

February 2, 2023

## Notice of consolidate financial results for Q3 FYE2023

Nippon Sanso Holdings Corporation (“NSHD”, President CEO: Toshihiko Hamada) hereby announces its consolidated financial results for Q3 FYE2023. For details, please refer to the financial results and earnings announcement materials available on NSHD website.

### 1. Business performance for 9M (9 months) FYE2023 (Apr.-Dec.)

In the business environment surrounding the NSHD Group in the first three quarters of the fiscal year under review (from April 1, 2022 to December 31, 2022), we have faced a challenging and unpredictable environment due to geopolitical issues in Ukraine, trade tensions between the US and China, a global energy cost surge, global inflation, and Yen depreciation. These items result in shipment volumes of air separation gases (oxygen, nitrogen, argon), our main product, decreasing from the previous fiscal year. However, due to pass through, cost recovery, pricing management, and solid productivity initiatives, the NSHD Group achieved the following results for the first three quarters of the fiscal year under review.

Revenue on a consolidated basis increased 26.2% year-on-year to ¥873,042 million, core operating income increased 14.7% to 87,537 million, operating income increased 10.7% to 84,398 million, and net income attributable to owners of the parent increased 4.5% to 52,400 million.

(Unit: ¥ bn.)	FYE2022	FYE2023	YoY	
	9M (Apr.-Dec.)	9M (Apr.-Dec.)	Difference	% Change
<b>Revenue</b>	<b>691.5</b>	<b>873.0</b>	<b>+181.5</b>	<b>+26.2%</b>
<b>Core operating income</b>	<b>76.3</b>	<b>87.5</b>	<b>+11.2</b>	<b>+14.7%</b>
Core OI margin	11.0%	10.0%		
Non-recurring profit and loss	-0.0	-3.1	-3.1	
<b>Operating income (IFRS)</b>	<b>76.2</b>	<b>84.3</b>	<b>+8.1</b>	<b>+10.7%</b>
OI margin	11.0%	9.7%		
EBITDA margin	20.9%	19.1%		
Finance costs	-7.2	-9.6	-2.4	
<b>Income before income taxes</b>	<b>68.9</b>	<b>74.7</b>	<b>+5.8</b>	<b>+8.4%</b>
Income tax expenses	16.9	20.3	+3.4	
<b>Net income</b>	<b>52.0</b>	<b>54.4</b>	<b>+2.4</b>	<b>+4.6%</b>
(Attribution of net income)				
<b>Net income attributable to owners of the parent</b>	<b>50.1</b>	<b>52.4</b>	<b>+2.3</b>	<b>+4.5%</b>
NI margin	7.2%	6.0%		
Net income attributable to non-controlling interests	1.8	2.0	+0.2	
Forex (Unit: JPY)				
USD	111.45	136.85		
(average rate during the period)				
EUR	130.96	140.83		
AUD	82.69	93.16		

## 2. FYE2023 Full-term forecast

No revisions have been made to the consolidated business forecasts released on November 1, 2022.

(Unit: ¥ bn.)	FYE2022	FYE2023	YoY		FYE2023 Full-term
	Full-term	Full-term forecast <small>(Announced on Nov. 1 2022)</small>	Difference	% Change	forecast (previos) <small>(Announced on July 29, 2022)</small>
<b>Revenue</b>	<b>957.1</b>	<b>1,160.0</b>	<b>+202.9</b>	<b>+21.2%</b>	<b>950.0</b>
<b>Core operating income</b>	<b>102.7</b>	<b>115.0</b>	<b>+12.3</b>	<b>+12.0%</b>	<b>107.0</b>
Core OI margin	10.7%	9.9%			11.3%
Non-recurring profit and loss	-1.5	-2.0	-0.5		-2.0
<b>Operating income (IFRS)</b>	<b>101.1</b>	<b>113.0</b>	<b>+11.9</b>	<b>+11.7%</b>	<b>105.0</b>
OI margin	10.6%	9.7%			11.1%
EBITDA margin	20.4%	18.9%			21.0%
Finance costs	-9.5	-14.0	-4.5		-10.5
<b>Income before income taxes</b>	<b>91.6</b>	<b>99.0</b>	<b>+7.4</b>	<b>+8.1%</b>	<b>94.5</b>
Income tax expenses	24.9	28.5	+3.6		27.5
Net income	66.6	70.5	+3.9	+5.8%	67.0
(Attribution of net income)					
<b>Net income attributable to owners of the parent</b>	<b>64.1</b>	<b>68.0</b>	<b>+3.9</b>	<b>+6.1%</b>	<b>65.0</b>
NI margin	6.7%	5.9%			6.8%
Net income attributable to non-controlling interests	2.5	2.5	-0.0		2.0
Forex (Unit: JPY)					
USD	113.04	138			115
(average rate during the period) EUR	131.11	140			125
AUD	83.33	93.5			82.2

Total Forex impact for FYE2023 Full-term forecast : Positive impacts of ¥ 80.9 bn. on revenue and ¥ 10.1 bn. on core operating income.

(Reference)

## Business performance for 9M FYE2023 (Apr.-Dec.) by segment

(Unit: ¥ bn.)		FYE2022	FYE2023		YoY		Forex impact
		9M <small>(Apr.-Dec.)</small>	9M <small>(Apr.-Dec.)</small>	Composition ratio	Difference	% Change	
<b>Japan</b>	Revenue	266.7	<b>300.5</b>	34.4%	+33.8	+12.7%	+0.3
	Segment OI	22.4	<b>20.1</b>	23.0%	-2.3	-10.4%	+0.0
	Segment OI margin	8.4%	6.7%				
<b>United States</b>	Revenue	164.2	<b>223.6</b>	25.6%	+59.4	+36.2%	+37.4
	Segment OI	20.4	<b>26.0</b>	29.8%	+5.6	+27.7%	+4.7
	Segment OI margin	12.4%	11.7%				
<b>Europe</b>	Revenue	149.2	<b>203.3</b>	23.3%	+54.1	+36.2%	+11.2
	Segment OI	19.4	<b>25.3</b>	29.0%	+5.9	+30.7%	+1.4
	Segment OI margin	13.0%	12.5%				
<b>Asia &amp; Oceania</b>	Revenue	90.7	<b>122.8</b>	14.1%	+32.1	+35.3%	+13.3
	Segment OI	9.7	<b>12.3</b>	14.1%	+2.6	+26.6%	+1.4
	Segment OI margin	10.7%	10.0%				
<b>Thermos</b>	Revenue	20.3	<b>22.6</b>	2.6%	+2.3	+11.2%	+0.3
	Segment OI	4.9	<b>4.4</b>	5.1%	-0.5	-9.7%	+0.1
	Segment OI margin	24.3%	19.8%				
<b>Adjustment</b>	Revenue	0.1	<b>0.0</b>	0.0%	-0.1	—	
	Segment OI	-0.7	<b>-0.8</b>	-1.0%	-0.1	—	
<b>Consolidated total</b>	Revenue	691.5	<b>873.0</b>	100.0%	+181.5	+26.2%	+62.7
	Core OI	76.3	<b>87.5</b>	100.0%	+11.2	+14.7%	+7.9
	Core OI margin	11.0%	10.0%				

Effective from the first three quarters of the current fiscal year, the names of the reportable segments, which were previously "Gas Business in Japan," " Gas Business in the United States," " Gas Business in Europe," " Gas Business in Asia & Oceania," and "Thermos Business," were changed to "Japan," " United States," "Europe," " Asia & Oceania," and "Thermos" in that order, without impact on the segment information.

#### 【Japan】

In the industrial gas-related business, revenue increased year-on-year mainly due to the price revisions in conjunction with increased costs, despite a decrease in shipment volume on core product air separation gases as well as on LP gas. In the electronics-related business, electronic material gases revenue increased firmly. In equipment and installation, both industrial gas-related and electronics-related revenue increased.

Segment income decreased due to the time lag between manufacturing and distribution cost increases related to energy and general inflation, etc., and the ability to recover them from customers.

#### 【United States】

In the industrial gas-related business, shipment volume of air separation gases, a core product, were on par with prior year. However, revenue increased year-on-year mainly due to price revisions in conjunction with cost increases. Revenue from carbon dioxide gases was strong especially dry-ice. In equipment and installation, industrial gas-related revenue increased significantly in the hardgoods for welding and cutting related, while electronics-related revenue were essentially flat.

#### 【Europe】

Revenue increased sharply from air separation gases, a core product, although shipment volumes declined due to energy intensive customers slowing production and operational activities. This reflects successful pricing efforts offsetting a significant surge in both energy and inflations. In addition, productivity and cost reduction efforts remain a key focus of the business.

#### 【Asia & Oceania】

In the industrial gas-related business, shipment volume in air separation gas, a core product, remained firm, and sales revenue increased. In LP gas, of which a large

portion of sales are in the Australia region, revenue increased due to price increases linked to higher purchase costs and firm volume trends. In electronic-related business, revenue increased from robust sales for both gases and equipment.

#### 【Thermos】

In Japan, due to milder restrictions for outside activities from Spring 2022, sales of portable mugs and sports bottles were firm, and sales for the kitchenware products such as frying pans were also strong, contributing to the increase in revenue. Overseas, revenues are generally firm. Segment income decreased because of both rising raw material prices due to inflation and production costs increasing due to the weak JPY.

---

The Nippon Sanso Holdings Group is the world's fourth-largest supplier of industrial, electronic, and medical gases, operating in four geographic hubs - Japan, the U.S., Europe and Asia & Oceania - covering over 30 countries and regions. In addition, the Thermos business supplies THERMOS branded products to more than 120 countries around the world. Since its foundation as Nippon Sanso Ltd. in 1910, the group stands for creating social value through innovative gas solutions that increase industrial productivity, enhance human well-being and contribute to a more sustainable future. With more than 19,000 employees, together, we are "The Gas Professionals" and we all have the same goal: "Making life better through gas technology"

## **NIPPON SANSO HOLDINGS Corporation**

Public Relations

[Nshd.Info@nipponsanso-hd.co.jp](mailto:Nshd.Info@nipponsanso-hd.co.jp)