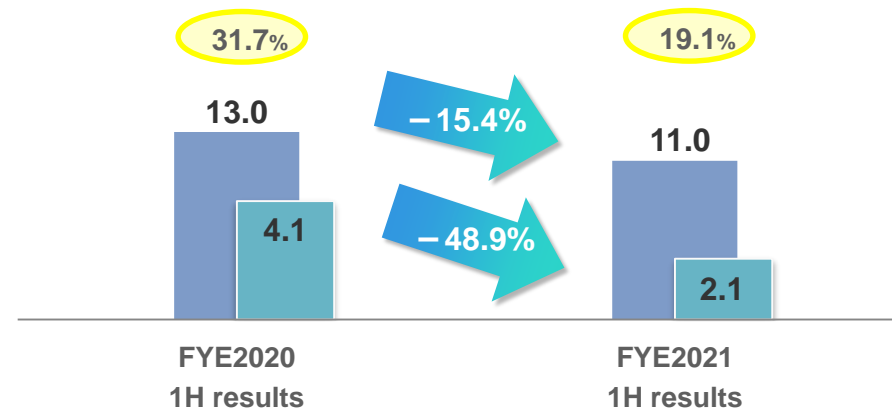
Thermos Business

(Billions of yen)

	FYE2020 1H results	FYE2021 1H results	YoY Change
Revenue	13.0	11.0	-2.0
Segment income (core operating income)	4.1	2.1	-2.0

*Impact of foreign currency translation: negative impacts of ¥0.05 bn. on revenue and ¥0.01 bn. on segment income.

■ Revenue
■ Segment income
○ Segment profit margin



Reasons for changes in revenue

- Japan: Sales opportunities were lost due to restrictions on movement and voluntary suspension of business activities at retail stores in Q1, resulting in a decrease in shipment volume. Meanwhile, stay-at-home demand enabled higher sales of frying pans and tumblers.
- Overseas: Revenue decreased due to a decline in shipment volume in various regions.

Reasons for changes in segment income

- Japan: Earnings from the main products such as portable mugs decreased due to a substantial decline in revenue, as the Group was unable to capture sales opportunities associated with periods of high demand such as the leisure season.
- Overseas: In addition to lower operation levels at production plants, sales slowed at group companies accounted for by the equity.



Full-Year Forecasts for FYE2021

Overview



Ortus Stage 2

Full-Year Forecast

(Billions of yen)

	FYE2020 Results Margin	FYE2021 Forecasts Margin	YoY Change
Revenue	850.2	830.0	-20.2 -2.4%
Core operating income	90.3 10.6%	82.0 9.9%	-8.3 -9.2%
Non-recurring profit and loss	3.5	—	-3.5
Operating income	93.9 11.0%	82.0 9.9%	-11.9 -12.7%
Net income attributable to owners of the parent	53.3 6.3%	44.0 5.3%	-9.3 -17.5%

- Assumed exchange rate for FYE2021: (US\$→¥): \$1=¥108, (EUR→¥): €1=¥120
- In FYE2020, the Company recorded non-recurring profit on the sales of its assets as part of efforts to improve asset efficiency.



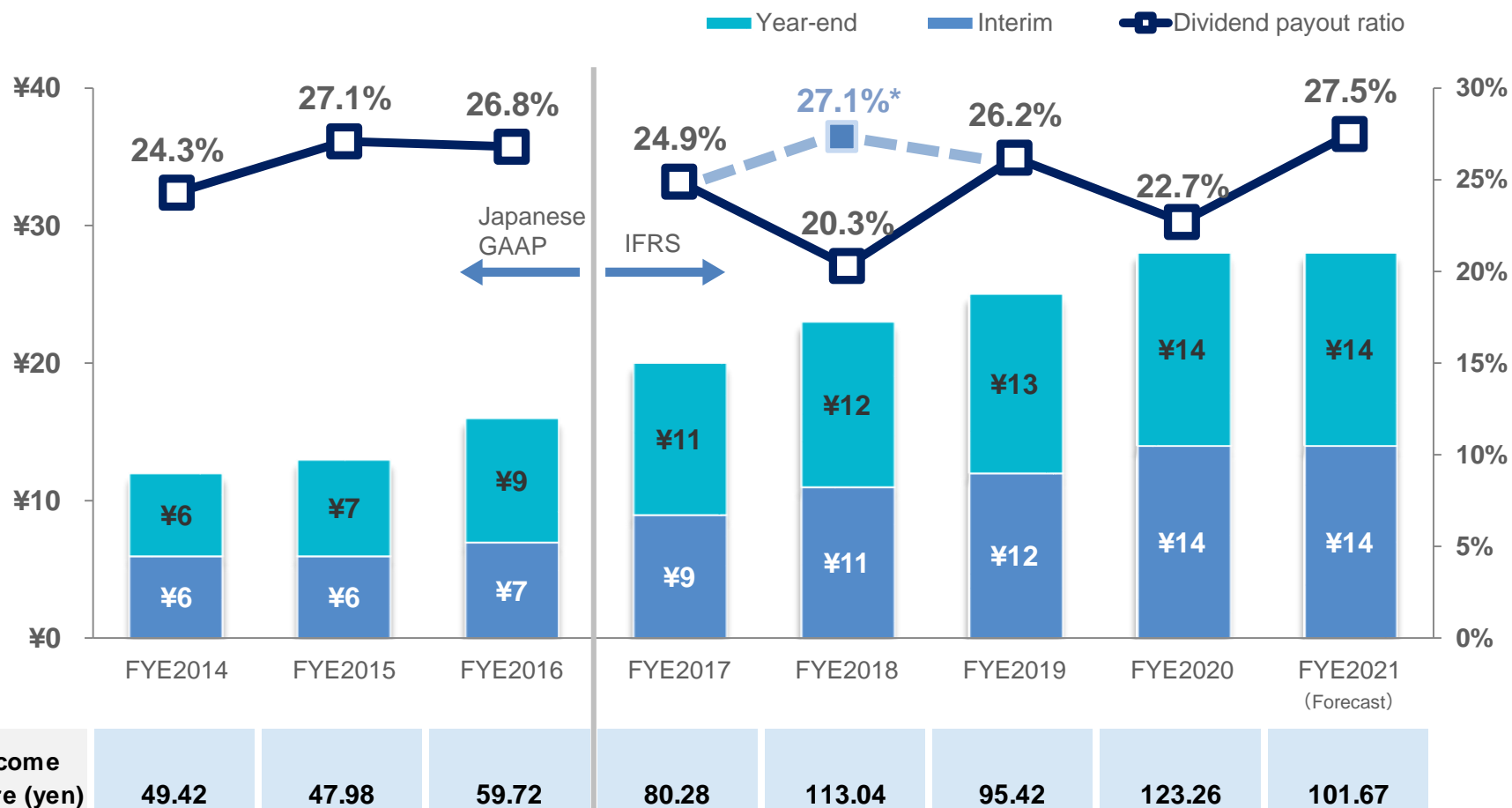
Shareholder returns



Ortus Stage 2

Shareholder Returns

Implement a dividend policy linked to business performance, while maintaining a stable dividend.



*Large-scale corporate income tax reductions arose from a reform of the U.S. tax system that resulted in a lowering of the federal corporate tax rate during FYE2018. Excluding the effects of the above, the dividend payout ratio was 27.1%.

Business Highlights

**Gas Business in Japan :
Growth Strategy of
“Taiyo Nippon Sanso Corporation (TNSC) ”,
Operating company in Japan**



Ortus Stage 2

Road to Growth (1.Reinforcement of the basis businesses)

TNSC's Group Vision (established on October 1, 2020)

As The Gas Professionals, starting from industrial gas, we will continue to be a company that maximizes the potential of gas and contributes to the development of all industries and the solution of social issues.

Reinforcement of the basis businesses*

We aim to create nouveau values and maximize earnings through excavating the “Utility Values” of Industrial Gas.

1 Optimization and Efficiency in TNSC's group (Promotion activity of “Total TNSC”)

- **Integration of Group's common function**
 - Promotion of shared service
 - Building a common platform
- **Maximization of Group's sales synergy**
 - Sharing customer bases
 - Sharing customer contact points

2 Digital Transformation (DX)

- **Innovation through utilization of DX**
 - Controlling plants remotely
 - Building SCM basis

3 Competitive advantage

- **Creation of the peerless additional values**
 - Business solutions through Gas Application Technologies (Combustion, Freezing, Burning etc.)
 - Business solutions through Gas-related services (Automatic delivery and supply system etc.)

4 Combining the Global Growth into domestic business

- **Enhancement of overseas expansion of Electronics, ASU, Engineering technology and products**
- **Mutual utilization of Growth know-how** (Productivity and Pricing policy)

*Above basis businesses mean Industrial Gas business, Electronics business, Medical business and On-site gas business.

Road to Growth (2.Driving TNSC's Growth strategy)

Driving TNSC's Growth strategy

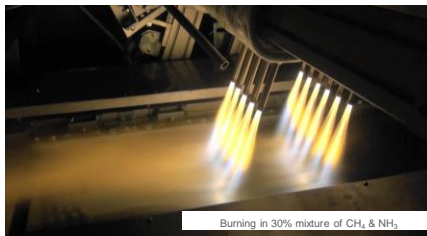
1 Proactive To achieve serial innovation

- Product development for Growth promotion of TNSC's Basis business.
Deepening the business field in Electronics, Cold temperature management and Inflammation.
- Early commercialization of the nouveau innovation products.
e.g. Compound Semiconductors, Stable Isotope, Additive manufacturing businesses etc.

2 Collaborative To promote open innovation

- M&A
- Collaboration with an industry-government-academia research groups moreover

Environmental load-reducing contributive products



NH₃ burning utilization technology for contribution of elimination CO₂ emission in industrial furnace manufacturing

Compound semiconductors (MOCVD equipment)



MOCVD equipment UR-26K

Additive Manufacturing Technology (Metal 3D printer)



Two metal 3D printer business partners

Stable Isotope and Bio-related



Stable Isotope Water-¹⁸O



Business Highlights

**Gas Business in Asia and Oceania :
Report of investment progress
in Asia area**



Growth investments in Asia area



China: plane view of electronics material gases plant (1st period)

■	Korea (Asan): Expansion of electronics material gases plant	
①	Capacity building of electronics material gases	Completed on Oct. 2019
■	Philippines: Establishment of Nitrogen On-site gas plant for electronic components (Company A)	
②	On-site N ₂ gas supply for a specified customer	Completed on Jan. 2020
■	Philippines: Establishment of Nitrogen On-site gas plant for electronic components (Company B)	
③	On-site N ₂ gas supply for a specified customer	Scheduled to complete on Feb. 2021
■	China (Shanghai): Expansion of ASU	
④	Capacity building of liquid air separation gases (N ₂ , O ₂)	Scheduled to complete on Apr. 2021
■	Thailand(Eastern region) : Establishment of ASU	
⑤	Capacity building of liquid air separation gases (N ₂ , O ₂)	Scheduled to complete on Apr. 2021
■	Vietnam (Long Son Island) : Establishment of ASU	
⑥	On-site N ₂ gas supply for a specified customer and Capacity building of liquid air separation gases (N ₂ , O ₂)	Scheduled to complete in FYE2022
■	Singapore: Establishment of N₂ gas production plants	
⑦	Capacity building of liquid N ₂ gases	Scheduled to complete on Nov. 2021
■	China (Yangzhou): Establishment of electronics material gases plant (2nd period)	
⑧	Capacity building of electronics material gases	Scheduled to complete on Nov. 2022

Progress reinforcing plants in each country despite effects of the spread of COVID-19.

Keeping forward growth investments in preparation of genuine economic recovery when things return to normal.

Business Highlights

Thermos Business :
Demand trends and Business strategy

A graphic element consisting of a circular globe with a blue and green color scheme, surrounded by a thick green ring. The text "Ortus Stage 2" is written in white on a dark green rectangular background that overlaps the top right of the globe.

Ortus Stage 2

Recent business environment recognition

(Sales situation and Demand change under the spread of COVID-19)

Changes in the environment

- **Sharp decrease in inbound tourism demand and impact of declaration of a state of emergency**

Sales of vacuum insulated portable mugs decreased sharply in April and May 2020, but sales trends has recovered gradually from June 2020.

- **Increasing demand on stay-at-home**

Customers have started to focus on items for spending comfortable life at home due to being in the process of setting remote work in business person and children on stay-at-home.

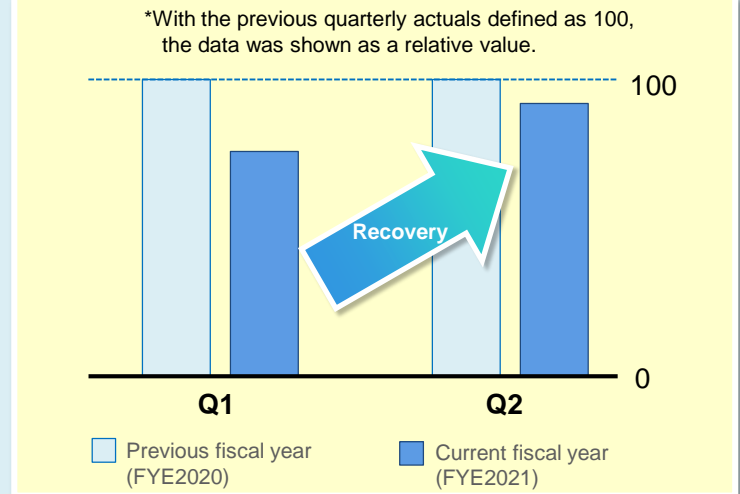
To significantly increase sales of desktop and cooking items
(Tumblers and Flying pans)



- **Effect of responding to fees for plastic shopping bags**

To increase sales of cool bags

(Reference) QoQ Sales trends



Q1

Stay-at-home and many temporary shops closures happened under declaration of a state of emergency.

Q2

Sales of vacuum insulated portable mugs recovered by slow pace due to unseasonable weather and disappear of inbound demand. But sales of items regarding demand on stay-at-home keep strong and was to recovering near the same level of quarter in previous fiscal year.

Business measures in the days ahead

FYE2021 (to March 2021)

Production proposals for adaption to changes on life style

- Items regarding stay-at-home demand keep strongly.
 - ▶ **Flying pan:** Arranging the sales place that work closely with commercial message in demand season (in November and December 2020)
 - ▶ **Tumbler:** Proposal for the rearranging of the sales place with mags that is tended to sell strongly in the second half.
- Expands sales measures centered on the new products in autumn 2020.
 - ▶ **Bottles:** Expansion of products in the growing market such as pocket mags
Expansion of sales of products with new useful functions (dishwasher compatible etc.)



- ▶ **Lunch box:** Proposal for product line-up of hot lunch box as mainly soup jaws.
Proposal for the sales places that work with special contents and recipes in Thermos's corporate website.



Later FYE2022 (from April 2021)

Production proposals for adaption to new-normal life style

- Usage restrictions of tap water in schools due to correspondence for prevention of COVID-19 (Prohibition of drinking and gargling.)

▶ Trends that people go around with drinking flask will keep increasingly from the days ahead.

Proposal for the portable mugs and poaches as well as typical sports bottles and bottles for kids.



- Expansion of "My bottle" demands in the scene of the extracurricular activities due to the changes in sanitary recognition.

▶ Shift from sharing the team's jags or plastic bottles to using own personal bottles

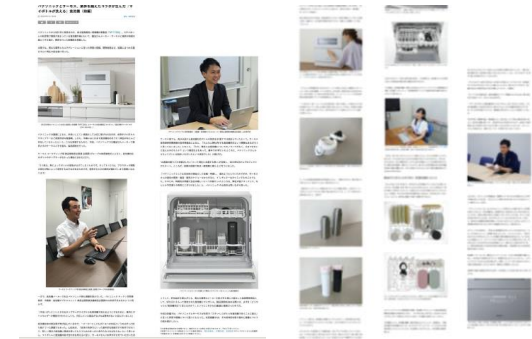
Awareness of potential expansion in the target market of sports bottles and large scale jags.



Business topics

Release of the new dishwasher compatible bottles that developed collaborative with Panasonic.

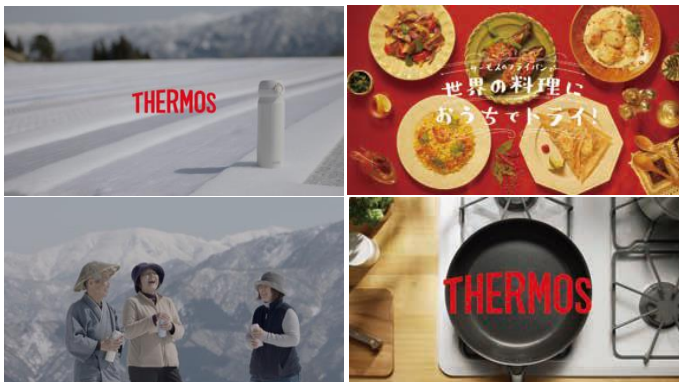
- Thermos K.K. released the dishwasher compatible bottles that overcome “the deformation due to plastic parts by heat” and “the paint peeling” for the first time in the Company, and collaborative with Panasonic, the leading dishwasher sales company.



Acquiring the attention from the media through newsworthiness of the collaboration products by the two leading companies and PR of development confidential story in cooperation.

Opening of take-out only Thermos Coffee shops.

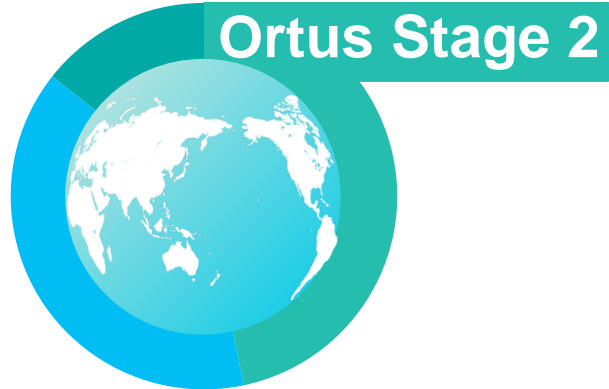
- To aim promotion using my bottle, Thermos K.K. opened take-out only Coffee shops “**THERMOS COFFEE TO GO**” in Nishi-Shinbashi and Otemachi in Tokyo.
- Customers would practice elimination of the plastic cups through the familiar behavior with enjoying delicious coffee in their bottles.



Enhancement of Thermos Bland and expanding sales of flying pans through TV Commercial Message.

- Release of New CM bland work (new portable mugs) in Nov. 2020. Thermos K.K. promotes the its great heat retention performance that can be felt only in the great cold environment and situation.
- Release of New CM bland work (new portable mugs) in Nov. and Dec. 2020. Thermos K.K. plans to work with sales places by the theme of “World cooking”.

Thank you



Reminders

- The information contained here is not disclosure information for securities trading. The accuracy and completeness of this information are not guaranteed.
- The briefing session and this material describe future plans and strategies, as well as forecasts and outlooks of business performance. These plans and strategies, as well as forecasts and outlooks, are made by Nippon Sanso Holdings Corporation based on its judgments and estimations made in accordance with the information available at present. Actual performance will be subject to changes caused by a variety of risks and uncertainties (such as economic trends, market demand, exchange rates, taxation systems and various other systems and institutions, but not limited to them).
- We wish to remind you, therefore, that the actual business performance may differ from the forecasts and outlooks made at this time. Please refrain from making investment judgments based solely on this information.