

**Carbon neutrality future**  
and NIPPON SANSO Holdings Group



Enable carbon neutral world.



NIPPON SANSO HOLDINGS

# 19th CITIC CLSA Japan Forum 2023

## Corporate presentation

May 25, 2023  
Tokyo (Japan)

The Gas Professionals

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This presentation and materials distributed in connection with this presentation include certain financial measures not presented in accordance with International Financial Reporting Standards (“IFRS”), such as Core Operating Income, Debt, Net Debt, Adjusted net D/E ratio, Free Cash Flow and ROCE after Tax. NSHD’s management and executive officers evaluates results and makes operating and investment decisions using both IFRS and non-IFRS measures included in this presentation. These non-IFRS measures exclude certain income, cost and cash flow items which are included in, or are calculated differently from, the most closely comparable measures presented in accordance with IFRS. By including these non-IFRS measures, management and executive officers intends to provide investors with additional information to further analyze NSHD’s performance, core results and underlying trends. NSHD’s non-IFRS measures are not prepared in accordance with IFRS and such non-IFRS measures should be considered a supplement to, and not a substitute for, measures prepared in accordance with IFRS. Investors are encouraged to review the reconciliation of non-IFRS financial measures to their most directly comparable IFRS measure, which are on the part of our slide deck.

## ● Financial information

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

# Notes

## ● Analysis of Operating Results (Reasons for change in Revenue and Segment Operating Income)

In the supplementary materials to the financial statements of NSHD, starting from the fiscal year ending March 31, 2022, NSHD will describe the status of the business results of NSHD group on a quarterly consolidated accounting period basis, as well as its recognition and analysis of the status of the business results of NSHD group from management's perspective. Please note that Segment Operating Income is based on Core Operating Income.

## ● The following table shows Revenue, Operating income, and the effect of Forex rate changes on Revenue and Operating Income.

The impact of Forex rate fluctuation is calculated by applying the average rate for the period under review to the period under review (the current period and the previous period). These disclosures are not in accordance with International Financial Reporting Standards (IFRS). However, we believe that these disclosures are useful analytical information for investors to understand the business conditions of the Group.

<Forex rates>

|            |          | Average Forex rates |                         |                   |                          |                   |                         |                   |                          | (Reference)<br>Currency sensitivity<br>as rough indication |   |         |                       |
|------------|----------|---------------------|-------------------------|-------------------|--------------------------|-------------------|-------------------------|-------------------|--------------------------|--|---|---------|-----------------------|
|            |          | FYE2022             |                         |                   |                          | FYE2023           |                         |                   |                          | FYE2024  | Impact of devaluation by 1 JPY<br>(Full-term basis) |         |                       |
| Unit : JPY | Currency | 1Q<br>(Apr.-Jun.)   | 1st Half<br>(Apr.-Sep.) | 9M<br>(Apr.-Dec.) | Full-term<br>(Apr.-Mar.) | 1Q<br>(Apr.-Jun.) | 1st Half<br>(Apr.-Sep.) | 9M<br>(Apr.-Dec.) | Full-term<br>(Apr.-Mar.) | Full-term<br>Assumption<br>(Apr.-Mar.)                     | Unit : ¥ bn.  | Revenue | Core Operating Income |
|            |          |                     |                         |                   |                          |                   |                         |                   |                          | (Announced on May 11, 2023)                                |   |         |                       |
|            | USD      | 109.76              | 110.10                  | 111.45            | 113.04                   | 131.25            | 135.30                  | 136.85            | 136.00                   | 130.00   | USD   | +2.2    | +0.28                 |
|            | EUR      | 132.44              | 131.16                  | 130.96            | 131.11                   | 138.75            | 139.14                  | 140.83            | 141.62                   | 140.00   | EUR   | +1.9    | +0.25                 |
|            | SGD      | 82.41               | 82.01                   | 82.77             | 83.83                    | 94.97             | 97.12                   | 98.61             | 99.05                    | 97.10  |   |         |                       |
|            | AUD      | 84.15               | 82.33                   | 82.69             | 83.33                    | 92.52             | 93.51                   | 93.16             | 92.67                    | 93.50  |   |         |                       |
|            | CNY      | 17.06               | 17.07                   | 17.35             | 17.65                    | 19.71             | 19.91                   | 19.81             | 19.71                    | 19.90  |   |         |                       |

## ● Presentation of overall business performance and segment performance

The amounts shown are after offsetting and elimination of inter-segment transactions and do not include consumption tax etc. Notes that from Q3 FYE2023, the reportable segment names simplified, but the scope of segment aggregation didn't change.

# Contents

1. **Company Overview**
2. **Medium-term management plan  
“NS Vision 2026”**
3. **Business Opportunities in Carbon Neutrality**
4. **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.

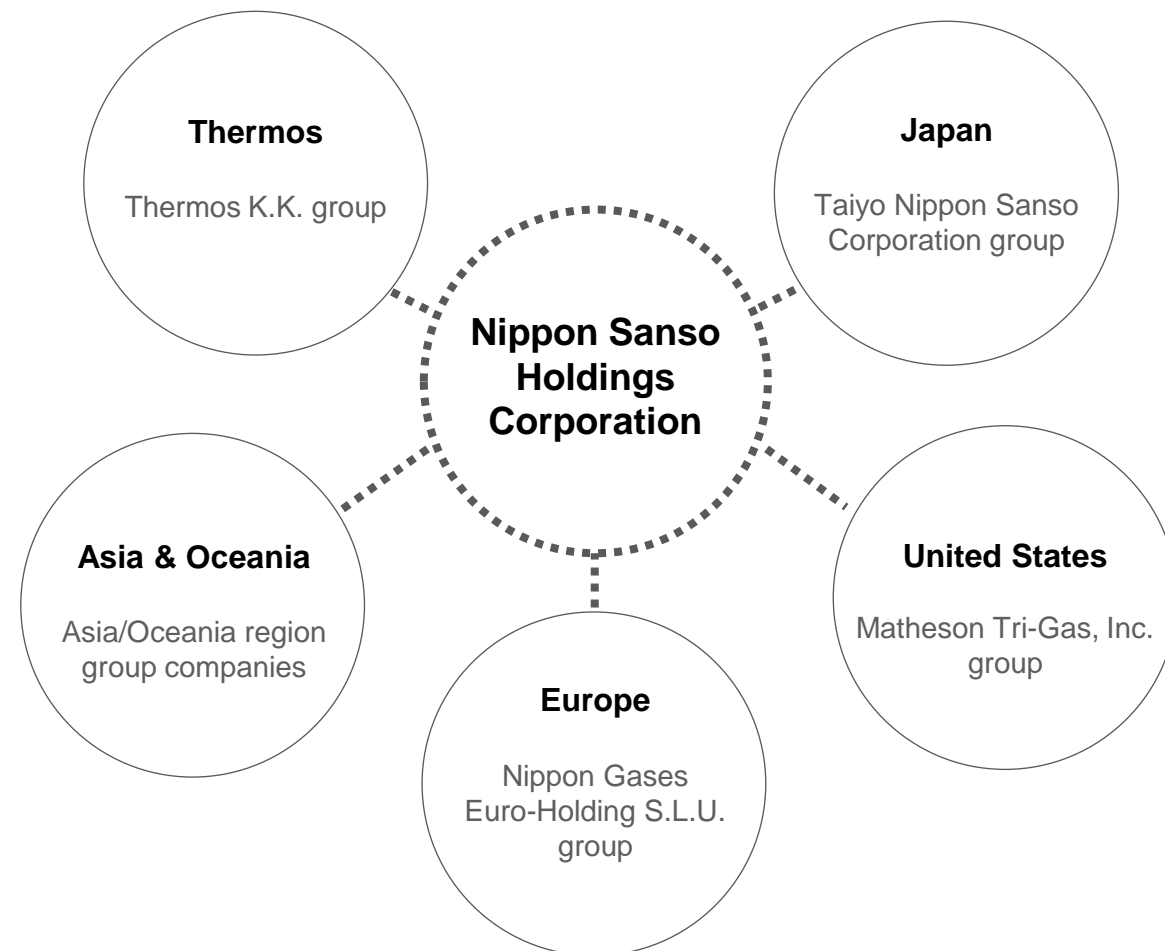
# 1. Company Overview

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# Corporate Overview

|                                     |   |
|-------------------------------------|---|
| Company name                        | <b>Nippon Sanso Holdings Corporation (NSHD)</b> |
| Ticker (Tokyo Stock Exchange)       | <b>4091.T</b>                                   |
| Established                         | <b>October 30, 1910</b>                         |
| Head office                         | 1-3-26 Koyama, Shinagawa-ku Tokyo, Japan        |
| President CEO                       | <b>Toshihiko Hamada</b>                         |
| Executive Officer & CFO             | <b>Alan D Draper</b>                            |
| Employees [As of March 31, 2023]    | <b>19,579</b>                                   |
| Revenue ( ¥ bn.) [FYE2023]          | <b>1,186.6</b>                                  |
| Operating income ( ¥ bn.) [FYE2023] | <b>119.5</b>                                    |
| OI margin [FYE2023]                 | <b>10.1%</b>                                    |
| Countries Served                    | <b>32 Countries and Areas</b>                   |

## NSHD's Group operating structure



# Corporate Philosophy

## Group Philosophy

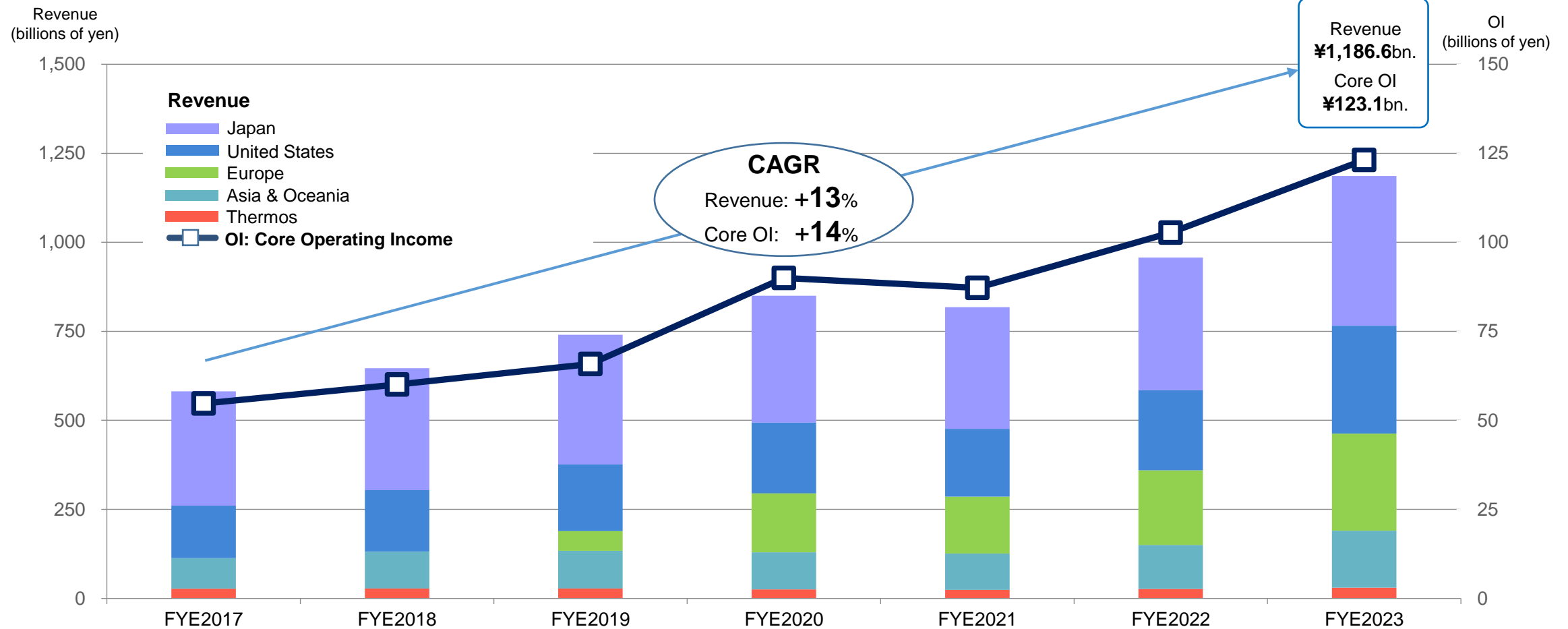
**Proactive. Innovative. Collaborative.**  
**Making life better through gas technology**

## **The Gas Professionals**

## 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.

# Business Performance over the past 7 years



\*Since the transition to IFRS in FYE2017, Operating Income is presented as Core OI, which is calculated by excluding gains and losses arising from non-recurring factors from OI.



# Our key businesses

## Industrial Gas



- Main Products
- Oxygen
  - Nitrogen
  - Argon
  - Hydrogen, CO and syngas
  - Carbon dioxide
  - Helium
  - Related equipment & construction

## Electronics



- Main Products
- Arsine ( $\text{AsH}_3$ )
  - Diborane ( $\text{B}_2\text{H}_6$ )
  - Fluoromethane ( $\text{CH}_3\text{F}$ )
  - Hydrogen chloride (HCL)
  - Phosphine ( $\text{PH}_3$ )
  - Silane ( $\text{SiH}_4$ )
  - Related equipment & construction

## Thermos



- Main Products
- Bottle
  - Mug
  - Tumbler
  - Frying-pan
  - Pan
  - Dish

# Percentage of Revenue by Business

## ● Composition

### Gas

#### -Bulk/On-site/Package

- Air separation gases (O<sub>2</sub>, N<sub>2</sub>, Ar)
- Other gases (CO<sub>2</sub>, He, H<sub>2</sub>, acetylene)
- Medical gases (O<sub>2</sub>, N<sub>2</sub>O)

#### -Propane, butane and other liquid gases

#### -Specialty gases

(Electronic materials gases, Standard gases etc.)



### Equipment and installation, others

#### -Gas-related and plant, other

- Gas-related equipment
- Cryogenic air separation units
- Helium containers
- Medical-related equipment, Stable isotopes, Cell cryopreservation containers
- Construction of LP gas facilities

#### -Electronics-related

- Gas supply facility installation and construction and MOCVD systems

#### -Welding and cutting-related

- Hard goods (welding material)



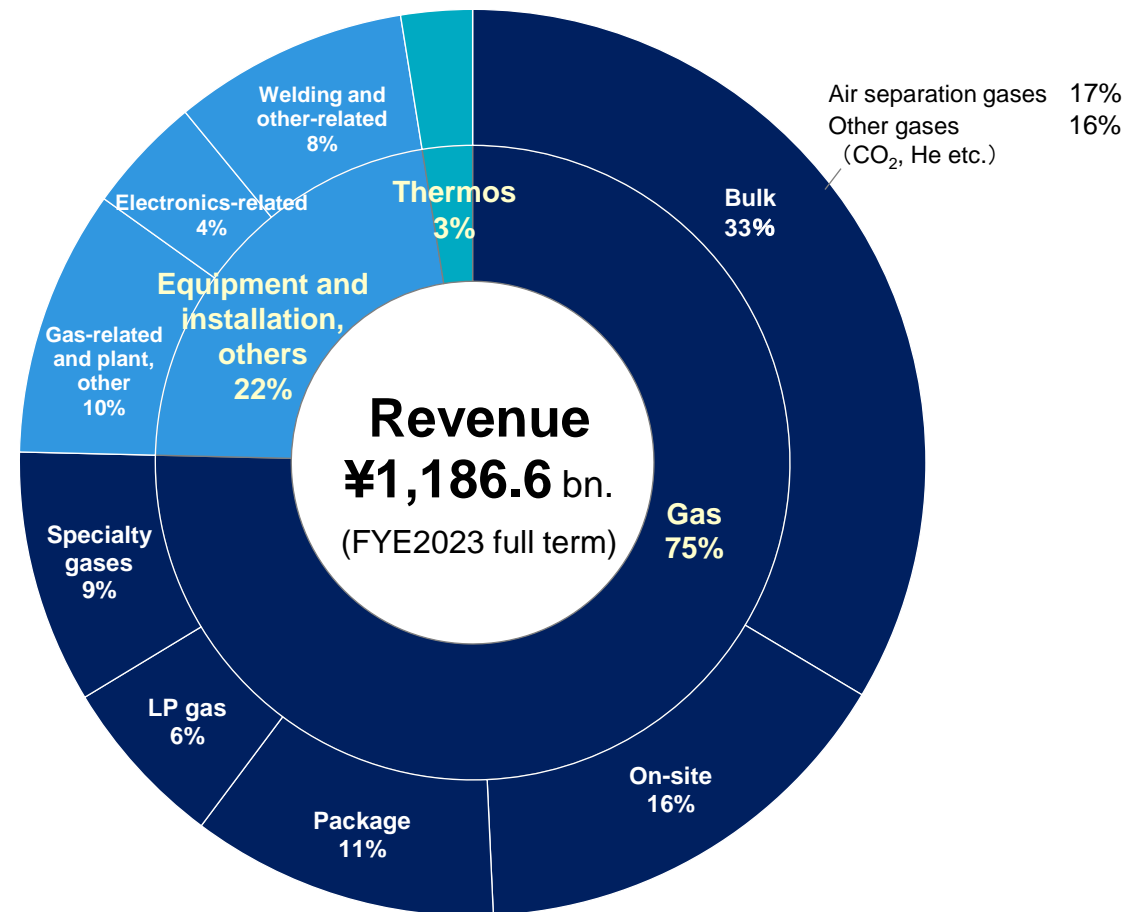
### Thermos

#### -Thermos

- Stainless steel vacuum bottles and Kitchenware (ex. Frying pan)

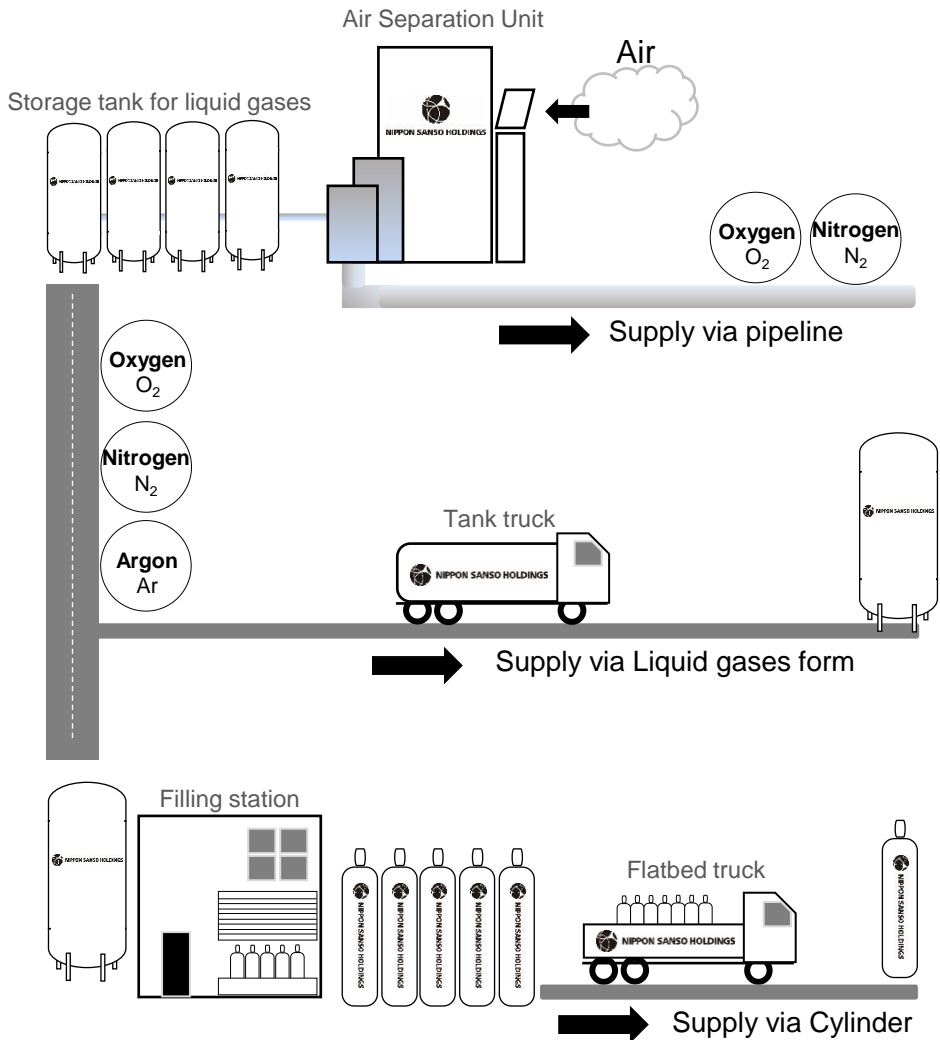


## ● Percentage of revenue by business



# Industrial gas supply systems

## Air Separation Gases



## On-site

Major supply destination (Sector)

**Steel    Petrochemical    Refinery**

We establish 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 Medical    Food/beverage**  
**LCP    Photovoltaics    Semiconductor**

We install 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)

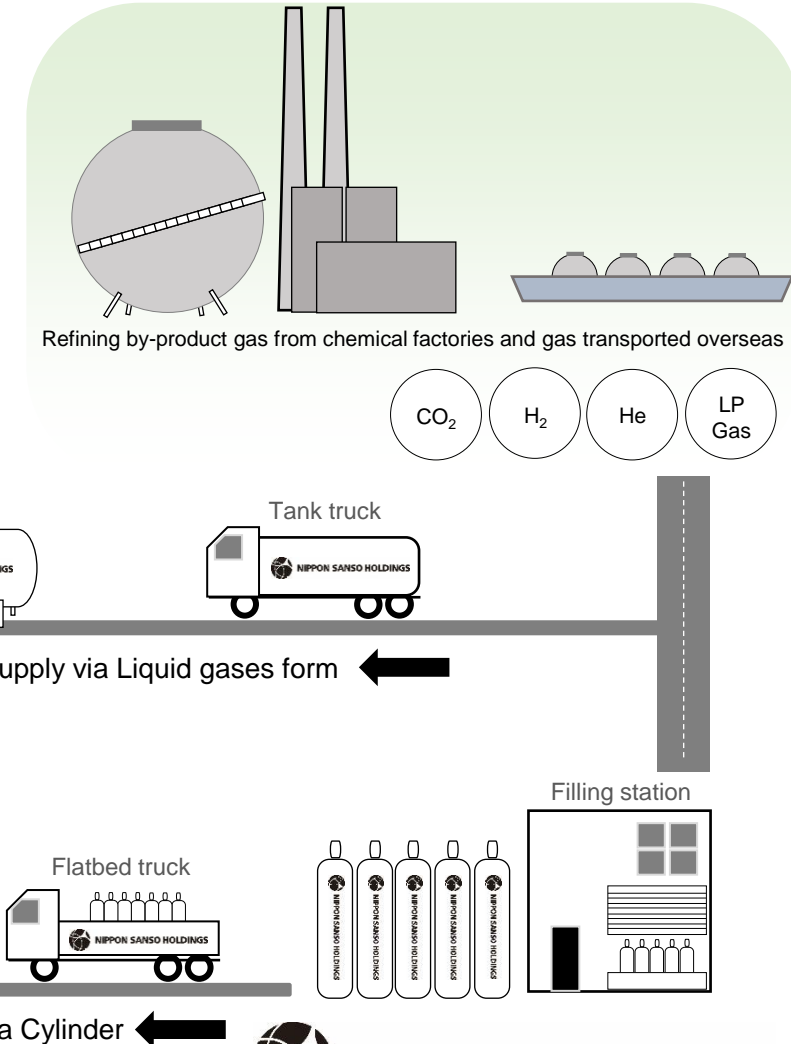
## Packaged

Major supply destination (Sector)

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

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

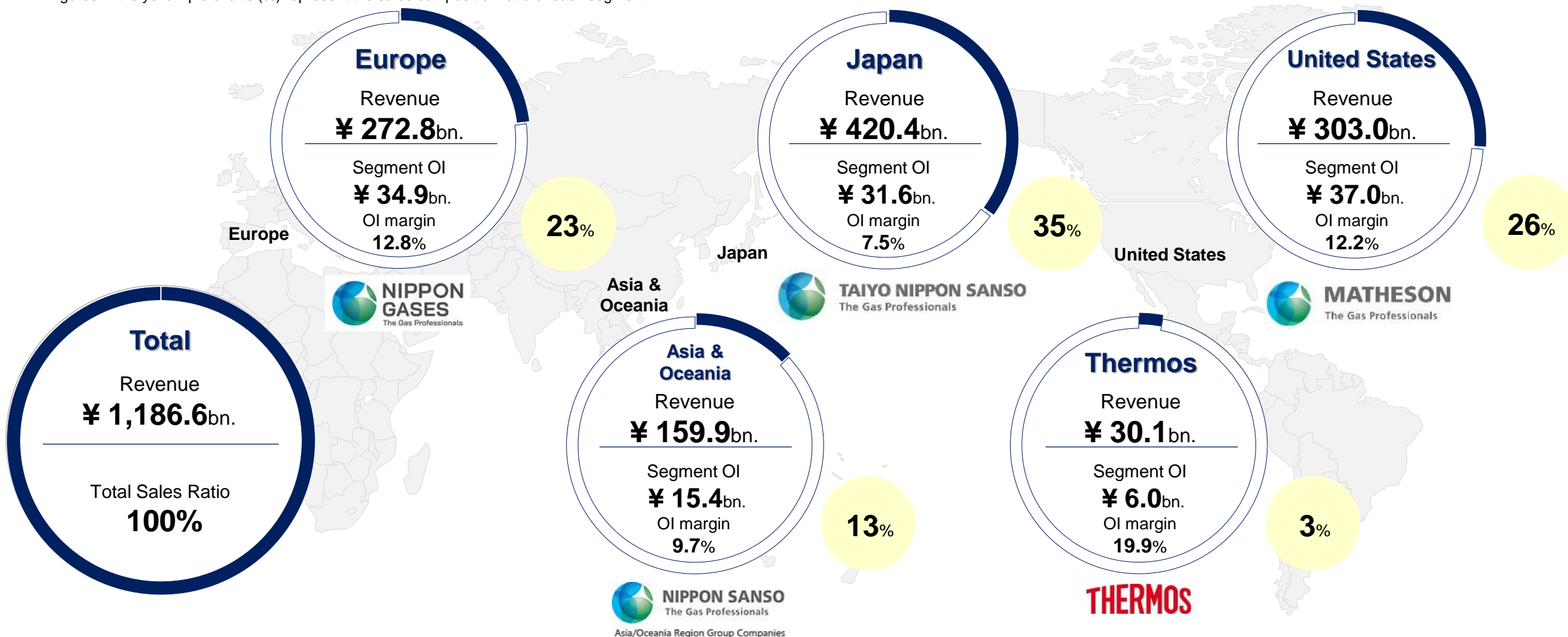
## Other Gases



# Global Operation

\*Figures for each segment are for FYE2023.

\*Figures in the yellow pie charts (%) represent the sales composition ratio of each segment.



# FYE2024 Consolidated Forecast

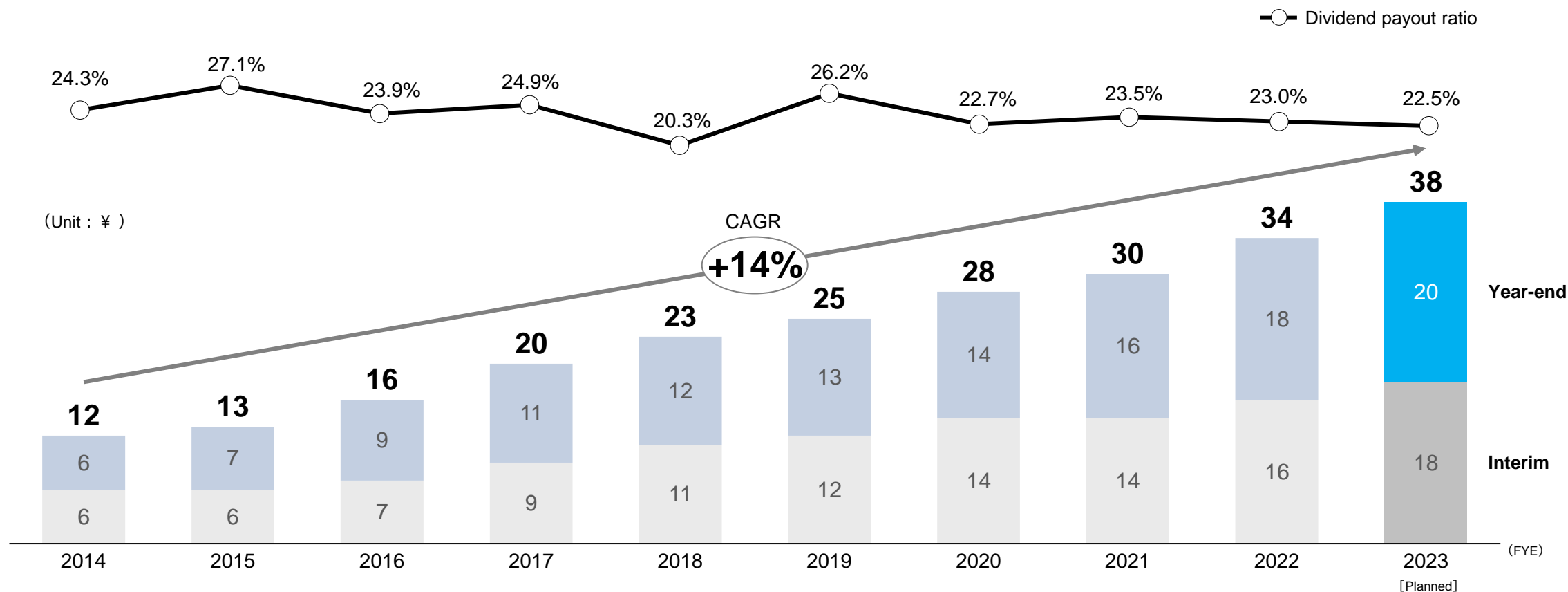
|  | FYE2023<br>Full-term | FYE2024<br>Full-term forecast<br><small>(Announced on May 11, 2023)</small> | YoY          |              |
|--|----------------------|---|--------------|--------------|
|  |                      |   | Difference   | % Change     |
| <small>(Unit: ¥ bn.)</small>                           |                      |   |              |              |
| <b>Revenue</b>   | <b>1,186.6</b>       | <b>1,160.0</b>  | <b>-26.6</b> | <b>-2.2%</b> |
| <b>Core operating income</b>                           | <b>123.1</b>         | <b>127.5</b>  | <b>+4.4</b>  | <b>+3.6%</b> |
| Core OI margin   | 10.4%                | 11.0%   |              |              |
| Non-recurring profit and loss                          | -3.5                 | —   | +3.5         |              |
| <b>Operating income (IFRS)</b>                         | <b>119.5</b>         | <b>127.5</b>  | <b>+8.0</b>  | <b>+6.7%</b> |
| OI margin  | 10.1%                | 11.0%   |              |              |
| EBITDA margin  | 19.3%                | 20.2%   |              |              |
| Finance costs  | -14.0                | -25.5   | -11.5        |              |
| <b>Income before income taxes</b>                      | <b>105.5</b>         | <b>102.0</b>  | <b>-3.5</b>  | <b>-3.3%</b> |
| Income tax expenses                                    | 29.5                 | 28.5  | -1.0         |              |
| Net income   | 75.9                 | 73.5  | -2.4         | -3.2%        |
| <small>(Attribution of net income)</small>             |                      |   |              |              |
| <b>Net income attributable to owners of the parent</b> | <b>73.0</b>          | <b>70.5</b>   | <b>-2.5</b>  | <b>-3.5%</b> |
| NI margin  | 6.2%                 | 6.1%  |              |              |
| Net income attributable to non-controlling interests   | 2.8                  | 3.0   | +0.2         |              |
| Forex <small>(Unit: JPY)</small>                       |                      |   |              |              |
| <small>(average rate during the period)</small>        | USD                  | 136.00  | 130.00       |              |
|  | EUR                  | 141.62  | 140.00       |              |
|  | AUD                  | 92.67   | 93.50        |              |

In the FYE2024, planned revenue growth excluding deconsolidation change and currency +2%; Core OI growth; +5% (YoY excluding FX impact).

Total Forex impact for FYE2024 Full-term forecast : Negative impacts of ¥ 18.3 bn. on revenue and ¥ 2.2 bn. on core operating income.

# Dividend Trend

## Stable and reliable dividend linked to performance



## **2. Medium-term management plan “NS Vision 2026”**

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# Implement the five focused fields

Our MTP; Medium-Term management Plan

## NS Vision 2026 : Enabling the Future Slogan

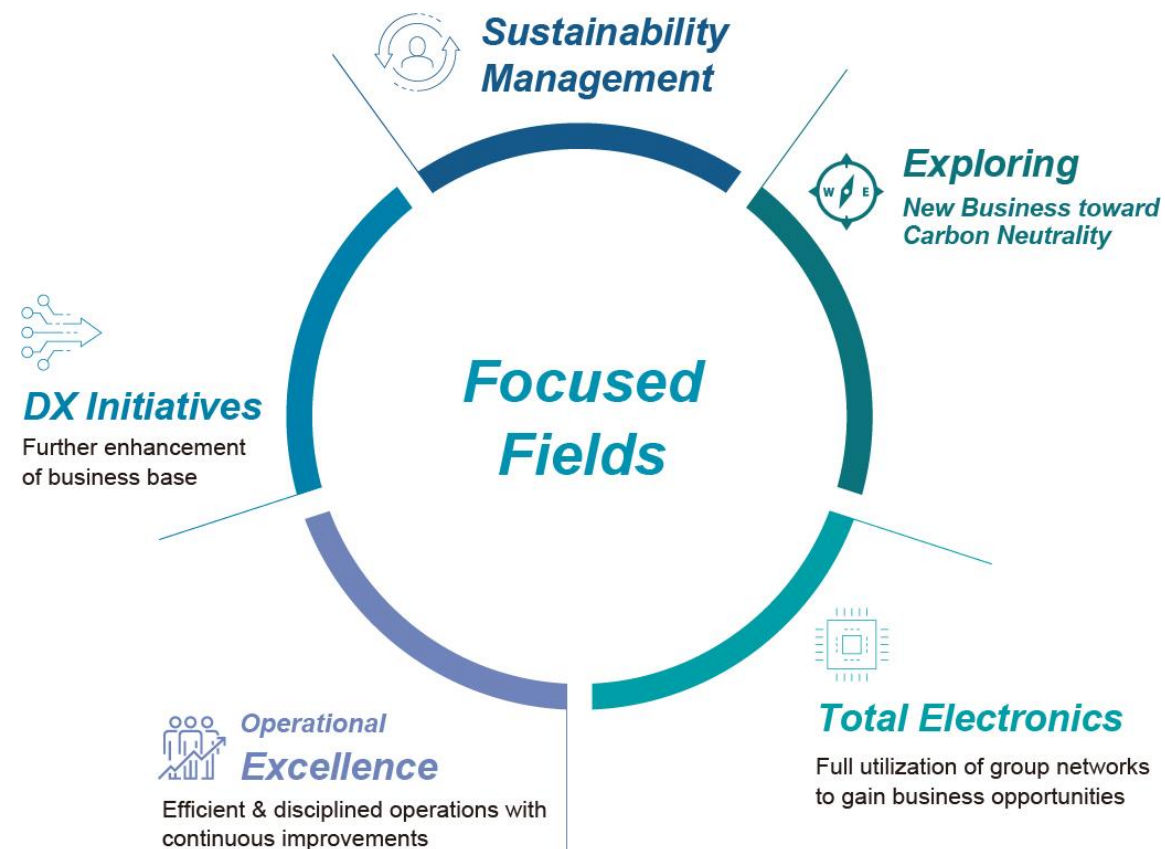
We formulated our first MTP, NS Vision 2026, after the establishment of NSHD in Oct. 2020 with the vision:

**“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.”**

Our NSHD Group developed five focused fields for our MTP:

Sustainability Management, Exploring New Business toward Carbon Neutrality (CN), Total Electronics, Operational Excellence, and DX Initiatives.

We will strengthen the group’s comprehensive capabilities and achieve further growth to provide a bright and comfortable future for people, society, and the Earth.





# Targeted Group KPI - Summary

## Financial KPI (FYE2026)

|                        |  |
|------------------------|--|
| Revenue                | JPY 975.0-1,000.0 bn*                                  |
| Core Operating Income  | JPY 125.0-135.0 bn*                                    |
| EBITDA Margin          | Group: $\geq 24\%$<br>Each segment: $\geq 17\sim 33\%$ |
| Adjusted net D/E Ratio | $\leq 0.7$   |
| ROCE after Tax         | $\geq 6\%$   |

\*Due to the uncertainty in the global economy, revenue and core operating income are shown in range.

## Non-Financial KPI

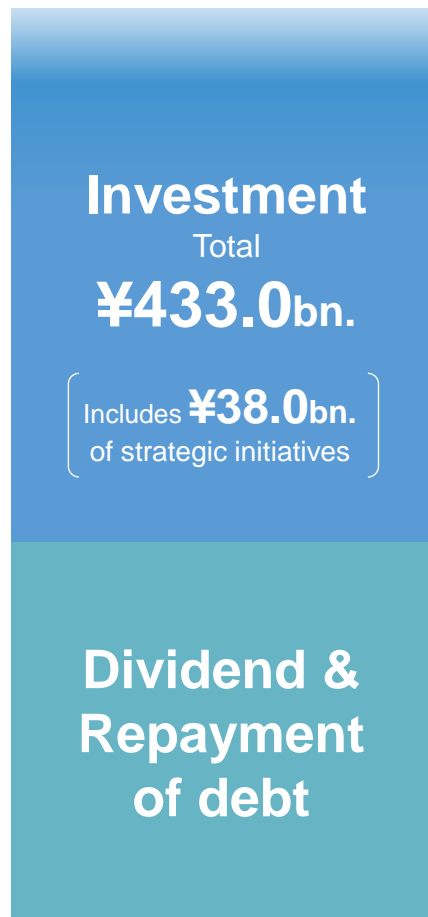
|  |   |
|--|---|
| Reduction rate of GHG emissions<br>(Base year: FYE2019)      | 18%: FYE2026 32%: FYE2031   |
| GHG reduced emissions through<br>environmental product offer | Lower customer GHG emissions through<br>environmental product offerings and applications<br>>NSHD group GHG emissions (FYE2026) |
| Lost Time Injury Rate  | $\leq 1.6$ : FYE2026  |
| Rate of female employees                                     | $\geq 22\%$ : FYE2026<br>25%: FYE2031   |
| Rate of receiving<br>compliance training                     | 100%: FYE2026   |
| Rate of female<br>management posts                           | $\geq 18\%$ : FYE2026<br>22%: FYE2031   |

# Capital Allocation

IN

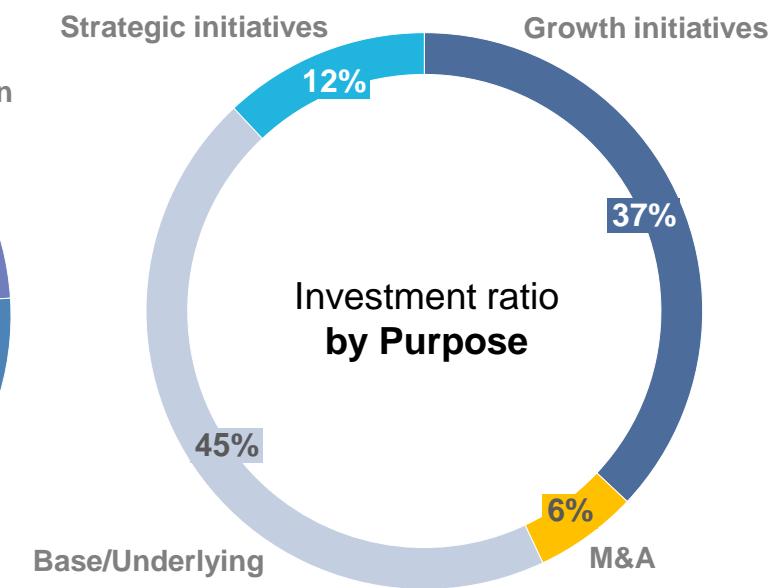
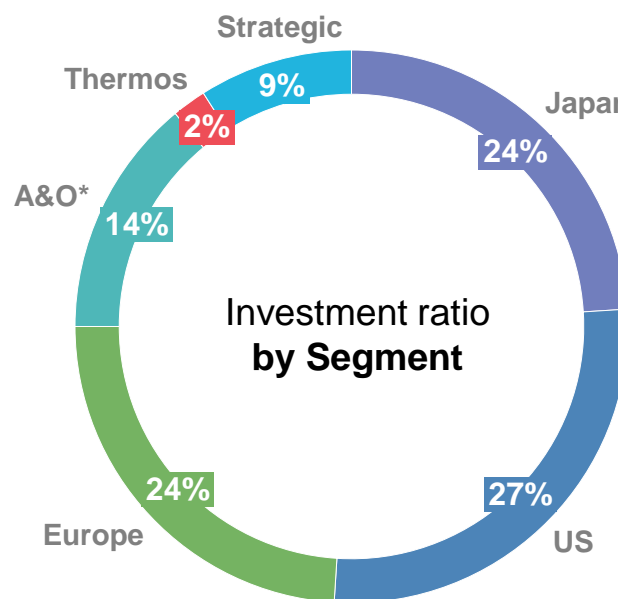


OUT



➤ **Strategic Investment for**

- **CN:** Carbon Neutral related initiatives
- **DX:** Digital Transformation initiatives



(Reference) Investment / revenue % by Segment

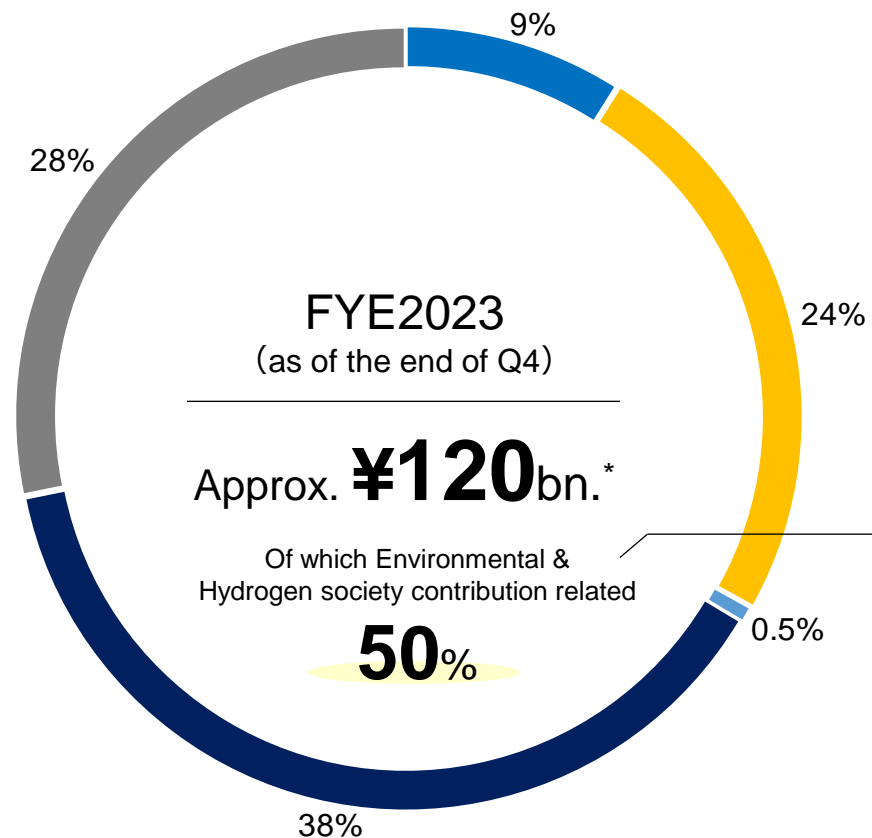
Japan: 7.4%, US: 10.5%, Europe: 12.9%, \*Asia & Oceania: 11.1%, Thermos: 6.9%

# Key CAPEX for our CN initiatives

Significant growth opportunities; Our diversified capital portfolio is aligned with our MTP NS Vision 2026.

“Others” include projects which are not assignable because the facilities relate to a wide range of customers and no one specific market (e.g.)

- New or expanded production base for Bulk business
- Shipping container for liquefied helium



“Environmental & Hydrogen society contribution related” includes projects that contribute to our group and the customers’ efforts to become carbon neutrality. (e.g.)

- Modernizing our plants to state-of-the-art equipment
- Hydrogen production related (HyCO Plant, and Green hydrogen JV)

■ Steel & Metals ■ Electronics ■ Healthcare ■ Chemicals & Energy ■ Others

Note that the above is an aggregation of investments which have been approved by the Board of directors of each our group company, but have not yet been placed in service.

The size of each project is over approx. ¥500mn., \$4mn. or €4mn.

\* Converted to JPY using the average exchange rate for the Q4 of the FYE2023, as shown in the Notes (Please see p.3).

# Eight Non-financial programs & 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> |
|--|-----------------------|
| <b>Environment</b>   |                       |
| <b>&lt;Environment&gt;</b>   |                       |
| • Reduction rate of GHG emissions (Base year: FYE2019 <sup>*1</sup> )                    | 18%<br>down           |
| • GHG reduced contribution exceeds GHG emission (Scope 1+2)                              | <u>X&gt;Y</u>         |
| • Breakdown information<br>(Unit: Thousands of tonnes CO <sub>2</sub> e)                 |                       |
| X: Lower customer GHG emissions through environmental product offerings and applications |                       |
| Y: NSHD Group GHG emission (Scope 1 +2)  |                       |
| <b>Social</b>  |                       |
| <b>&lt;Safety Management&gt;</b>   |                       |
| • Lost Time Injury Rate  | <u>≤1.6</u>           |
| <b>&lt;HR&gt;</b>  |                       |
| • Rate of female employees   | <u>≥22%</u>           |
| • Rate of female management posts  | <u>≥18%</u>           |
| <b>Governance</b>  |                       |
| <b>&lt;Compliance&gt;</b>  |                       |
| • Rate of receiving compliance training <sup>*2</sup>                                    | <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.

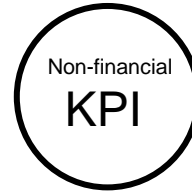
\*2 We plan to begin data collection from the current fiscal year; FYE2023.

# CNP I : To reduce the NSHD Group's GHG emissions through our own internal 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**

\* 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

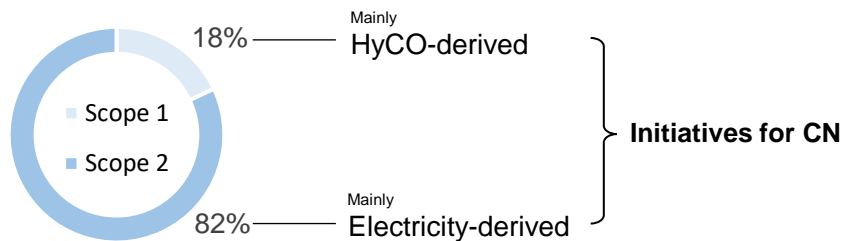
▷ Changes in power supply configuration

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

#### ▶ Further promotion of energy conservation & efficient energy use

- Reduced energy consumption

- ① Replacement and modernization 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 low emission coefficient electricity suppliers
- ② Purchase green power certificates
- ③ Introduce renewable energy

#### ▶ Carbon capture and offsets

- Consideration of CCUS implementation

- ① Promote CO<sub>2</sub> capture
- ② Carbon offset through new technology, forest conservation, and tree-planting activities, etc.

# CNP II : To reduce customer GHG emissions through the promotion & use 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**

## Scenarios for achieving goals

### External environment

#### ▷ Social demands and requirements

Working toward Net Zero is a corporate imperative.

#### ▷ Customer Technological evolution

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

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

### Internal measures

#### ▶ Contribution through the Group's existing technologies

- ①Oxygen-enriched combustion in blast furnaces
- ②H<sub>2</sub> and NH<sub>3</sub> combustion in industrial furnaces
- ③Carbon capture and utilization (on a small scale)

#### ▶ Expansion of the Group's current applications and capabilities

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

# 3. Business Opportunities in Carbon Neutrality

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# What we aim to be

## The Gas Professionals

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

Produce industrial gases and supply them safely and reliably to all industrial fields.

Contributions 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

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**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

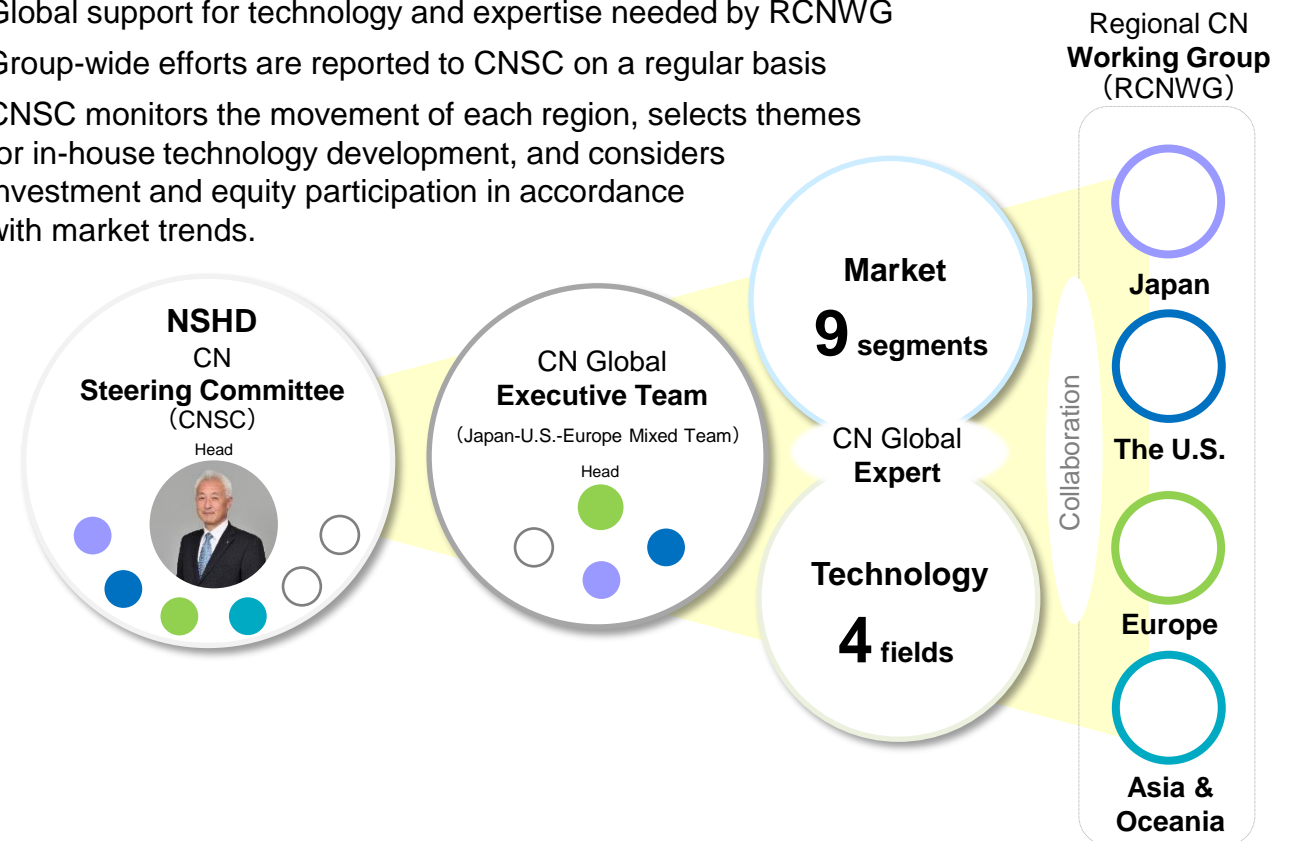
- ✓ All industries (steel, chemical, glass, cement, automotive, electronics, etc.) are moving toward CN
- ✓ Economic and technological challenges make it difficult to build an ideal green society in a single step.
- ✓ Each region has different methods and priorities for addressing CN
- ✓ 30-year transition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

## Basic Policy

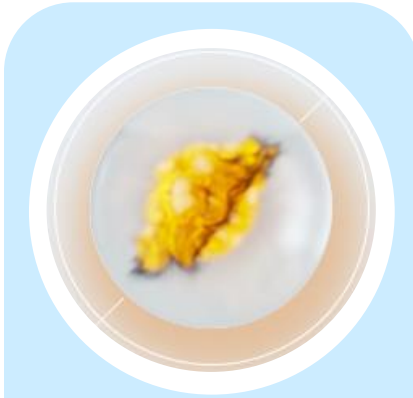
- ✓ Ensure contribution to CN by proposing realistic and feasible solutions (Quick wins)
- ✓ Promote in-house technology development and collaborate with strategic partners
- ✓ Strengthening the communicate across all stakeholders

## 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



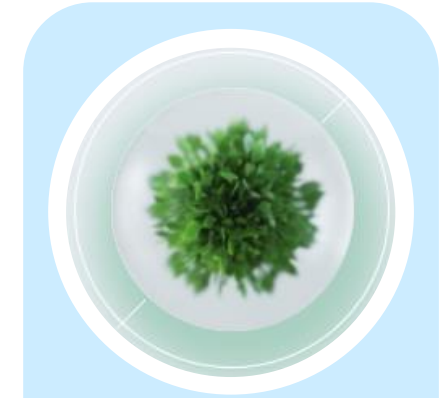
**Combustion**  
(Oxy-fuel combustion)



**HyCO\***



**CO<sub>2</sub> Recovery**



**O<sub>2</sub> 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 CO<sub>2</sub> as a pure stream to then be dried, compressed and transported for storage or utilization.

CO<sub>2</sub> recovery units capture the CO<sub>2</sub> emitted by industrial processes and prepare it for other uses. By using the most suitable CO<sub>2</sub> 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

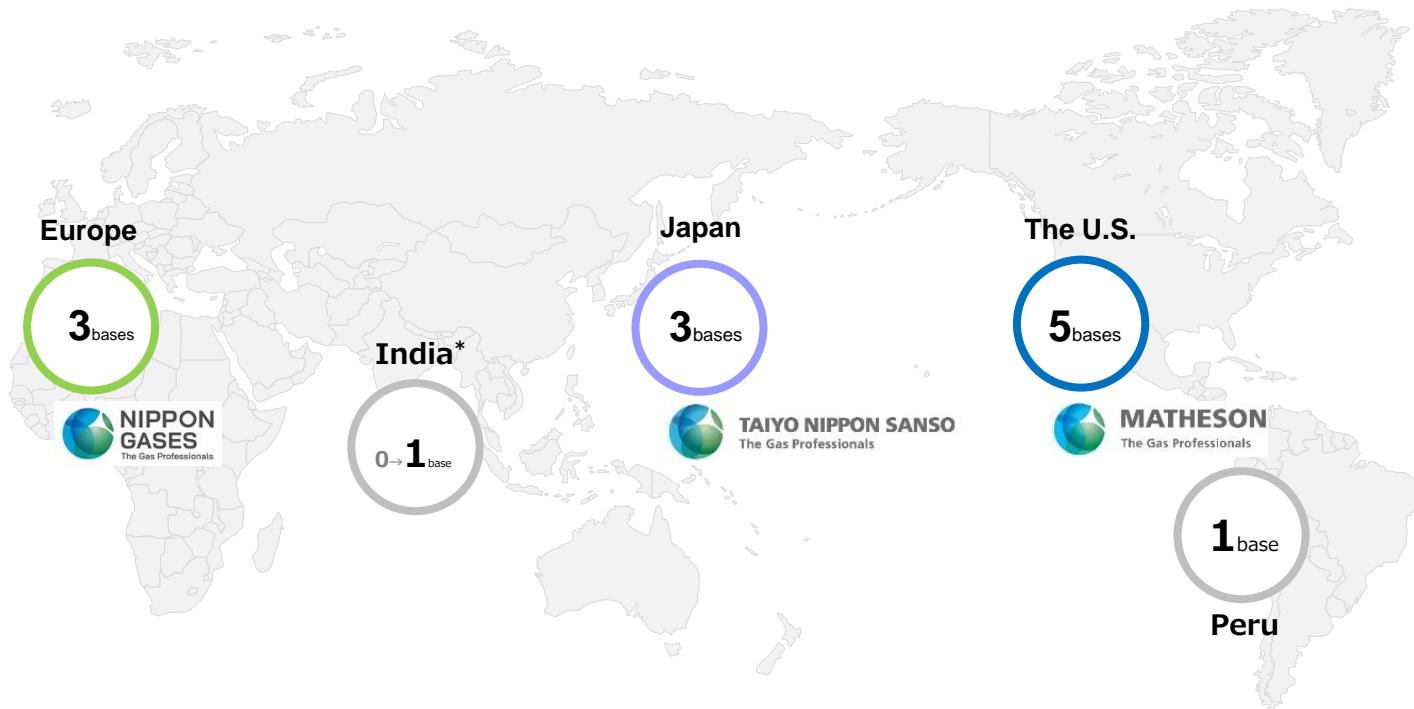
\* HyCO business : On-site supply of hydrogen (Hydrogen) and carbon monoxide (Carbon monoxide) mainly to petroleum refining and petrochemical companies

# One of our activities: Enhance our global H<sub>2</sub> manufacturer footprint

## HyCO and Hydrogen (H<sub>2</sub>) production bases of our group

( Supply capabilities : > 1,000Nm<sup>3</sup>/h [including SMR and By-product] )

As of Mar. 31, 2023



In addition to conventional Hydrogen production from LNG (HyCO), Hydrogen is manufactured from renewable Hydro-carbon fuel\*, a byproduct of renewable diesel produced by our customer, Vertex Energy



**Vertex Energy, Inc.**  
(Mobile, Alabama)

**Refine the capability to produce large volumes of Gray H<sub>2</sub> with HyCO technology in the 1<sup>st</sup> step, and supply Blue H<sub>2</sub> in combination with CCUS; Carbon Capture Utilization Storage function as 2<sup>nd</sup> step.**

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

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

## Our thought

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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 and CN related projects
2. Co-creation of value  
: Develop our own technologies while building collaborative strategic relationships with advanced technological partners

Strengthening “Communications” across all stakeholders

(e.g. : dedicated website introduced as a tool for this purpose. > <https://www.carbonneutralworld.com/> )

### Contributions to CN by 2050

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

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# The Gas Professionals

# Q&A Session

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Executive Officer,  
Group Finance & Accounting Office,  
and CFO

**Alan Draper**

# 4. Appendix

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## Corporate Information

(As of March 31, 2023)

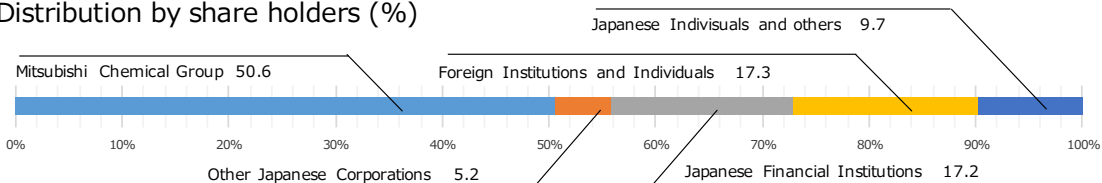
|                |   |
|----------------|---|
| Company Name   | Nippon Sanso Holdings Corporation                 |
| Founded        | October 30, 1910                                  |
| Headquarters   | 1-3-26 Koyama Shinagawa-ku, Tokyo 142-0062, Japan |
| TEL            | 81-3-5788-8500        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

## Stock information

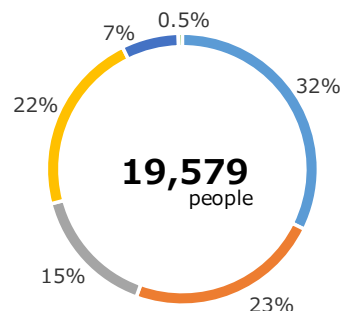
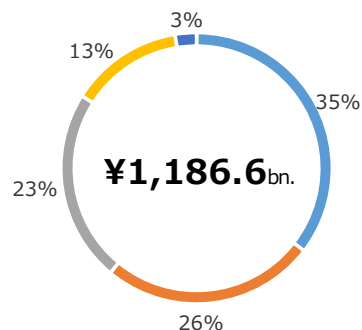
(As of March 31, 2023)

|                        |                                   |
|------------------------|-----------------------------------|
| Number of shares       | 433,092,837                       |
| Number of shareholders | 14,743                            |
| Listed stock exchanges | Tokyo Stock Exchange Prime Market |
| Ticker                 | 4091.T                            |

### Distribution by share holders (%)



## Revenue / Employee personnel by Segment (As of March 31, 2023)



■ Japan ■ US ■ Europe ■ Asia & Oceania ■ Thermos ■ Corporate

## Corporate Philosophy

### Group Philosophy

Proactive. Innovative. Collaborative.

Making life better through gas technology.

# The Gas Professionals

### 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



## FYE2024 Financial Forecast (IFRS)

|                  |              |   |           |
|------------------|--------------|---|-----------|
| Revenue          | ¥1,160.0 bn. | Net income attributable to owners of the parent | ¥70.5 bn. |
| Operating income | ¥127.5 bn.   | EPS   | ¥162.87   |

## 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 %<br>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 |
|-----------------------|----------|------|

### <Compliance>

|                                       |          |       |
|---------------------------------------|----------|-------|
| Rate of receiving compliance training | FYE2026: | 100 % |
|---------------------------------------|----------|-------|

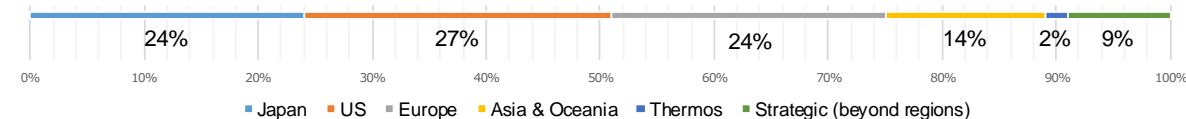
### <HR>

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

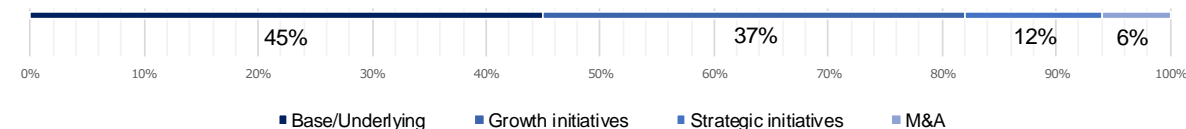
## Capital allocation

|                         |                         |
|-------------------------|-------------------------|
| 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

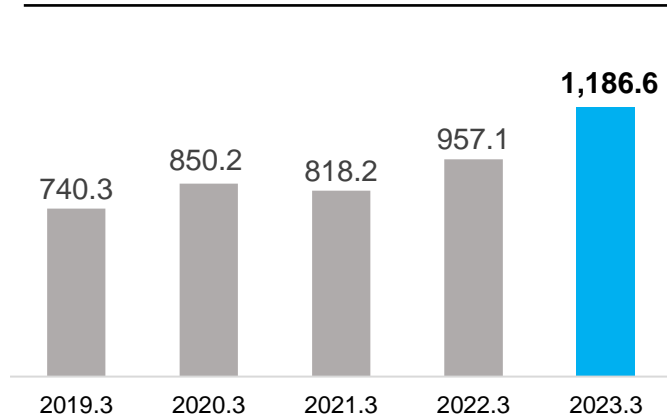


## Focused fields

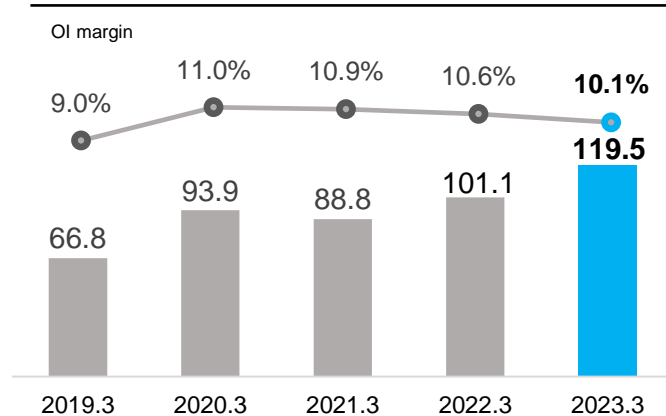


# Business performance over the past five years

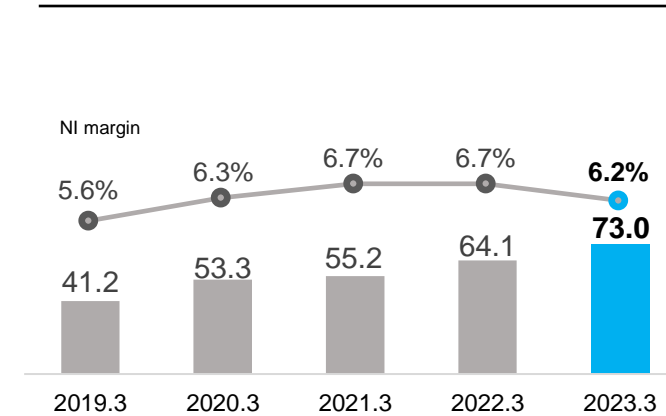
Revenue (¥ bn.)



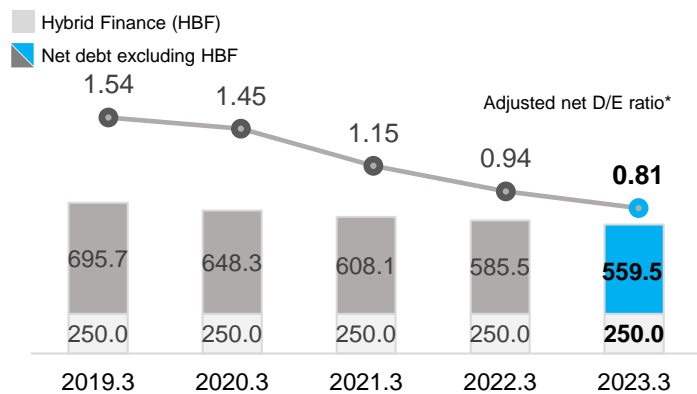
Operating income (IFRS) (¥ bn.)



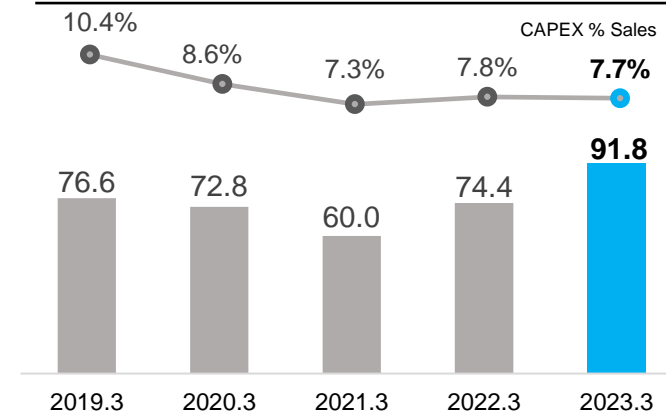
Profit attributable to owners of the parent (¥ bn.)



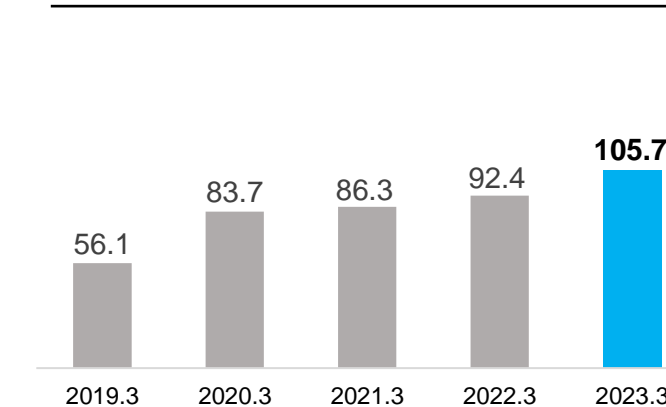
Net interest-bearing debts (¥ bn.)



Capital expenditures (¥ bn.)



Depreciation and amortization (¥ bn.)



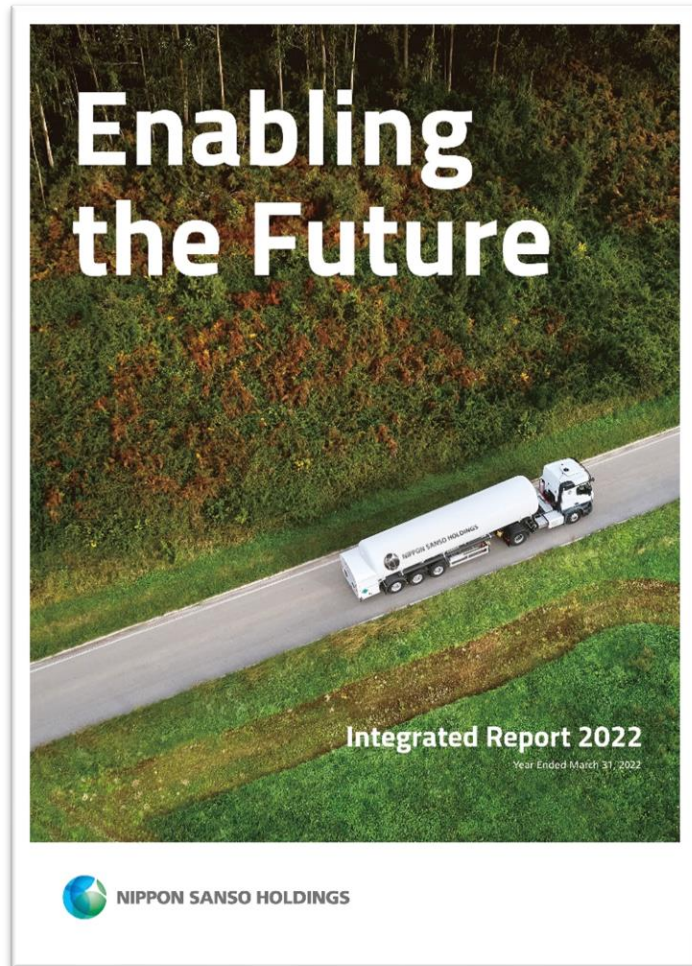
\*Adjusted Net D/E Ratio: an indicator of safety (financial soundness) calculated in consideration of this part due to 50% of the amount raised by HBF is permitted as "Equity" by rating agencies.

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

# Business performance by segment (FYE2023 full-term)

|                    |                   | FYE2022   | FYE2023        |                   | YoY        |          |              |
|--------------------|-------------------|-----------|----------------|-------------------|------------|----------|--------------|
|                    |                   | Full-term | Full-term      | Composition ratio | Difference | % Change | Forex impact |
| (Unit: ¥ bn.)      |                   |           |                |                   |            |          |              |
| Japan              | Revenue           | 372.0     | <b>420.4</b>   | 35.4%             | +48.4      | +13.0%   | +0.4         |
|                    | Segment OI        | 30.9      | <b>31.6</b>    | 25.7%             | +0.7       | +2.4%    | +0.1         |
|                    | Segment OI margin | 8.3%      | 7.5%           |                   |            |          |              |
| United States      | Revenue           | 224.8     | <b>303.0</b>   | 25.5%             | +78.2      | +34.8%   | +45.6        |
|                    | Segment OI        | 27.3      | <b>37.0</b>    | 30.1%             | +9.7       | +35.7%   | +5.7         |
|                    | Segment OI margin | 12.2%     | 12.2%          |                   |            |          |              |
| Europe             | Revenue           | 209.7     | <b>272.8</b>   | 23.0%             | +63.1      | +30.1%   | +16.8        |
|                    | Segment OI        | 26.3      | <b>34.9</b>    | 28.3%             | +8.6       | +32.7%   | +2.1         |
|                    | Segment OI margin | 12.5%     | 12.8%          |                   |            |          |              |
| Asia & Oceania     | Revenue           | 123.5     | <b>159.9</b>   | 13.5%             | +36.4      | +29.5%   | +16.3        |
|                    | Segment OI        | 12.8      | <b>15.4</b>    | 12.6%             | +2.6       | +20.5%   | +1.7         |
|                    | Segment OI margin | 10.4%     | 9.7%           |                   |            |          |              |
| Thermos            | Revenue           | 26.8      | <b>30.1</b>    | 2.5%              | +3.3       | +12.4%   | +0.4         |
|                    | Segment OI        | 6.4       | <b>6.0</b>     | 4.9%              | -0.4       | -6.5%    | +0.1         |
|                    | Segment OI margin | 24.0%     | 19.9%          |                   |            |          |              |
| Adjustment         | Revenue           | 0.1       | <b>0.0</b>     | 0.0%              | -0.1       | —        |              |
|                    | Segment OI        | -1.1      | <b>-2.0</b>    | -1.6%             | -0.9       | —        |              |
| Consolidated total | Revenue           | 957.1     | <b>1,186.6</b> | 100.0%            | +229.5     | +24.0%   | +79.6        |
|                    | Core OI           | 102.7     | <b>123.1</b>   | 100.0%            | +20.4      | +19.9%   | +9.9         |
|                    | Core OI margin    | 10.7%     | 10.4%          |                   |            |          |              |

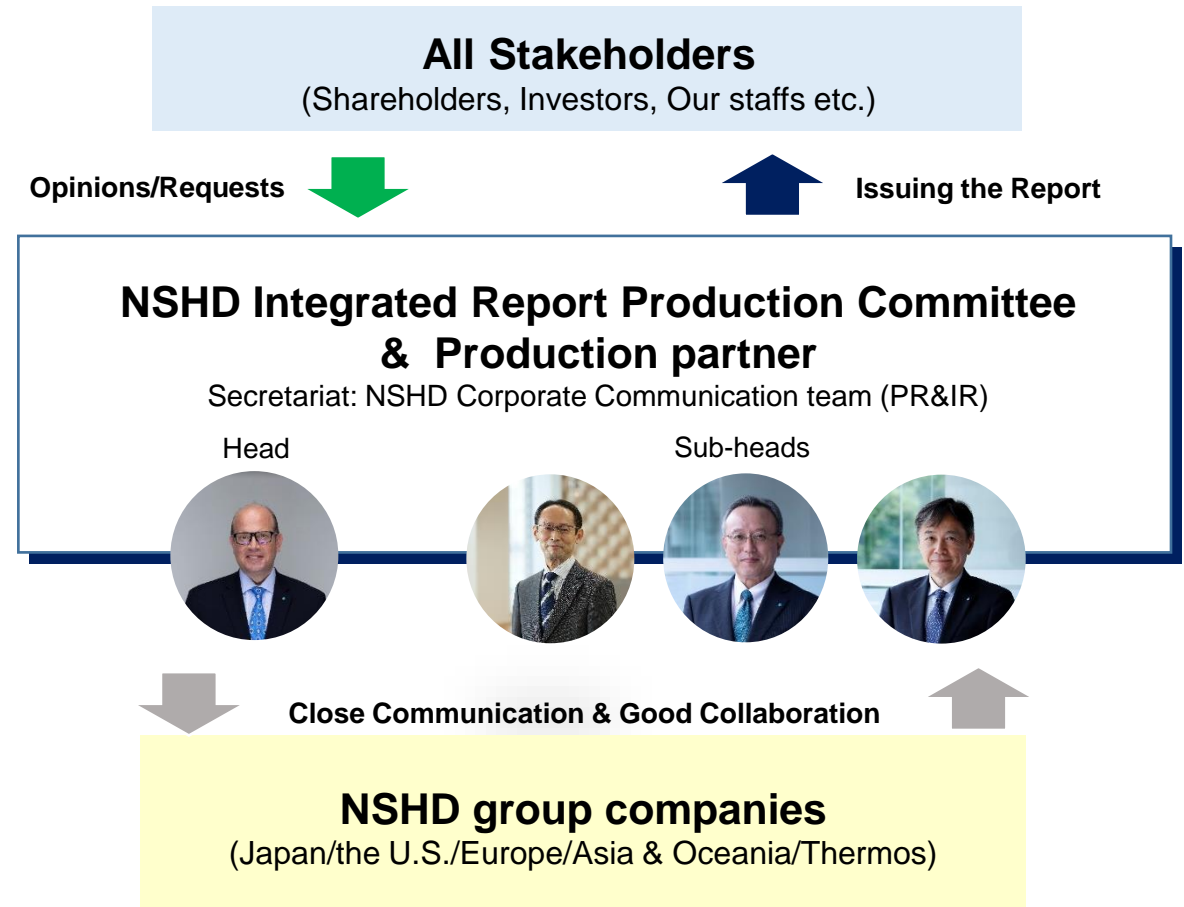
# Improving to fruitful report for our stakeholders



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

Please jump to the access webpage link. > [https://www.nipponsanso-hd.co.jp/en/ir/library/integrated\\_report.html](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.



## For further information, please contact:

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### Investor Relations for investors

Investor Relations, Group Finance & Accounting Office

Tel: +81 (0)3-5788-8512

E-mail : [Nshd.ir@nipponsanso-hd.co.jp](mailto:Nshd.ir@nipponsanso-hd.co.jp)

### Upcoming IR events

Q1 FYE2024 Earnings Call

July 28, 2023

[www.nipponsanso-hd.co.jp/en/](http://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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