



# Consolidated Financial Statements

For the Fiscal Year Ended March 31, 2025

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This document has been extracted and translated from the Japanese original report (Yukashoken-Hokokusho) issued on June 16, 2025 for reference purposes only. If there is any discrepancy between this translated document and the Japanese version, the Japanese version shall prevail.

## Consolidated Financial Statements

(1) Nippon Sanso Holdings and Consolidated Subsidiaries

1) Consolidated Statement of Financial Position

(Millions of yen)

	Notes	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
<b>Assets</b>			
Current assets			
Cash and cash equivalents	6	126,100	144,528
Trade receivables	7	282,199	263,080
Inventories	8	100,460	99,509
Other financial assets	13	27,216	14,588
Other current assets	14	27,847	42,148
Subtotal		563,825	563,854
Assets held for sale	24	4,376	1,921
Total current assets		568,201	565,776
Non-current assets			
Property, plant and equipment	9	877,400	899,306
Goodwill	10	575,809	575,289
Intangible assets	10	252,348	240,967
Investments accounted for using the equity method	12	54,673	61,171
Other financial assets	13	63,436	58,482
Retirement benefit asset	19	4,712	5,201
Other non-current assets	14	9,133	8,427
Deferred tax assets	30	3,367	3,574
Total non-current assets		1,840,881	1,852,421
Total assets		2,409,083	2,418,197

		(Millions of yen)	
	Notes	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Liabilities and equity			
Liabilities			
Current liabilities			
Trade payables	15	136,027	133,822
Bonds and borrowings	16	166,219	92,630
Income taxes payable		14,169	14,070
Other financial liabilities	17	121,402	93,378
Provisions	20	1,095	296
Other current liabilities	21	59,105	61,088
Total current liabilities		498,019	395,285
Non-current liabilities			
Bonds and borrowings	16	724,039	757,936
Other financial liabilities	17	39,488	44,703
Retirement benefit liability	19	15,352	15,337
Provisions	20	5,019	5,304
Other non-current liabilities	21	20,656	19,293
Deferred tax liabilities	30	160,395	159,405
Total non-current liabilities		964,951	1,001,982
Total liabilities		1,462,970	1,397,267
Equity			
Share capital	22	37,344	37,344
Capital surplus	22	39,233	39,803
Treasury shares	22	(242)	(260)
Retained earnings	22	627,544	709,068
Other components of equity	22	210,601	194,495
Total equity attributable to owners of parent		914,481	980,451
Non-controlling interests		31,630	40,478
Total equity		946,112	1,020,930
Total liabilities and equity		2,409,083	2,418,197

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

## Consolidated Statement of Profit or Loss

(Millions of yen)

	Notes	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Revenue	4, 27	1,255,081	1,308,024
Cost of sales		(744,103)	(762,581)
Gross profit		510,977	545,442
Selling, general and administrative expenses		(346,405)	(359,318)
Other operating income	28	13,863	11,439
Other operating expenses	28	(10,401)	(36,671)
Share of profit of investments accounted for using the equity method	12	4,006	5,014
Operating profit		172,041	165,906
Finance income	29	4,391	3,886
Finance costs	29	(25,711)	(24,520)
Profit before income taxes		150,720	145,272
Income taxes	30	(41,356)	(43,326)
Profit		109,364	101,945
Profit attributable to:			
Owners of parent		105,901	98,779
Non-controlling interests		3,463	3,166
Earnings per share			
Basic earnings per share (Yen)	31	244.66	228.20

## Consolidated Statement of Comprehensive Income

(Millions of yen)

	Notes	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Profit		109,364	101,945
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income	25	5,529	(3,484)
Remeasurements of defined benefit plans	25	1,075	778
Share of other comprehensive income of investments accounted for using the equity method	25	69	100
Total of items that will not be reclassified to profit or loss		6,673	(2,605)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	25	106,377	(11,351)
Effective portion of net change in fair value of cash flow hedges	25	580	(362)
Share of other comprehensive income of investments accounted for using the equity method	25	1,115	2,199
Total of items that may be reclassified subsequently to profit or loss		108,073	(9,514)
Total other comprehensive income		114,747	(12,119)
Comprehensive income		224,112	89,826
Comprehensive income attributable to:			
Owners of parent		219,891	86,253
Non-controlling interests		4,220	3,572

## 3) Consolidated Statement of Changes in Equity

FYE2024 (From April 1, 2023 to March 31, 2024)

			(Millions of yen)		
	Notes	Share capital	Capital surplus	Treasury shares	Retained earnings
Balance at April 1, 2023		37,344	51,610	(233)	537,867
Profit		—	—	—	105,901
Other comprehensive income	25	—	—	—	—
Comprehensive income		—	—	—	105,901
Purchase of treasury shares	22	—	—	(8)	—
Disposal of treasury shares	22	—	—	—	—
Dividends	23	—	—	—	(17,316)
Changes in ownership interest in subsidiaries	22	—	(12,377)	—	—
Business combinations or business divestitures		—	—	—	—
Transfer from other components of equity to retained earnings		—	—	—	1,112
Change in scope of consolidation		—	—	—	(20)
Other changes		—	—	—	—
Total transactions with owners		—	(12,377)	(8)	(16,224)
Balance at March 31, 2024		37,344	39,233	(242)	627,544

	Notes	Other components of equity				Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
		Exchange differences on translation of foreign operations	Effective portion of net change in fair value of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans				
Balance at April 1, 2023		81,172	(284)	16,836	—	97,724	724,314	33,682	757,996
Profit		—	—	—	—	—	105,901	3,463	109,364
Other comprehensive income	25	106,845	575	5,529	1,039	113,990	113,990	757	114,747
Comprehensive income		106,845	575	5,529	1,039	113,990	219,891	4,220	224,112
Purchase of treasury shares	22	—	—	—	—	—	(8)	—	(8)
Disposal of treasury shares	22	—	—	—	—	—	—	—	—
Dividends	23	—	—	—	—	—	(17,316)	(863)	(18,179)
Changes in ownership interest in subsidiaries	22	—	—	—	—	—	(12,377)	(5,489)	(17,866)
Business combinations or business divestitures		—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings		—	—	(73)	(1,039)	(1,112)	—	—	—
Change in scope of consolidation		—	—	—	—	—	(20)	—	(20)
Other changes		—	—	—	—	—	—	79	79
Total transactions with owners		—	—	(73)	(1,039)	(1,112)	(29,723)	(6,272)	(35,996)
Balance at March 31, 2024		188,017	291	22,292	—	210,601	914,481	31,630	946,112

**FYE2025 (From April 1, 2024 to March 31, 2025)**

			(Millions of yen)		
	Notes	Share capital	Capital surplus	Treasury shares	Retained earnings
Balance at April 1, 2024		37,344	39,233	(242)	627,544
Profit		—	—	—	98,779
Other comprehensive income	25	—	—	—	—
Comprehensive income		—	—	—	98,779
Purchase of treasury shares	22	—	—	(18)	—
Disposal of treasury shares	22	—	0	0	—
Dividends	23	—	—	—	(20,779)
Changes in ownership interest in subsidiaries		—	569	—	—
Business combinations or business divestitures		—	—	—	—
Transfer from other components of equity to retained earnings		—	—	—	3,580
Change in scope of consolidation		—	—	—	(56)
Other changes		—	—	—	—
Total transactions with owners		—	570	(18)	(17,255)
Balance at March 31, 2025		37,344	39,803	(260)	709,068

	Notes	Other components of equity					Total equity attributable to owners of parent	Non-controlling interests	Total equity
		Exchange differences on translation of foreign operations	Effective portion of net change in fair value of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
Balance at April 1, 2024		188,017	291	22,292	—	210,601	914,481	31,630	946,112
Profit		—	—	—	—	—	98,779	3,166	101,945
Other comprehensive income	25	(9,557)	(361)	(3,359)	752	(12,525)	(12,525)	406	(12,119)
Comprehensive income		(9,557)	(361)	(3,359)	752	(12,525)	86,253	3,572	89,826
Purchase of treasury shares	22	—	—	—	—	—	(18)	—	(18)
Disposal of treasury shares	22	—	—	—	—	—	0	—	0
Dividends	23	—	—	—	—	—	(20,779)	(1,251)	(22,031)
Changes in ownership interest in subsidiaries		—	—	—	—	—	569	(979)	(410)
Business combinations or business divestitures		—	—	—	—	—	—	7,674	7,674
Transfer from other components of equity to retained earnings		—	—	(2,827)	(752)	(3,580)	—	—	—
Change in scope of consolidation		—	—	—	—	—	(56)	—	(56)
Other changes		—	—	—	—	—	—	(167)	(167)
Total transactions with owners		—	—	(2,827)	(752)	(3,580)	(20,284)	5,275	(15,008)
Balance at March 31, 2025		178,459	(69)	16,105	—	194,495	980,451	40,478	1,020,930

## 4) Consolidated Statement of Cash Flows

(Millions of yen)

	Notes	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Cash flows from operating activities			
Profit before income taxes		150,720	145,272
Depreciation and amortization		112,440	116,196
Impairment losses		2,532	27,145
Gain on loss of control		(8,892)	—
Interest and dividend income		(3,555)	(3,748)
Interest expenses		25,631	24,389
Share of (profit) loss of investments accounted for using the equity method		(4,006)	(5,014)
Loss (gain) on sales and retirement of property, plant and equipment and intangible assets		1,387	(4,622)
(Increase) decrease in trade receivables		(27,207)	17,742
(Increase) decrease in inventories		2,214	926
Increase (decrease) in trade payables		4,336	(3,118)
(Increase) decrease in retirement benefit asset		(440)	(635)
Increase (decrease) in retirement benefit liability		533	1,045
Other		13,831	(13,252)
Subtotal		269,525	302,327
Interest received		2,664	2,749
Dividends received		7,764	2,194
Interest paid		(23,281)	(25,099)
Income taxes refund (paid)		(40,692)	(47,024)
Net cash provided by operating activities		215,980	235,147
Cash flows from investing activities			
Purchase of property, plant and equipment		(118,346)	(146,825)
Proceeds from sales of property, plant and equipment		1,326	7,257
Purchase of investments		(190)	(520)
Proceeds from sales and redemption of investments		790	5,792
Payments for acquisition of subsidiaries		—	(343)
Proceeds from sales of subsidiaries		362	610
Payments for acquisition of businesses		(2,326)	(5,645)
Other		(6,269)	(3,251)
Net cash used in investing activities		(124,654)	(142,926)



(Millions of yen)			
	Notes	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings		(6,521)	2,756
Net increase (decrease) in commercial papers		(9,000)	(17,000)
Proceeds from long-term borrowings		61,801	155,875
Repayments of long-term borrowings		(106,848)	(178,582)
Proceeds from issuance of bonds		99,532	19,898
Redemption of bonds		(100,000)	(20,000)
Repayments of lease liabilities		(13,683)	(13,748)
Purchase of investments in subsidiaries not resulting in change in scope of consolidation	22	(17,438)	(557)
Dividends paid	23	(17,316)	(20,779)
Dividends paid to non-controlling interests		(863)	(1,251)
Other		265	101
Net cash used in financing activities		(110,072)	(73,287)
Effect of exchange rate changes on cash and cash equivalents		12,444	(624)
Net increase (decrease) in cash and cash equivalents		(6,301)	18,308
Balance of cash and cash equivalents at beginning of the fiscal year		132,217	126,100
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation		184	16
Increase in cash and cash equivalents resulting from merger		—	101
Balance of cash and cash equivalents at end of the fiscal year	6	126,100	144,528

## 1. Reporting Entity

Nippon Sanso Holdings Corporation (the “Company”) is a company located in Japan and is listed on the Prime Market of the Tokyo Stock Exchange. The registered address of the Company’s head office is disclosed on its website (<https://www.nipponsanso-hd.co.jp>). The consolidated financial statements of the Company and its subsidiaries (collectively, the “NSHD Group”) comprise interests in the NSHD Group, its associates, and joint arrangements, with March 31 as the end of the fiscal year. The NSHD Group conducts gas businesses in Japan and overseas, mainly for customers in the steel, chemical, and electronics industries. In addition, the NSHD Group manufactures and sells housewares such as stainless steel vacuum-insulated bottles. Details are described in Note “4. Segment Information.”

## 2. Basis of Preparation

### (1) Conformity with IFRS

The consolidated financial statements of the NSHD Group have been prepared in compliance with IFRS accounting standards published by the International Accounting Standards Board. Since the Company meets the requirements of a “Specified Company Applying Designated IFRS” prescribed under Article 1-2 of the Japanese Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements, the Company has adopted the provisions of Article 312 of said ordinance.

### (2) Approval of financial statements

The NSHD Group’s consolidated financial statements were approved by Toshihiko Hamada, President CEO of the Company, and Alan David Draper, Chief Financial Officer, on June 16, 2025.

### (3) Presentation currency

The NSHD Group’s consolidated financial statements are presented in Japanese yen, which is the functional currency of the Company, and amounts are rounded down to the nearest million yen.

### (4) Use of judgments, estimates, and assumptions

In preparing the NSHD Group’s consolidated financial statements in accordance with IFRS, management is required to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. The impacts of changes in accounting estimates are recognized in the accounting period in which the estimates are changed and in future accounting periods affected.

Major information on accounting judgments, estimates, and assumptions that may have material impacts on the NSHD Group’s consolidated financial statements is as follows:

- Impairment of non-financial assets (Note “11. Impairment Losses”)
- Recoverability of deferred tax assets (Note “30. Income Taxes”)
- Measurement of defined benefit obligations (Note “19. Post-employment Benefits”)
- Fair value of financial instruments (Note “33. Financial Instruments”)

### (5) New accounting standards applied

The NSHD Group has applied the following new accounting standards and interpretations starting from FYE2025.

Accounting standards and interpretations		Overview of establishment and amendment to standard
IAS 7	Statement of Cash Flows	Revision requiring disclosure for increasing transparency of supplier finance arrangements
IFRS 7	Financial Instruments: Disclosures	

With the application of the above standards, the Group enhanced the disclosure of “15. Trade Payables.”

There are no material impacts on the NSHD Group’s consolidated financial statements from the above application.

### (6) New accounting standards and interpretations that are not yet applied

Regarding major accounting standards and interpretations issued prior to the approval date of the consolidated financial statements as of and for FYE2025, the following are the accounting standards and interpretations which the NSHD Group has not applied as of the end of the fiscal year because their application is not mandatory. The NSHD Group is currently assessing the impact of application of IFRS 18.

Accounting standards and interpretations	Timing of mandatory application (the fiscal year starting after the date)	Fiscal year in which the NSHD Group plans to implement	Overview of establishment and amendment to standard
IFRS 18 Presentation and Disclosure in Financial Statements	January 1, 2027	FYE2028	A new standard that replaces IAS 1, which is the current accounting standard related to presentation and disclosure in financial statements. It is aimed at improving entities' reporting of financial results and offering investors a better base for corporate analysis and comparisons.

### 3. Material Accounting Policies

#### (1) Basis of consolidation

##### 1) Subsidiaries

Subsidiaries refer to companies controlled by the NSHD Group. The NSHD Group judges that it controls a company if the NSHD Group has the exposure or rights to variable returns arising from its involvement in the investee and has the ability to influence such returns due to power over the investee.

In preparing the consolidated financial statements, the financial statements of each Group company prepared at the same closing date based on the unified accounting policies of the NSHD Group are used. If accounting policies applied by a subsidiary are different from the accounting policies applied by the NSHD Group, adjustments are made to the financial statements of such subsidiary as necessary.

If there is a change in interests in consolidated subsidiaries not involving a loss of control, it is accounted for as an equity transaction. The difference between the adjustment amount of the non-controlling interests and the fair value of the consideration is recognized directly in equity as equity attributable to owners of parent.

In the event of a loss of control, the NSHD Group measures and recognizes the remaining investment at fair value on the date when the control has been lost. Gains and losses arising from the loss of control are recognized in profit or loss.

##### 2) Associates

Associates refer to companies over which the NSHD Group has a material influence on their financial and operating policies but does not have control or joint control.

The NSHD Group accounts for investments in associates using the equity method.

Financial statements of associates are prepared for the same reporting period as the NSHD Group. Adjustments are made to make accounting policies of the associates consistent with the NSHD Group's accounting policies.

In the event of loss of material influence over associates, the NSHD Group measures and recognizes the remaining investment at fair value on the date when material influence is lost. Gains and losses arising from the loss of material influence are recognized in profit or loss.

##### 3) Joint arrangements

Joint arrangements refer to arrangements that require the unanimous consent of the parties sharing control over decision-making on relevant activities.

A joint venture (jointly controlled entity) refers to a joint agreement where parties with joint control over the arrangement have the right to the net assets of such arrangement.

If the NSHD Group has a share in a joint venture, the NSHD Group accounts for such share using the equity method.

A joint operation (jointly controlled business) refers to a business in which parties with joint control substantially have the right to assets and the obligation to liabilities related to joint arrangements.

If the NSHD Group has a share in a joint operation, the NSHD Group recognizes the investment in such joint operation only at the equivalent amount of the NSHD Group's interests in the assets, liabilities, income, and expenses arising from jointly controlled operating activities.

## **(2) Business Combinations**

Business combinations are accounted for using the acquisition method.

The consideration transferred in a business combination is calculated as the sum of acquisition-date fair value of assets transferred by the acquirer, liabilities incurred by the acquirer to former owners of the acquiree, and equity interests issued by the acquirer.

Non-controlling interests in the acquiree are measured for each business combination either at fair value or at the amount equivalent to the non-controlling interests in proportion to the fair value of identifiable net assets of the acquiree.

When the NSHD Group acquires a business, it classifies and designates assets to be acquired and liabilities to be assumed based on contract terms, economic conditions, and related conditions at the acquisition date. In addition, identifiable assets acquired and liabilities assumed are in principle measured at fair value on the acquisition date.

If a business combination is achieved in stages, the interest held before acquiring the control of the acquiree is revalued at fair value at the acquisition date, and the difference is recognized in profit or loss. The amount of the interest in the acquiree that was recorded in other comprehensive income before the acquisition date is accounted for in the same manner as in the case where the acquirer disposed of its interests.

Goodwill is measured as the amount of the aggregate amount of the consideration transferred and the amount recognized as non-controlling interests exceeding the net of identifiable assets acquired and liabilities assumed.

If the aggregate amount of the consideration transferred and the amount recognized as non-controlling interests is less than the net of identifiable assets acquired and liabilities assumed, the difference is recognized in profit or loss.

After the initial recognition, goodwill acquired through a business combination is not amortized.

## **(3) Foreign currency translation**

Each company within the NSHD Group designates its own functional currency, and transactions of each company are measured in its functional currency.

Transactions denominated in a foreign currency are translated into functional currencies at the spot exchange rate at the transaction date or at a rate similar thereto.

Monetary assets and liabilities denominated in a foreign currency are translated into functional currencies at the spot exchange rate at the end of the reporting period. Translation differences arising from such translation and settlement are recognized in profit or loss. However, when gains or losses on such assets and liabilities are recognized as other comprehensive income, the NSHD Group recognizes the translation difference of the said gains or losses as other comprehensive income.

The assets and liabilities of foreign operations are translated into Japanese yen at the spot exchange rate at the end of the reporting period, and the income and expenses of foreign operations are translated into Japanese yen at the spot exchange rate at the transaction date or at a rate similar thereto (the average rate during the term, in principle). The translation differences are recognized in other comprehensive income.

If a foreign operation is disposed of, the cumulative translation differences related to such foreign operation are recognized in profit or loss for the period in which the disposal occurs.

## **(4) Financial Instruments**

### **1) Financial assets (excluding derivatives)**

#### **(i) Initial recognition and measurement**

The NSHD Group initially recognizes trade receivables at a point in time when a performance obligation is satisfied and an unconditional right to consideration is acquired in accordance with IFRS 15 “Revenue from Contracts with Customers.” All other financial assets are initially recognized at the transaction date when the NSHD Group becomes a contractual party to such financial assets.

The NSHD Group classifies its financial assets into (a) financial assets measured at amortized cost and (b) financial assets measured at fair value through other comprehensive income. The classification is determined at the time of initial recognition of the financial assets.

#### **(a) Financial assets measured at amortized cost**

Debt financial assets are classified as financial assets measured at amortized cost if both of the following criteria are met:

- They are held to collect contractual cash flows.
- Contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on a specified date.

Financial assets measured at amortized cost are measured at fair value plus transaction costs directly

attributable to the acquisition of such financial assets.

(b) Financial assets measured at fair value through other comprehensive income

Debt financial assets are classified as financial assets measured at fair value through other comprehensive income if both of the following criteria are met:

- They are held to collect contractual cash flows and to sell financial assets.
- Contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on a specified date.

Equity financial assets are designated as financial assets measured at fair value through other comprehensive income, and such designation is applied on an ongoing basis.

Financial assets measured at fair value through other comprehensive income are measured at fair value plus transaction costs directly attributable to the acquisition of such financial assets.

(ii) Subsequent measurement

After initial recognition of financial assets, they are measured according to their classification as follows:

(a) Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method.

(b) Financial assets measured at fair value through other comprehensive income

Financial assets other than financial assets measured at amortized cost are measured at fair value.

For financial assets measured at fair value through other comprehensive income, changes in fair value are recognized in other comprehensive income. If they are derecognized or their fair value significantly declines, they are transferred to retained earnings.

(iii) Derecognition

The NSHD Group derecognizes financial assets if contractual rights to cash flows arising from the financial assets cease to exist, or if the financial assets are transferred and substantially all the risks and rewards have been transferred.

(iv) Impairment losses

The NSHD Group recognizes impairment of financial assets based on whether there is a significant increase in credit risk from the time of initial recognition in financial assets or financial asset groups measured at amortized cost at the end of each reporting period.

For financial assets or financial asset groups measured at amortized cost, expected credit losses for 12 months are recognized as allowance for doubtful accounts if credit risk has not significantly increased from the time of initial recognition. However, for trade receivables, expected credit losses over the remaining period are recognized.

If there is a significant increase in credit risk from the time of initial recognition, expected credit losses over the remaining period are recognized as allowance for doubtful accounts.

Whether or not the credit risk has significantly increased is judged based on a change in the default risk. In judging whether there is any change in the default risk, overdue status (past-due information) is mostly considered.

In addition, expected credit losses are measured based on the discounted present value of the difference between the amount receivable on a contract basis and the amount expected to be received based on past credit losses, etc.

## 2) Financial liabilities (excluding derivatives)

(i) Recognition and measurement

Financial liabilities (excluding derivatives) are mainly classified as financial liabilities measured at amortized cost. When the NSHD Group becomes a contractual party, financial liabilities measured at amortized cost are initially recognized as the amount obtained by deducting transaction costs directly attributable to such financial liabilities from fair value.

After the initial recognition, they are measured at amortized cost using the effective interest method.

Amortization by the effective interest method and gains or losses from derecognition are recognized in profit or loss.

(ii) Derecognition

The NSHD Group derecognizes financial liabilities in cases of the performance, exemption, or expiration of the obligation of financial liabilities, and when the exchange occurs under substantially different terms, or when there has been a substantial modification of the terms.

### **3) Derivatives and hedge accounting**

The NSHD Group uses derivatives such as forward exchange contracts and interest rate swap contracts to hedge currency risks and interest rate risks, respectively. These derivatives are initially measured at fair value at the time when the contracts were entered and remeasured at fair value thereafter.

Fair value changes in derivatives are recognized in profit or loss. However, the effective portion of cash flow hedges and hedges of net investments in foreign operations is recognized in other comprehensive income.

At inception of the hedge, the NSHD Group formally designates and documents the hedging relationships to which hedge accounting is applied and the risk management objective and strategy for undertaking the hedge. The NSHD Group evaluates whether or not derivatives used for hedging transactions are effective for offsetting changes in fair value or cash flows of the hedged items at inception of the hedge and on an ongoing basis. Specifically, the NSHD Group determines that a hedge is effective in the case where the economic relationship between the hedged item and the hedging instruments results in an offset.

Hedges that meet criteria for hedge accounting are classified and accounted for under IFRS 9 “Financial Instruments” as follows.

#### **(i) Fair value hedges**

Fair value changes in derivatives are recognized in profit or loss. For fair value changes in the hedged items attributable to the risks to be hedged, the carrying amount of the hedged items is adjusted and recognized in profit or loss.

#### **(ii) Cash flow hedges**

The effective portion of gain or loss on the hedging instruments is recognized in other comprehensive income, and the ineffective portion is immediately recognized in profit or loss.

The amount related to the hedging instruments recorded in other comprehensive income is transferred to profit or loss when hedged transactions affect profit or loss. If the hedged item results in the recognition of non-financial assets or non-financial liabilities, the amount recognized in other comprehensive income is treated as an adjustment of the initial carrying amount of the non-financial assets or non-financial liabilities.

#### **(iii) Hedges of net investments in foreign operations**

As to hedges of net investments in foreign operations, the NSHD Group applies the same accounting treatment as to cash flow hedges. The effective portion of gain or loss on the hedging instruments is recognized in other comprehensive income, and the ineffective portion is immediately recognized in profit or loss. When a foreign operation is disposed, cumulative gain or loss previously recognized in equity through other comprehensive income is reclassified to profit or loss.

### **4) Fair value of financial instruments**

The fair value of financial instruments traded in active financial markets as of the end of the reporting period refers to quoted prices in markets or dealer prices.

The fair value of financial instruments for which active markets do not exist is calculated by referring to appropriate valuation techniques or prices provided by counterparty financial institutions.

### **(5) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, deposits that can be withdrawn at any time, and short-term investments with a maturity of three months or less from the acquisition date that are readily convertible into cash and subject to an insignificant risk of changes in value.

### **(6) Inventories**

Inventories are measured at the lower of cost and net realizable value. The weighted average method is principally used to calculate the cost. In addition, the net realizable value is calculated at the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### **(7) Property, plant and equipment (excluding right-of-use assets)**

The NSHD Group adopts the cost model for measurement of property, plant and equipment.

Property, plant and equipment are presented at cost less accumulated depreciation and accumulated impairment

losses.

All property, plant and equipment other than land and construction in progress are depreciated so that the depreciable amount, which is cost less the residual value at the end of the fiscal year, is allocated on a systematic basis using the straight-line method.

Estimated useful lives of major property, plant and equipment are as follows:

Buildings and structures: 3 to 50 years

Machinery and vehicles: 3 to 20 years

Tools, furniture and fixtures: 2 to 25 years

## **(8) Intangible assets**

The NSHD Group adopts the cost model for measurement of intangible assets.

Intangible assets are presented at cost less accumulated amortization and accumulated impairment losses.

Intangible assets acquired separately are initially measured at cost. The cost of intangible assets acquired through business combinations is measured at fair value as of the acquisition date. For internally generated intangible assets, except for development costs that qualify for capitalization, all expenditures are recognized as expenses for the periods when they are incurred.

Intangible assets with finite useful lives are amortized over their estimated useful lives using the straight-line method.

Estimated useful lives of major intangible assets are as follows:

Customer-related intangible assets: 5 to 30 years

Intangible assets with indefinite useful lives, and intangible assets not available for use are not amortized.

## **(9) Leases**

A contract is, or contains, a lease when the right to control the use of an identified asset is transferred for a period of time in the exchange for consideration, and the NSHD Group recognizes a right-of-use asset and a lease liability at the commencement date of the lease.

The lease liability is measured at the discounted present value of the total lease payments payable at the commencement date of the lease. The right-of-use asset is initially measured at the amount of the lease liability, adjusted for any initial direct costs and other costs such as prepaid lease payments as well as costs such as restoration obligations as required by the lease contract.

The lease payments are allocated between repayments of the lease liability and finance charges so as to achieve a constant rate of interest on the outstanding balance of the lease liability, and the finance charges are recognized in profit or loss.

A right-of-use asset is depreciated over its useful life on a systematic basis if ownership of the underlying asset is transferred to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects the exercise of a purchase option, otherwise it is depreciated over the shorter of its useful life or the term of the lease.

In addition, for leases with a lease term of 12 months or less and leases for which the underlying asset is of low value, lease payments associated with such leases are recognized as an expense on a regular basis over the lease term.

## **(10) Impairment of assets**

### **1) Impairment of non-financial assets**

The NSHD Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, and if assets need to be annually tested for impairment, the NSHD Group estimates the recoverable amount of the asset. The recoverable amount of the asset is the higher of an asset's fair value less costs of disposal and its value in use. If the recoverable amount of each asset cannot be estimated, the recoverable amount of a cash-generating unit or a group of cash-generating units to which the asset belongs is estimated. If the carrying amount of a cash-generating unit or a group of cash-generating units exceeds the recoverable amount, impairment loss of the asset is recognized and write-downs of the asset are recorded up to the recoverable amount. In measuring the value in use, the discounted present value of expected future cash flows is calculated using the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In calculating fair value less costs of disposal, the NSHD Group uses an appropriate valuation model that is supported by indices of fair value available.

Goodwill is allocated to individual cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of a business combination after the acquisition date.

Goodwill or intangible assets with indefinite useful lives, and intangible assets not available for use, are tested for impairment annually or whenever there is an indication of impairment.

## **2) Reversal of an impairment loss**

Impairment recognized in the past is reversed up to the recoverable amount when there is an indicator of reversal of impairment and there is a change to the estimate used for determination of the recoverable amount and the reversed amount of impairment loss is recognized as profit or loss.

However, impairment loss on goodwill is not reversed.

The upper limit of the reversed amount of impairment loss is the carrying amount as of the reversal of impairment loss if impairment loss was not recognized in prior periods.

## **(11) Assets held for sale and discontinued operations**

Non-current assets (or disposal groups) are classified as “assets held for sale” if their carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use. The above requirements only apply if the sale is highly probable within one year and such assets (or disposal groups) are available for immediate sale in their present condition. Non-current assets (or disposal groups) classified as assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible assets classified as assets held for sale are not depreciated or amortized.

Discontinued operations include a component of an entity that has already been disposed of or classified as assets held for sale, and they are recognized if they constitute one operation of the NSHD Group and if there is a plan to dispose of one of the operations.

## **(12) Post-employment benefits**

The NSHD Group provides defined benefit plans and defined contribution plans as retirement benefit plans for employees.

### **- Defined benefit plans**

The NSHD Group separately calculates the present value of the defined benefit obligations, related current service costs, and past service costs for each plan using the projected unit credit method.

The discount rate is calculated based on market yields at the end of the reporting period on high-quality corporate bonds.

Liabilities or assets related to the defined benefit plans are presented in net amount of the present value of defined benefit obligations and the fair value of plan assets.

Remeasurements of liabilities or assets relating to the defined benefit plans are all recognized in other comprehensive income for the period when they are incurred, and immediately reflected in retained earnings. In addition, past service costs are recognized as expenses for the period when they are incurred.

### **- Defined contribution plans**

Expenses under defined contribution plans are recognized in the period for which employees offered related service.

## **(13) Provisions**

A provision is recognized when the NSHD Group has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

The NSHD Group measures the provisions at the amount of expenditures expected to be required to settle the obligation, and discounts them to the present value if the effect of the time value of money is material.

## **(14) Equity**

### **1) Ordinary shares**

The issue price of ordinary shares is recorded in share capital and capital surplus.

### **2) Treasury shares**

When the NSHD Group purchases treasury shares, the consideration paid is recognized as a deduction from equity.

When the NSHD Group disposes of treasury shares, the difference between the carrying amount and the consideration at the time of disposal is recognized in capital surplus.



## **(15) Revenue**

The NSHD Group recognizes revenue in an amount that reflects the compensation to which the entities expect to be entitled in exchange for goods and services transferred to customers based on the following five-step model.

- Step 1: Identify the contract with the customer
- Step 2: Identify performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the performance obligations are satisfied

The NSHD Group conducts gas businesses in Japan and overseas, mainly for customers in the steel, chemical, and electronics industries, and has built production and sales structures for its main products in Japan, the United States, Europe, and Asia and Oceania. In addition, the NSHD Group manufactures and sells housewares such as stainless steel vacuum-insulated bottles.

Regarding product sales in these businesses, because a customer acquires control over a product at the time the product is delivered, the NSHD Group judges that its performance obligations have been satisfied and recognizes revenue at the time the product is delivered.

Revenue is measured at the price promised in the contract with the customer, after deducting such amounts as discounts, rebates, and returns.

The amount of the price in the sales contract of a product is generally collected within one year from the time when control over the product is transferred to a customer, and does not include a material financing component.

## **(16) Government grants**

A government grant is recognized at fair value when there is reasonable assurance that the NSHD Group will comply with any conditions attached to the grant and the grant will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the NSHD Group recognizes expenses for the related costs for which the grants are intended to compensate.

Government grants related to assets are recorded by deducting the amount of such grants from the cost of the assets.

## **(17) Income taxes**

Current taxes for the current and prior periods are calculated at the amount expected to be paid to (or recovered from) taxation authorities. The rates and laws used to calculate the tax amount are those that have been enacted or substantively enacted at the end of the reporting period.

Deferred taxes are recorded as the difference between the tax bases and the carrying amounts of assets and liabilities at the end of the reporting period (temporary difference) using the asset and liability method.

Deferred tax liabilities are in principle recognized for all taxable temporary differences. Deferred tax assets are recognized for deductible temporary differences, unused tax losses, and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

However, there are exceptions in which deferred tax assets and liabilities are not recorded for the following temporary differences:

- Arising from initial recognition of goodwill
- Arising from initial recognition of an asset or liability in a transaction other than a business combination which does not affect neither the accounting income nor the taxable profit (or loss) at the time of the transaction and does not generate taxable temporary differences or deductible temporary differences of the same amount
- For deductible temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, when it is probable that the reversal will not occur in the foreseeable future, or it is less probable that taxable profit will be available against which the deductible temporary differences can be utilized, and
- For taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, when the NSHD Group is able to control the timing of the reversal of the temporary differences and it is probable that the reversal will not occur in the foreseeable future.

The carrying amount of deferred tax assets and liabilities (including unrecognized deferred tax assets) is reviewed at the end of each reporting period. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the assets are realized or liabilities are settled, based on tax rates and laws that have been enacted or substantively enacted at the end of the reporting period.

#### 4. Segment Information

##### (1) Overview of reportable segments

The reportable segments of the NSHD Group are those for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance. The operating segments are not consolidated for reporting.

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

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

Reportable segments	Major products and services
Japan	Oxygen, nitrogen, argon, carbon dioxide, helium, hydrogen, acetylene, dry ice, gas-related equipment, specialty gases (electronic materials gases, pure gases, etc.), electronics-related equipment and installation, compound semiconductor manufacturing equipment, cutting and welding equipment, welding materials, plants and machinery, liquefied petroleum gas (LPG) and related equipment, medical-use gases (oxygen, nitrous oxide, etc.), medical equipment, stable isotopes
United States	
Europe	
Asia & Oceania	
Thermos	Housewares

The accounting methods adopted for the reportable operating segments are the same as the accounting policies adopted for the preparation of the consolidated financial statements.

Revenue from intersegment transactions and transfers is based primarily on prevailing market prices.

(2) Revenue and profit (loss) amounts by reportable segment

FYE2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments						Reconciling items (Note 1)	Amounts on the consolidated statement of profit or loss
	Japan	United States	Europe	Asia & Oceania	Thermos	Total		
Revenue								
Revenues from external customers	414,365	347,054	302,477	160,327	30,765	1,254,990	90	1,255,081
Intersegment revenues and transfers	16,583	24,290	438	2,983	17	44,313	(44,313)	—
Total	430,948	371,344	302,916	163,310	30,783	1,299,303	(44,222)	1,255,081
Segment profit (Note 2)	42,998	50,004	53,259	15,948	5,566	167,777	(1,780)	165,996
Other items								
Depreciation and amortization	18,260	43,369	38,889	10,298	1,562	112,380	60	112,440
Impairment losses	—	—	954	63	—	1,017	—	1,017
Share of profit (loss) of investments accounted for using the equity method	211	—	507	429	2,856	4,005	1	4,006

Notes: 1. The reconciling item for segment profit, in the amount of ¥(1,780) million, is comprised of ¥(313) million of intersegment eliminations and companywide expenses of ¥(1,467) million that were not allocated to any particular reportable segment. These companywide expenses related principally to the Company's group administrative expenses that were not allocated to a particular reportable segment.

2. Segment profit represents core operating profit, which is calculated as operating profit excluding certain gains or losses attributable to non-recurring factors (losses incurred by business withdrawals, streamlining, and others).

**FYE2025 (From April 1, 2024 to March 31, 2025)**

(Millions of yen)

	Reportable segments						Reconciling items (Note 1)	Amounts on the consolidated statement of profit or loss
	Japan	United States	Europe	Asia & Oceania	Thermos	Total		
Revenue								
Revenues from external customers	410,009	360,200	328,601	176,538	32,593	1,307,944	80	1,308,024
Intersegment revenues and transfers	16,887	25,396	354	3,231	15	45,884	(45,884)	—
Total	426,897	385,597	328,955	179,770	32,608	1,353,828	(45,804)	1,308,024
Segment profit (Note 2)	47,090	59,761	62,419	15,047	6,286	190,605	(1,455)	189,149
Other items								
Depreciation and amortization	18,341	43,974	40,468	11,692	1,694	116,171	25	116,196
Impairment losses	—	—	—	5	—	5	—	5
Share of profit (loss) of investments accounted for using the equity method	863	—	746	305	3,099	5,014	(0)	5,014

Notes: 1. The reconciling item for segment profit, in the amount of ¥(1,455) million, is comprised of ¥85 million of intersegment eliminations and companywide expenses of ¥(1,540) million that were not allocated to any particular reportable segment. These companywide expenses related principally to the Company's group administrative expenses that were not allocated to a particular reportable segment.

2. Segment profit represents core operating profit, which is calculated as operating profit excluding certain gains or losses attributable to non-recurring factors (losses incurred by business withdrawals, streamlining, and others).

Reconciliation of segment profit with profit before income taxes is as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Segment profit	165,996	189,149
Gain on loss of control	8,892	—
Gain on sale of fixed assets	—	5,340
Loss on liquidation of subsidiaries and associates	(883)	(1,396)
Impairment losses	(1,514)	(27,140)
Other	(449)	(46)
Operating profit	172,041	165,906
Finance income	4,391	3,886
Finance costs	(25,711)	(24,520)
Profit before income taxes	150,720	145,272

### (3) Information about geographical areas

A breakdown of revenues from external customers and non-current assets by geographical area are as follows:

#### Revenues from external customers

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Japan	423,191	419,258
United States	338,070	356,675
Europe	313,061	336,277
Asia, Oceania and others	180,758	195,813
Total	1,255,081	1,308,024

Note: Revenue is classified by country or region based on the customers' location.

#### Non-current assets

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Japan	166,111	162,200
United States	528,696	527,030
Europe	847,420	854,294
Asia, Oceania and others	172,464	180,465
Total	1,714,691	1,723,991

Note: Non-current assets are classified by their location, and they do not include financial instruments, deferred tax assets, or retirement benefit asset.

### (4) Information about major customers

Information about major customers is not disclosed since there is no single external customer that accounts for 10% or more of revenue.

## 5. Business Combinations

### FYE2024 (From April 1, 2023 to March 31, 2024)

There were no material business combinations.

### FYE2025 (From April 1, 2024 to March 31, 2025)

There were no material business combinations.

## 6. Cash and Cash Equivalents

A breakdown of cash and cash equivalents is as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Cash and deposits	126,100	144,528
Total	126,100	144,528

## 7. Trade Receivables

A breakdown of trade receivables is as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Notes and accounts receivable–trade	292,888	273,144
Allowance for doubtful accounts	(10,689)	(10,064)
Total	282,199	263,080

Trade receivables are classified as financial assets measured at amortized cost.

## 8. Inventories

A breakdown of inventories is as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Merchandise and finished goods	61,202	61,825
Work in process	18,697	15,953
Raw materials and supplies	20,561	21,731
Total	100,460	99,509

Amounts of inventories measured based on net realizable value at March 31, 2025 and 2024 were ¥3,239 million and ¥4,929 million, respectively.

Amounts of write-downs of inventories recognized as expenses for FYE2025 and FYE2024 were ¥160 million and ¥222 million, respectively.

## 9. Property, Plant and Equipment

### (1) Table of changes

Changes in costs, accumulated depreciation and accumulated impairment losses, and the carrying amounts of property, plant and equipment are as follows:

**FYE2024 (From April 1, 2023 to March 31, 2024)**
**Costs**

(Millions of yen)

	Machinery and vehicles	Buildings and structures	Land	Construction in progress	Tools, furniture and fixtures	Total
Balance at April 1, 2023	1,117,656	226,014	66,813	66,774	214,366	1,691,624
Individual acquisition (Note)	67,605	9,757	516	43,820	14,820	136,520
Impairment losses	—	—	—	(1,039)	—	(1,039)
Business combinations, business divestitures, etc.	11	165	—	—	4	180
Sale and disposal	(37,122)	(4,280)	(550)	(22)	(4,855)	(46,830)
Transfer	1,976	(1,063)	(359)	223	1,012	1,788
Exchange differences on translation of foreign operations, etc.	65,602	12,376	2,034	6,763	21,215	107,992
Balance at March 31, 2024	1,215,729	242,968	68,455	116,519	246,563	1,890,236

Note: Individual acquisition in the construction in progress column represents the net amount of an increase due to new acquisitions after reclassifying to respective accounts of property, plant and equipment.

**Accumulated depreciation and accumulated impairment losses**

	Machinery and vehicles	Buildings and structures	Land	Construction in progress	Tools, furniture and fixtures	Total
Balance at April 1, 2023	(675,006)	(119,719)	(4,923)	—	(115,826)	(915,476)
Depreciation	(68,197)	(12,283)	(609)	—	(12,758)	(93,849)
Impairment losses	(981)	(219)	(174)	—	(0)	(1,376)
Business divestitures, etc.	—	—	—	—	—	—
Sale and disposal	35,828	3,703	153	—	4,145	43,831
Transfer	(1,641)	152	221	—	(609)	(1,877)
Exchange differences on translation of foreign operations, etc.	(28,570)	(4,383)	(669)	—	(10,464)	(44,088)
Balance at March 31, 2024	(738,568)	(132,751)	(6,002)	—	(135,513)	(1,012,836)

**Carrying amount**

	Machinery and vehicles	Buildings and structures	Land	Construction in progress	Tools, furniture and fixtures	Total
Balance at April 1, 2023	442,650	106,294	61,890	66,774	98,539	776,148
Balance at March 31, 2024	477,160	110,217	62,452	116,519	111,050	877,400

**FYE2025 (From April 1, 2024 to March 31, 2025)**

Costs

(Millions of yen)

	Machinery and vehicles	Buildings and structures	Land	Construction in progress	Tools, furniture and fixtures	Total
Balance at April 1, 2024	1,215,729	242,968	68,455	116,519	246,563	1,890,236
Individual acquisition (Note)	97,502	25,395	5,710	15,174	17,625	161,408
Impairment losses	—	—	—	(25,842)	—	(25,842)
Business combinations, business divestitures, etc.	2,535	1,781	1,797	439	550	7,103
Sale and disposal	(36,851)	(12,820)	(842)	(193)	(4,720)	(55,428)
Transfer	(3,326)	(2,520)	(1,390)	(2,143)	1,695	(7,685)
Exchange differences on translation of foreign operations, etc.	(8,922)	(944)	(67)	(1,994)	(3,965)	(15,893)
Balance at March 31, 2025	1,266,667	253,860	73,662	101,958	257,749	1,953,898

Note: Individual acquisition in the construction in progress column represents the net amount of an increase due to new acquisitions after reclassifying to respective accounts of property, plant and equipment.

Accumulated depreciation and accumulated impairment losses

	Machinery and vehicles	Buildings and structures	Land	Construction in progress	Tools, furniture and fixtures	Total
Balance at April 1, 2024	(738,568)	(132,751)	(6,002)	—	(135,513)	(1,012,836)
Depreciation	(71,906)	(11,624)	(509)	—	(13,764)	(97,804)
Impairment losses	—	—	—	—	(5)	(5)
Business divestitures, etc.	—	—	—	—	—	—
Sale and disposal	31,995	9,022	44	—	4,574	45,636
Transfer	2,050	1,439	580	—	(726)	3,342
Exchange differences on translation of foreign operations, etc.	4,793	292	42	—	1,947	7,075
Balance at March 31, 2025	(771,635)	(133,621)	(5,845)	—	(143,489)	(1,054,591)

Carrying amount

	Machinery and vehicles	Buildings and structures	Land	Construction in progress	Tools, furniture and fixtures	Total
Balance at April 1, 2024	477,160	110,217	62,452	116,519	111,050	877,400
Balance at March 31, 2025	495,031	120,238	67,817	101,958	114,260	899,306

The right-of-use assets (capital expenditure amount) increased by ¥21,420 million and ¥13,386 million for FYE2025 and FYE2024, respectively.

Depreciation of property, plant and equipment is included in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statement of profit or loss.



**(2) Right-of-use assets**

Carrying amounts of right-of-use assets included in property, plant and equipment are as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Machinery and vehicles	16,600	26,389
Buildings and structures	23,944	19,647
Land	1,424	1,093
Tools, furniture and fixtures	2,098	2,266
Total	44,068	49,397

## 10. Goodwill and Intangible Assets

### (1) Table of changes

Changes in costs, accumulated amortization and accumulated impairment losses, and the carrying amounts of goodwill and intangible assets are as follows:

**FYE2024 (From April 1, 2023 to March 31, 2024)**

Costs

(Millions of yen)

	Goodwill	Intangible assets		
		Customer-related intangible assets	Other	Total
Balance at April 1, 2023	515,790	314,916	31,843	346,760
Individual acquisition	745	56	764	821
Business combinations, business divestitures, etc.	—	—	—	—
Sale and disposal	—	—	(7,386)	(7,386)
Exchange differences on translation of foreign operations, etc.	61,773	36,078	3,832	39,911
Balance at March 31, 2024	578,308	351,051	29,054	380,106

Accumulated amortization and accumulated impairment losses

	Goodwill	Intangible assets		
		Customer-related intangible assets	Other	Total
Balance at April 1, 2023	(2,104)	(83,749)	(20,676)	(104,425)
Amortization	—	(15,978)	(2,612)	(18,591)
Impairment losses	(117)	—	—	—
Business divestitures, etc.	—	—	—	—
Sale and disposal	—	—	7,171	7,171
Exchange differences on translation of foreign operations, etc.	(278)	(10,824)	(1,087)	(11,911)
Balance at March 31, 2024	(2,499)	(110,552)	(17,204)	(127,757)

Carrying amount

	Goodwill	Intangible assets		
		Customer-related intangible assets	Other	Total
Balance at April 1, 2023	513,685	231,167	11,167	242,334
Balance at March 31, 2024	575,809	240,499	11,849	252,348

**FYE2025 (From April 1, 2024 to March 31, 2025)**

Costs

(Millions of yen)

	Goodwill	Intangible assets		
		Customer-related intangible assets	Other	Total
Balance at April 1, 2024	578,308	351,051	29,054	380,106
Individual acquisition	—	207	339	547
Business combinations, business divestitures, etc.	7,103	2,558	3,762	6,321
Sale and disposal	(1,491)	—	(412)	(412)
Exchange differences on translation of foreign operations, etc.	(4,862)	(2,672)	1,300	(1,372)
Balance at March 31, 2025	579,059	351,145	34,044	385,190

## Accumulated amortization and accumulated impairment losses

	Goodwill	Intangible assets		
		Customer-related intangible assets	Other	Total
Balance at April 1, 2024	(2,499)	(110,552)	(17,204)	(127,757)
Amortization	—	(15,644)	(2,747)	(18,391)
Impairment losses	(1,297)	—	—	—
Business divestitures, etc.	—	—	—	—
Sale and disposal	—	—	397	397
Exchange differences on translation of foreign operations, etc.	27	1,214	314	1,528
Balance at March 31, 2025	(3,769)	(124,982)	(19,240)	(144,222)

## Carrying amount

	Goodwill	Intangible assets		
		Customer-related intangible assets	Other	Total
Balance at April 1, 2024	575,809	240,499	11,849	252,348
Balance at March 31, 2025	575,289	226,163	14,804	240,967

There were no material internally generated intangible assets for FYE2025 or FYE2024.

Amortization of intangible assets is included in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statement of profit or loss.

Research and development costs recognized as expenses for FYE2025 and FYE2024 were ¥4,946 million and ¥4,466 million, respectively.

The carrying amount of assets with indefinite useful lives in the intangible assets above was ¥2,963 million and ¥1,341 million at March 31, 2025 and 2024, respectively. Principally, the assets were trademarks acquired at the time of a business combination, and the NSHD Group determined that their useful lives cannot be estimated because the assets will exist for as long as the business continues.

## (2) Material intangible assets

Material intangible assets recorded in the consolidated statement of financial position are customer-related intangible assets held by Nippon Gases Euro-Holding S.L.U. and Matheson Tri-Gas, Inc., which are consolidated subsidiaries. Their carrying amounts and the remaining period of amortization are as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)	Remaining period of amortization
Nippon Gases Euro-Holding S.L.U.	199,260	189,333	Mainly 23 years
Matheson Tri-Gas, Inc.	35,291	31,420	Mainly 11 years

## 11. Impairment losses

The NSHD Group groups assets into the smallest cash-generating units that generate cash flows largely independently. For idle assets, recognition of impairment loss is determined by individual assets.

Impairment losses for FYE2025 and FYE2024 were ¥27,145 million and ¥2,532 million, respectively. Impairment losses were included in “Other operating expenses” in the consolidated statement of profit or loss.

Major assets for which impairment losses were recognized are as follows:

### FYE2024 (From April 1, 2023 to March 31, 2024)

Use	Place	Type	Reportable segments	Impairment losses (Millions of yen)
Special gas manufacturing unit	South Korea	Construction in progress	Asia & Oceania	1,039

Breakdown of impairment losses

- Special gas manufacturing unit

¥1,039 million

The NSHD Group suspended the construction plan of part of the special gas manufacturing unit that had been underway in South Korea and thus reduced the carrying amount to the recoverable amount. The recoverable amount is measured at fair value less costs of disposal. As it is difficult to sell the concerned asset, the fair value less costs of disposal is deemed zero and the fair value is categorized as Level 3 of the fair value hierarchy.

### FYE2025 (From April 1, 2024 to March 31, 2025)

Use	Place	Type	Reportable segments	Impairment losses (Millions of yen)
Hydrogen production facility	Alabama, United States	Construction in progress	United States	25,842
Goodwill pertaining to Nippon Sanso (Thailand) Co., Ltd.	—	Goodwill	Asia & Oceania	1,297

Breakdown of impairment losses

- Hydrogen production facility

¥25,842 million

The NSHD Group suspended the construction plan of the hydrogen production facility that had been underway in the United States and thus reduced the carrying amount to the recoverable amount. The recoverable amount is measured at fair value less costs of disposal. As it is difficult to sell the concerned asset, the fair value less costs of disposal is deemed zero and the fair value is categorized as Level 3 of the fair value hierarchy.

- Goodwill pertaining to Nippon Sanso (Thailand) Co., Ltd.

¥1,297 million

The profitability of the industrial gas manufacturing and distribution business of Nippon Sanso (Thailand) Co., Ltd. is expected to decline due to changes in the business environment in Thailand. The Group thus reduced the carrying amount of the group of cash-generating units including goodwill of the said subsidiary to 9,702 million yen, a recoverable amount, and

recognized impairment loss on goodwill of 1,297 million yen. The recoverable amount is measured at value in use. The value in use was calculated by discounting estimated cash flows projected based on the business plan, which is prepared by reflecting past experience and external information and approved by the management. The long-term growth rate used for measurement of the value in use is 2.7% and the discount rate is 9.8%.

Carrying amounts of goodwill and intangible assets with indefinite useful lives allocated to cash-generating units (group of cash-generating units) are as follows:

(Millions of yen)

Cash-generating units (group of cash-generating units)	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Nippon Gases Euro-Holding S.L.U.	393,136	399,700
Matheson Tri-Gas, Inc.	136,597	134,893
NSC (Australia) Pty Ltd	29,808	28,473
Other	17,607	15,185
Total	577,150	578,253

The carrying amounts of intangible assets with indefinite useful lives at March 31, 2025 and 2024 were ¥2,963 million and ¥1,341 million, respectively, and were included in Nippon Gases Euro-Holding S.L.U. and NSC (Australia) Pty Ltd.

As to goodwill and intangible assets with indefinite useful lives, the NSHD Group performs impairment tests every year and each time when there is an indicator of impairment. The recoverable amount of a cash-generating unit (group of cash-generating units) is measured at value in use.

An asset's value in use is calculated by discounting estimated future cash flows projected based on the business plan, which is prepared by reflecting past experience and external information and approved by the management. The discount rate used is a rate reflecting current market assessments of the time value of money and the risks specific to the asset. The estimated period of future cash flows is five years in principle. Cash flows exceeding the estimated period are determined by referring to the long-term average growth rate of a market or a country to which the cash-generating unit (group of cash-generating units) belongs.

The business plan prepared and approved by the management, the long-term growth rates, and the discount rates are the major assumptions used for impairment tests of goodwill. The business plan may be affected mainly by the growth rate of revenue, and these major assumptions may be affected by the results of changes in future uncertain conditions of the economy. Thus, when the assumed circumstances were changed, the result of calculation of the recoverable amount may differ.

Long-term growth rates and discount rates used in the measurement of the recoverable amount are as follows:

Cash-generating units (group of cash-generating units)	FYE2024 (March 31, 2024)		FYE2025 (March 31, 2025)	
	Long-term growth rate	Discount rate	Long-term growth rate	Discount rate
Nippon Gases Euro-Holding S.L.U.	2.4%	7.6%	2.1%	7.1%
Matheson Tri-Gas, Inc.	3.5%	10.0%	3.5%	9.0%
NSC (Australia) Pty Ltd	2.5%	8.4%	2.5%	8.2%

Note: The recoverable amount measured by value in use of Nippon Gases Euro-Holding S.L.U. at March 31, 2025 exceeded its carrying amount by ¥506,697 million; it is estimated that if the discount rate rises by 3.4% these amounts would be approximately the same.

## 12. Investments Accounted for Using the Equity Method

The carrying amount of investments in joint ventures accounted for using the equity method that are individually immaterial is as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Carrying amount of investments in joint ventures	9,541	10,601

Share of comprehensive income of joint ventures accounted for using the equity method is as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Share of profit	761	902
Share of other comprehensive income	4	16
Total share of comprehensive income	765	918

The carrying amount of investments in associates accounted for using the equity method that are individually immaterial is as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Carrying amount of investments in associates	45,131	50,570

Share of comprehensive income of associates accounted for using the equity method is as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Share of profit	3,245	4,112
Share of other comprehensive income	1,180	2,284
Total share of comprehensive income	4,425	6,396

### 13. Other financial assets

A breakdown of other financial assets is as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Equity securities and investments in capital	42,584	34,423
Other	49,556	40,039
Allowance for doubtful accounts	(1,487)	(1,392)
Total	90,653	73,070
Current assets	27,216	14,588
Non-current assets	63,436	58,482
Total	90,653	73,070

Equity securities and investments in capital are classified as equity financial assets measured at fair value through other comprehensive income. Other is classified mainly as financial assets measured at amortized cost.

Equity securities are designated as equity financial assets measured at fair value through other comprehensive income because they are held mainly for the purpose of maintaining and strengthening business and collaborative relationships and financial transaction relationships, etc. Names of issuers and fair value of principal equity financial assets measured at fair value through other comprehensive income are as follows:

#### FYE2024 (March 31, 2024)

(Millions of yen)

Name	Amount
IBIDEN CO., LTD.	8,805
Tosoh Corporation	4,610
Koatsu Gas Kogyo Co., Ltd.	3,044
RIKEN KEIKI Co., Ltd.	2,610
Koike Sanso Kogyo Co., Ltd.	1,776

#### FYE2025 (March 31, 2025)

(Millions of yen)

Name	Amount
Tosoh Corporation	4,594
IBIDEN CO., LTD.	3,537
Koatsu Gas Kogyo Co., Ltd.	3,043
RIKEN KEIKI Co., Ltd.	1,757
Koike Sanso Kogyo Co., Ltd.	1,698

In order to improve the efficiency and effective utilization of assets held, the NSHD Group conducts sales (derecognition) of equity financial assets measured at fair value through other comprehensive income. The fair value at the time of sales and cumulative gains or losses on sales are as follows. Cumulative gains or losses (after tax) recognized in other comprehensive income in equity were transferred to retained earnings at the time of sales.

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Fair value	790	5,586
Cumulative gains or losses	238	3,265

For equity financial assets measured at fair value through other comprehensive income, dividends received were recognized as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Financial assets that were derecognized	2	166
Financial assets held at end of the fiscal year	875	848

#### 14. Other Assets

A breakdown of other assets is as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Prepaid expenses	16,795	17,815
Contract assets (Note 1) (Note 2)	9,613	14,734
Other (Note 1)	10,573	18,024
Total	36,981	50,575
Current assets	27,847	42,148
Non-current assets	9,133	8,427
Total	36,981	50,575

Notes: 1. "Contract assets," which were included in "Other" in FYE2024, have been independently presented from FYE2025 because the amount has become material, and amount in FYE2024 has also been reclassified. 2. Details are described in "27. Revenue."



## 15. Trade Payables

### (1) Breakdown of trade payables

A breakdown of trade payables is as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Notes and accounts payable–trade	136,027	133,822
Total	136,027	133,822

Trade payables are classified as financial liabilities measured at amortized cost.

### (2) Supplier finance arrangements

The NSHD Group has established supplier finance arrangements with third-party financial institutions, under which the Group pays the third-party financial institutions based on agreements signed with individual suppliers. The suppliers may receive upfront payment at a discount from the third-party financial institutions at their own discretion. The Group does not pledge any assets as collateral or offer guarantee by a third party for the supplier finance arrangements.

The carrying amounts of financial liabilities pertaining to supplier finance arrangements are as follows:

(Millions of yen)

	At the Beginning of FYE2025 (April 1, 2024)	FYE2025 (March 31, 2025)
Carrying amounts of financial liabilities that are part of the supplier finance arrangements		
Trade payables	23,034	16,792
Amount of the above for which suppliers have already received payments	(Note)	9,689

The ranges of payment due dates pertaining to supplier finance arrangements are as follows:

	At the Beginning of FYE2025 (April 1, 2024)	FYE2025 (March 31, 2025)
Liabilities under supplier finance arrangements	(Note)	Zero to 180 days after invoice issue date
Comparable trade payables that are not part of supplier finance arrangements	(Note)	Zero to 120 days after invoice issue date

Note: The Group has applied a transitional measure based on the “Supplier Finance Arrangements” (amendments to IAS 7 and IFRS 7) and has not disclosed the information as of the beginning of the first fiscal year of application.

The supplier finance arrangements concluded by the Group do not cause concentration of due dates or a significant extension of due dates compared with the regular payment conditions agreed with suppliers who did not take part in the said arrangements, and therefore the Group does not have significant liquidity risk from supplier finance arrangements.

There were no significant non-cash changes in the carrying amounts of financial liabilities subject to supplier finance arrangements in FYE2025.

## 16. Bonds and borrowings

A breakdown of bonds and borrowings is as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Short-term borrowings	29,158	31,672
Current portion of long-term borrowings	100,061	60,957
Commercial papers	17,000	—
Current portion of bonds	20,000	—
Long-term borrowings	546,581	560,434
Bonds	177,457	197,501
Total	890,259	850,566
Current liabilities	166,219	92,630
Non-current liabilities	724,039	757,936
Total	890,259	850,566

Bonds and borrowings are classified as financial liabilities measured at amortized cost.

The average interest rates applicable to short-term borrowings and long-term borrowings at March 31, 2024 were 5.62% and 3.24%, respectively.

The average interest rates applicable to short-term borrowings and long-term borrowings at March 31, 2025 were 4.75% and 2.97%, respectively.

The repayment term of long-term borrowings at March 31, 2025 is from 2025 to 2059.

There are no financial covenants that have a significant impact on financing activities of the NSHD Group in relation to bonds and borrowings.

A breakdown of bonds is as follows:

(Millions of yen)

Company name	Name	Issuance date	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)	Interest rate (%)	Collateral	Maturity date
The Company	The 14th Domestic Unsecured Straight Corporate Bonds	December 15, 2016	15,000	15,000	0.39	None	December 15, 2026
The Company	The 2nd Series Deferrable Interest and Callable Unsecured Subordinated Bonds	January 29, 2019	7,954	7,963	1.87 (Note)	None	January 29, 2059
The Company	The 15th Domestic Unsecured Straight Corporate Bonds	October 16, 2019	20,000	—	0.13	None	October 16, 2024
The Company	The 16th Domestic Unsecured Straight Corporate Bonds	October 16, 2019	9,979	9,987	0.19	None	October 16, 2026
The Company	The 17th Domestic Unsecured Straight Corporate Bonds	October 16, 2019	19,941	19,951	0.30	None	October 16, 2029
The Company	The 1st Domestic Unsecured Straight Corporate Bonds	October 14, 2021	15,000	15,000	0.11	None	October 14, 2026
The Company	The 2nd Domestic Unsecured Straight Corporate Bonds	October 14, 2021	10,000	10,000	0.28	None	October 14, 2031
The Company	The 3rd Domestic Unsecured Straight Corporate Bonds	August 31, 2023	29,895	29,938	0.33	None	August 31, 2026
The Company	The 4th Domestic Unsecured Straight Corporate Bonds	August 31, 2023	59,738	59,805	0.60	None	August 31, 2028
The Company	The 5th Domestic Unsecured Straight Corporate Bonds	August 31, 2023	9,948	9,953	1.05	None	August 31, 2033
The Company	The 6th Domestic Unsecured Straight Corporate Bonds	February 27, 2025	—	19,900	1.36	None	February 27, 2030
	Total		197,457	197,501			

Note: A fixed interest rate is applied to the period between the day following January 29, 2019 and January 29, 2029, while a variable interest rate is to be applied from the day following January 29, 2029 (step-up in interest rate occurring on January 30, 2029).

Assets pledged as collateral and secured obligations are as follows:

Assets pledged as collateral

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Property, plant and equipment	794	737
Total	794	737

Secured obligations

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Bonds and borrowings	353	295
Total	353	295

## 17. Other Financial Liabilities

A breakdown of other financial liabilities is as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Lease liabilities	46,667	52,082
Accrued expenses	87,147	64,922
Accounts payable–other	25,586	19,961
Other	1,490	1,115
Total	160,891	138,082
Current liabilities	121,402	93,378
Non-current liabilities	39,488	44,703
Total	160,891	138,082

Other financial liabilities are mainly classified as financial liabilities measured at amortized cost.

## 18. Lease Transactions

### (1) Gain or loss and cash outflows related to lease transactions

Gain or loss and cash outflows related to lease transactions are as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Depreciation charges for right-of-use assets		
Land, buildings and structures as underlying assets	7,065	5,337
Tools, furniture and fixtures as underlying assets	984	1,117
Machinery and vehicles as underlying assets	4,607	6,030
Total depreciation charges	12,657	12,485
Expenses relating to leases of low-value assets	2,290	2,596
Total cash outflows for leases	13,683	13,748

Please see Note “9. Property, Plant and Equipment” for information on increases in right-of-use assets.

Please see Note “33. Financial Instruments” for information on balances of lease liabilities by due date.

### (2) Additional information related to lease transactions

The majority of the NSHD Group’s lease transactions involve property leases, primarily leasing land and buildings as office and factory sites. Some of these leases are covered by options to extend or terminate the leases to ensure business flexibility. The NSHD Group determines the term of the leases after evaluating whether it is reasonably certain that the NSHD Group will exercise the options to extend the leases or will not exercise the options to terminate the leases.

The NSHD Group’s leasing activities do not include material sales and lease-back transactions and restrictions or covenants imposed by leases.

## 19. Post-employment Benefits

Certain consolidated subsidiaries of the Company have funded and unfunded retirement defined benefit plans and defined contribution plans for employees' retirement benefits, and the plans cover substantially all the employees.

### (1) Defined benefit plans

Major defined benefit plans of the Company's consolidated subsidiaries are cash balance plans. Benefits under the cash balance plans are set based on various conditions such as years of service, points based on achievements during the service period, etc. The investment yield is determined taking into consideration the yield on government bonds.

In accordance with laws and regulations, the pension plans are managed by the Company's consolidated subsidiaries or a pension fund that is legally separate from the Company's consolidated subsidiaries. The Company's consolidated subsidiaries, or the Board of Directors of the pension fund and the trustees of pension fund management, are required by laws and regulations to act in the best interest of policyholders and are responsible for operating plan assets based on the prescribed policies.

Amounts related to defined benefit plans in the consolidated statement of financial position are as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Present value of defined benefit obligations	41,886	40,536
Fair value of plan assets	(31,246)	(30,400)
Net amount of defined benefit obligations and assets	10,639	10,136
Retirement benefit liability	15,352	15,337
Retirement benefit asset	(4,712)	(5,201)
Net amount of defined benefit obligations and assets	10,639	10,136

For defined benefit plans, amounts recognized as expenses in the consolidated statement of profit or loss are as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Current service cost	2,137	2,124
Interest expenses	703	787
Interest income	(406)	(476)
Total	2,435	2,435

Changes related to the present value of defined benefit obligations are as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Balance at beginning of the fiscal year	41,475	41,886
Current service cost	2,137	2,124
Interest expenses	703	787
Remeasurements		
Actuarial gains and losses arising from changes in demographic assumptions	(11)	(2)
Actuarial gains and losses arising from changes in financial assumptions	(181)	(2,039)
Retirement benefits paid	(2,617)	(2,038)
Other	379	(180)
Balance at end of the fiscal year	41,886	40,536

Changes related to the fair value of plan assets are as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Balance at beginning of the fiscal year	30,168	31,246
Interest income	406	476
Remeasurements		
Return on plan assets	1,348	(850)
Contributions from companies	1,344	1,425
Retirement benefits paid	(2,141)	(1,705)
Other	120	(191)
Balance at end of the fiscal year	31,246	30,400

The key actuarial assumption used to calculate the present value of defined benefit obligations is as follows:

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Discount rate	1.42%	2.10%

If the discount rate, which is the key actuarial assumption, fluctuates, the present value of defined benefit obligations at March 31, 2025 and 2024 changes as follows. This sensitivity analysis is based on the assumption that all actuarial assumptions, other than actuarial assumptions subject to the analysis, remain constant.

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Increase by 0.5%	(1,547)	(1,250)
Decrease by 0.5%	1,683	1,352

The fair value of plan assets at March 31, 2024 is as follows:

(Millions of yen)

	Plan assets for which there are quoted market prices in an active market	Plan assets for which there are no quoted market prices in an active market	Total
Cash and cash equivalents	3,300	—	3,300
Equity financial instruments			
Jointly managed trusts	—	6,058	6,058
Total equity financial instruments	—	6,058	6,058
Debt financial instruments			
Jointly managed trusts	—	12,037	12,037
Total debt financial instruments	—	12,037	12,037
Life insurance general accounts	—	9,369	9,369
Other	—	481	481
Total	3,300	27,946	31,246



The fair value of plan assets at March 31, 2025 is as follows:

(Millions of yen)

	Plan assets for which there are quoted market prices in an active market	Plan assets for which there are no quoted market prices in an active market	Total
Cash and cash equivalents	3,348	—	3,348
Equity financial instruments			
Jointly managed trusts	—	3,920	3,920
Total equity financial instruments	—	3,920	3,920
Debt financial instruments			
Jointly managed trusts	—	13,316	13,316
Total debt financial instruments	—	13,316	13,316
Life insurance general accounts	—	9,059	9,059
Other	—	755	755
Total	3,348	27,051	30,400

Under the NSHD Group's plan asset management policy, the purpose of management is to secure the required combined returns over the medium and long term to the extent of allowable risks in order to ensure payments of the benefits of the defined benefit obligations in the future.

For plan assets, the NSHD Group seeks to reduce risks by diversifying investments widely in domestic and foreign equity securities, debt securities, and life insurance general accounts based on asset allocation objectives of a policy asset mix that is formulated to achieve management objectives.

For asset allocation, the NSHD Group sets the allocation to be maintained for the medium and long term, based on the correlation between expected risks and returns for the medium and long term and actual management results of each asset. The NSHD Group reviews asset allocation according to the situation as necessary, such as when there is a significant change in the market environment.

Contributions to the defined benefit plans are readjusted based on periodic actuarial reviews in order to ensure balanced pension finance in the future. In such actuarial reviews, the adequacy of the contribution is verified by reviewing the basic rates for determining contributions (such as expected rate of interest, expected mortality, and expected rate of withdrawal).

For FYE2026, the NSHD Group plans to contribute ¥1,719 million to plan assets.

The weighted average durations of the defined benefit obligation at March 31, 2025 and 2024 were 11.3 years and 11.6 years, respectively.

## (2) Defined contribution plans and public pension systems

Amounts recognized as expenses under defined contribution plans and public pension systems are as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Expenses under defined contribution plans	6,355	6,992
Expenses under public pension systems	4,452	4,405

## 20. Provisions

A breakdown of changes in provisions is as follows:

### FYE2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Provision for construction warranties	Asset retirement obligations	Total
Balance at April 1, 2023	195	5,530	5,725
Increase during the fiscal year	245	194	440
Discounted periodic interest expenses	—	439	439
Decrease during the fiscal year (Intended use)	(47)	(742)	(789)
Decrease during the fiscal year (Reversal)	(17)	(265)	(283)
Exchange differences on translation of foreign operations, etc.	—	582	582
Balance at March 31, 2024	375	5,740	6,115
Current liabilities	375	720	1,095
Non-current liabilities	—	5,019	5,019
Total	375	5,740	6,115

### FYE2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Provision for construction warranties	Asset retirement obligations	Total
Balance at April 1, 2024	375	5,740	6,115
Increase during the fiscal year	—	82	82
Discounted periodic interest expenses	—	475	475
Decrease during the fiscal year (Intended use)	(62)	(629)	(692)
Decrease during the fiscal year (Reversal)	(16)	(297)	(313)
Exchange differences on translation of foreign operations, etc.	—	(66)	(66)
Balance at March 31, 2025	296	5,304	5,601
Current liabilities	296	—	296
Non-current liabilities	—	5,304	5,304
Total	296	5,304	5,601

Note: “Discounted periodic interest expenses” and “Exchange differences on translation of foreign operations, etc.,” which were included in “Other” in FYE2024, have been independently presented from FYE2025 to increase clarity and amount presented as “Other” in FYE2024 has also been reclassified.

#### Provision for construction warranties

In order to prepare for construction-related compensation expenses for machinery and device products, provision for construction warranties is recorded based on the latest actual amount of compensation arising from shipment amounts of machinery and device products in the previous fiscal year. Of these, amounts expected to be paid within one year are recorded.

However, the occurrence of construction-related compensation expenses is subject to uncertainty.

#### Asset retirement obligations

If the NSHD Group has legal obligations required by laws and regulations or contracts concerning retirement of fixed assets that are used for the ordinary course of business, such as obligations to restore the original condition accompanying lease contracts of factory facilities and properties used by the NSHD Group, asset retirement obligations are recognized based on the estimated amount of future expenditures calculated based on historical results, etc.

Although these expenses are expected to be paid mainly after one year or more, they will be affected by future business plans, etc.

#### 21. Other Liabilities

A breakdown of other liabilities is as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Advances received	11,934	11,123
Deferred income	5,761	5,139
Employees' bonuses	7,049	7,318
Employees' paid absence	6,010	6,060
Other	49,005	50,740
Total	79,761	80,382
Current liabilities	59,105	61,088
Non-current liabilities	20,656	19,293
Total	79,761	80,382

#### 22. Equity

##### (1) Share capital and treasury shares

Numbers of shares authorized and shares issued are as follows:

(Thousands of shares)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Number of shares authorized	1,600,000	1,600,000
Number of shares issued		
Beginning of the fiscal year	433,092	433,092
Changes during the fiscal year	—	—
End of the fiscal year	433,092	433,092

All shares are ordinary shares with no par value. Shares issued are fully paid.

Changes in the number of treasury shares during the fiscal year are as follows:

(Thousands of shares)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Beginning of the fiscal year	232	235
Increase	2	2
Decrease	—	0
End of the fiscal year	235	237

The main factors causing changes during the fiscal year are buyback and demand for sale of shares less than one unit.

The numbers of shares in the Company held by its associates at March 31, 2025 and 2024 were 48,000 shares and 47,000 shares, respectively.

## (2) Capital surplus and retained earnings

Capital surplus consists of amounts not included in share capital as part of the amounts arising from capital transactions, and the main component is capital reserve. Retained earnings consist of legal retained earnings and other reserves.

The Companies Act of Japan (the “Act”) stipulates that more than one-half of payments or delivery in relation to the issuance of shares shall be included in share capital, and the remaining shall be included in capital reserve. Capital reserve may be incorporated into share capital by resolutions of the shareholders’ meeting.

In addition, the Act stipulates that one-tenth of the amount to be paid as cash dividends from surplus shall be appropriated as capital reserve or legal retained earnings until the total amount of capital reserve and legal retained earnings equals one-fourth of share capital.

The accumulated legal retained earnings may be used to eliminate or reduce a deficit, and the legal retained earnings may be reversed by resolution of the shareholders’ meeting.

## (3) Other components of equity

Other components of equity are as follows:

(Exchange differences on translation of foreign operations)

Exchange differences on translation of foreign operations are translation differences arising when consolidating the financial statements of foreign operations prepared in foreign currencies and cumulative amounts of effective portion of gain or loss on hedging instruments designated as hedges of net investments in foreign operations.

(Effective portion of net change in fair value of cash flow hedges)

The effective portion of net change in fair value of cash flow hedges is the cumulative amount of the effective portion of hedges as part of gains or losses arising from changes in fair value of the hedging instrument related to cash flow hedges.

(Financial assets measured at fair value through other comprehensive income)

Other components of equity include valuation differences in fair value of financial assets measured at fair value through other comprehensive income.

(Remeasurements of defined benefit plans)

Remeasurements of defined benefit plans are the effect of differences between actuarial assumptions at the beginning of the fiscal year and the actual results and the effect of changes in actuarial assumptions. These are recognized in other comprehensive income when incurred and immediately transferred from other components of equity to retained earnings.

**(4) Capital transactions with non-controlling interests**

**FYE2024 (From April 1, 2023 to March 31, 2024)**

The Company acquired all of the equity shares in its consolidated subsidiary Nippon Sanso Ingasco, Inc. As a result, the Company's stake in Nippon Sanso Ingasco, Inc. increased from 69.8% to 100.0%.

The overview of the transaction for the additional acquisition is as follows:

(Millions of yen)

	Amount
Carrying amount of the non-controlling interests the Company acquired	2,715
Cash consideration	(14,408)
Decrease in equity attributable to owners of parent	11,693

**FYE2025 (From April 1, 2024 to March 31, 2025)**

There was no significant capital transactions with non-controlling interests.

### 23. Dividends

Payments of dividends are as follows:

#### FYE2024 (From April 1, 2023 to March 31, 2024)

Resolution	Type of stock	Total cash dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 20, 2023	Ordinary shares	8,658	20	March 31, 2023	June 21, 2023
Board of Directors' meeting held on October 31, 2023	Ordinary shares	8,658	20	September 30, 2023	December 1, 2023

#### FYE2025 (From April 1, 2024 to March 31, 2025)

Resolution	Type of stock	Total cash dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 19, 2024	Ordinary shares	10,389	24	March 31, 2024	June 20, 2024
Board of Directors' meeting held on October 31, 2024	Ordinary shares	10,389	24	September 30, 2024	December 2, 2024

Dividends whose effective date falls in the following fiscal year are as follows:

#### FYE2024 (From April 1, 2023 to March 31, 2024)

Resolution	Type of stock	Total cash dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 19, 2024	Ordinary shares	10,389	24	March 31, 2024	June 20, 2024

#### FYE2025 (From April 1, 2024 to March 31, 2025)

The Company plans to submit the following proposal to the Ordinary General Meetings of Shareholders to be held on June 18, 2025.

Expected resolution	Type of stock	Total cash dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 18, 2025	Ordinary shares	11,688	27	March 31, 2025	June 19, 2025

## 24. Assets Held for Sale

Assets held for sale are as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Assets held for sale		
Other financial assets	4,376	1,921
Total	4,376	1,921

The NSHD Group continuously reviews the significance of its stock holding policy of stocks. Out of the stocks that the NSHD Group decided to sell due to lack of significance to hold as a result of the continuous review, those to be sold within one year are classified as assets held for sale. The stocks classified as assets held for sales are listed stocks and classified as Level 1 of the fair value hierarchy. The NSHD Group has been working on the sale, but has not completed the sale as of March 31, 2025, and therefore it is classified as assets held for sale. The sale is expected to be completed in FYE 2026.

As of March 31, 2025 and 2024, other components of equity related to assets held for sale amounted to ¥1,361 million and ¥3,128 million respectively.

## 25. Other Comprehensive Income

Changes in each item in other comprehensive income during the fiscal year are as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Financial assets measured at fair value through other comprehensive income		
Amount arising during the fiscal year	8,033	(4,912)
Tax effects	(2,503)	1,427
Net amount	5,529	(3,484)
Remeasurements of defined benefit plans		
Amount arising during the fiscal year	1,541	1,190
Tax effects	(465)	(411)
Net amount	1,075	778
Exchange differences on translation of foreign operations		
Amount arising during the fiscal year	106,377	(11,351)
Net amount	106,377	(11,351)
Effective portion of net change in fair value of cash flow hedges		
Amount arising during the fiscal year	182	498
Reclassification adjustments	664	(999)
Tax effects	(265)	138
Net amount	580	(362)
Share of other comprehensive income of investments accounted for using the equity method		

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Amount arising during the fiscal year	1,184	2,300
Net amount	1,184	2,300
Total other comprehensive income	114,747	(12,119)



## 26. Employee Benefit Expenses

Employee benefit expenses other than post-employment benefits are as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Wages and salaries	170,943	181,414
Total	170,943	181,414

## 27. Revenue

### (1) The disaggregation of revenue

#### FYE2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Japan	United States	Europe	Asia & Oceania	Thermos	Reconciling items	Total
Revenue							
Gas	258,218	259,800	271,478	134,899	—	—	924,396
Equipment and other	156,147	87,253	30,999	25,427	—	90	299,919
Housewares	—	—	—	—	30,765	—	30,765
Total	414,365	347,054	302,477	160,327	30,765	90	1,255,081

#### FYE2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Japan	United States	Europe	Asia & Oceania	Thermos	Reconciling items	Total
Revenue							
Gas	234,353	276,773	290,887	150,290	—	—	952,306
Equipment and other	175,656	83,427	37,713	26,247	—	80	323,124
Housewares	—	—	—	—	32,593	—	32,593
Total	410,009	360,200	328,601	176,538	32,593	80	1,308,024

Determination of the timing of the fulfillment of performance obligations in contracts with customers, and the method for calculating the transaction price and its allocation to performance obligations, are as described in Note “3. Material Accounting Policies.” The amount of revenue recognized arising from other revenue sources is immaterial.

### (2) Contract balances

Contract assets mainly comprise consideration for construction in progress. Contract liabilities mainly comprise consideration received from customers prior to the delivery of products. Receivables, contract assets, and contract liabilities derived from contracts with customers are as follows:

(Millions of yen)

	At the Beginning of FYE2024 (April 1, 2023)	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Receivables arising from contracts with customers	252,757	292,888	273,144
Contract assets	4,997	9,613	14,734
Contract liabilities	18,554	21,579	20,273

Of the outstanding amounts of contract liabilities, as of the beginning of FYE2025 and FYE2024, the amounts recognized as revenue for the fiscal years are immaterial. For FYE2025 and FYE2024, the amounts of revenue recognized based on the performance obligations that were fulfilled in prior periods are also immaterial. Balances of contract assets and contract liabilities have not undergone any significant changes.

### (3) Transaction price allocated to remaining performance obligations

The following is a breakdown of the total transaction price allocated to remaining performance obligations and the period for which revenue is expected to be recognized. These amounts do not include any transaction whose expected contractual term is within one year. In addition, all material considerations are included in the transaction price arising from contracts with customers.

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
One year or less	20,463	26,563
More than one year	24,485	12,663
Total	44,948	39,227

## 28. Other Operating Income and Other Operating Expenses

A breakdown of other operating income is as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Grant income	451	357
Gain on sales of property, plant and equipment	354	5,604
Gain on release of liabilities	—	1,698
Other	13,056	3,779
Total	13,863	11,439

On January 1, 2024, Taiyo Nippon Sanso Energy Corporation, the Company's consolidated subsidiary, and Astomos Retailing Corporation, a subsidiary of Astomos Energy Corporation, carried out an absorption-type merger with Taiyo Nippon Sanso Energy Corporation as the surviving company and Astomos Retailing Corporation as the absorbed company.

In the absorption-type merger, the shares in the surviving company after the merger (the "Integrated Company") were allotted to Astomos Energy Corporation as consideration of the merger at a ratio that makes the number of voting rights in the Integrated Company that is held by Taiyo Nippon Sanso Corporation, which is the Company's consolidated subsidiary, at 35% of the total voting rights, and the Integrated Company became the Company's associate.

The Company lost control of Taiyo Nippon Sanso Energy Corporation as the result of the merger and therefore it recorded ¥8,892 million in gains resulting from the transaction as "other operating income" in FYE2024.

A breakdown of other operating expenses is as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Impairment losses	2,532	27,145
Loss on sales and retirement of property, plant and equipment	1,742	981
Loss on reduction of property, plant and equipment	443	348
Other	5,682	8,195
Total	10,401	36,671

## 29. Finance Income and Finance Costs

A breakdown of finance income is as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Interest income		
Financial assets measured at amortized cost	2,677	2,732
Dividend income		
Financial assets measured at fair value through other comprehensive income	877	1,015
Foreign exchange gains	835	138
Other	0	—
Total	4,391	3,886

A breakdown of finance costs is as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Interest expenses		
Financial liabilities measured at amortized cost	25,631	24,389
Other	80	130
Total	25,711	24,520

### 30. Income Taxes

#### (1) Deferred tax assets and deferred tax liabilities

A breakdown of deferred tax assets and deferred tax liabilities by major causes behind their occurrence and the changes are as follows:

The NSHD Group has applied the temporary exceptional accounting treatment of “International Tax Reform–Pillar Two Model Rules” (amended in May 2023) under IAS 12 “Income Taxes” and does not recognize or disclose associated deferred tax assets and liabilities for income taxes arising from the global minimum tax rules.

#### FYE2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	April 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Other (Note)	March 31, 2024
Deferred tax assets					
Employees' bonuses	2,356	249	—	—	2,606
Accrued expenses	3,816	227	—	377	4,420
Property, plant and equipment and intangible assets	2,975	580	—	8	3,564
Retirement benefit liability	2,891	127	219	(40)	3,198
Tax loss carryforwards	943	(415)	—	99	626
Unrealized gains (inventories and property, plant and equipment)	2,717	156	—	—	2,873
Other	7,788	(869)	(165)	804	7,558
Total	23,489	56	53	1,248	24,848
Deferred tax liabilities					
Securities and other investments	(7,265)	—	(2,453)	17	(9,701)
Property, plant and equipment and intangible assets	(141,661)	3,440	—	(16,582)	(154,803)
Undistributed earnings of overseas consolidated subsidiaries, etc.	(9,063)	(2,885)	—	—	(11,949)
Other	(2,756)	(1,741)	(835)	(88)	(5,421)
Total	(160,747)	(1,186)	(3,289)	(16,653)	(181,876)
Net deferred tax liabilities	(137,257)	(1,129)	(3,235)	(15,405)	(157,027)

**FYE2025 (From April 1, 2024 to March 31, 2025)**

(Millions of yen)

	April 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	Other (Note)	March 31, 2025
Deferred tax assets					
Employees' bonuses	2,606	146	—	(1)	2,751
Accrued expenses	4,420	(349)	—	(36)	4,034
Property, plant and equipment and intangible assets	3,564	1,461	—	(46)	4,979
Retirement benefit liability	3,198	281	1,100	37	4,617
Tax loss carryforwards	626	(122)	—	15	519
Unrealized gains (inventories and property, plant and equipment)	2,873	145	—	(1)	3,016
Other	7,558	(1,077)	14	494	6,990
Total	24,848	485	1,115	460	26,909
Deferred tax liabilities					
Securities and other investments	(9,701)	—	1,232	1,071	(7,397)
Property, plant and equipment and intangible assets	(154,803)	(143)	—	898	(154,047)
Undistributed earnings of overseas consolidated subsidiaries, etc.	(11,949)	(2,461)	—	—	(14,410)
Other	(5,421)	332	(1,194)	(601)	(6,884)
Total	(181,876)	(2,271)	38	1,368	(182,740)
Net deferred tax liabilities	(157,027)	(1,786)	1,153	1,829	(155,830)

Note: Other includes exchange differences on translation of foreign operations and changes from business combinations, etc.

For recognition of deferred tax assets, the NSHD Group considers the possibility that some or all deductible temporary differences and unused tax losses will be available for future taxable income. For the assessment of the recoverability of deferred tax assets, the NSHD Group considers the planned reversal of deferred tax liabilities, projected future taxable income, and tax planning. For deferred tax assets recognized, the NSHD Group believes that it is probable the tax benefits will be realized based on historical taxable income levels and the projection of future taxable income during periods when deductible temporary differences and unused tax losses may be used.

Deductible temporary differences for which deferred tax assets have not been recognized and the amount of tax loss carryforwards (on an income basis) are as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Deductible temporary differences	27,107	24,054
Tax loss carryforwards	31,831	38,779

Unrecognized deferred tax assets corresponding to the above are as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Deductible temporary differences	7,830	7,576
Tax loss carryforwards	2,940	3,183

The breakdown of tax loss carryforward for which deferred tax assets have not been recognized (on an income basis) by expiration period are as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
One year or less	—	—
More than one year but within five years	2,579	1,978
More than five years but within 10 years	28,631	36,087
More than 10 years	—	—
No expiration	621	713
Total	31,831	38,779

## (2) Income taxes

A breakdown of income taxes is as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Current income taxes	40,226	41,540
Deferred income taxes	1,129	1,786
Total	41,356	43,326

### (3) Table of reconciliation of effective tax rates

The Company is mainly subject to corporate income tax, inhabitant tax, and enterprise tax. The statutory tax rate based on these taxes for FYE2025 and FYE2024 was 30.62%. Overseas subsidiaries are subject to the corporate income tax, etc., of their location.

Further, due to the enactment of the Act for Partial Revision of the Income Tax Act, etc. (Act No. 13 of 2025) by the Japanese National Diet on March 31, 2025, the corporate tax rate, etc. will change from fiscal years starting on or after April 1, 2026. With this change, the deferred tax assets and deferred tax liabilities for FYE2025 were calculated using the statutory tax rate based on the revised tax rate for consolidated fiscal years in which reversal of the temporary differences is expected. The impact of this change on the consolidated financial statements for FYE2025 is immaterial.

A breakdown of major items that caused differences between the statutory tax rate and the effective tax rate is as follows:

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Statutory tax rate	30.62%	30.62%
Permanently non-deductible or non-taxable items	0.47	1.38
Unrecognized deferred tax assets	0.93	0.20
Differences in tax rates for overseas consolidated subsidiaries	(4.11)	(4.14)
Tax effects on undistributed earnings	1.91	1.45
Share of profit of investments accounted for using the equity method	(0.81)	(1.06)
Other	(1.57)	1.37
Effective tax rate	27.44%	29.82%

### (4) Global minimum tax system

In Japan, where the Company is located, the Income Inclusion Rule (IIR), which is one of the global minimum tax rules of BEPS, was introduced in the Tax Reform of fiscal 2023. As for the NSHD Group, starting from FYE2025, the Company is additionally taxed until the tax burden of its subsidiaries reaches the minimum tax rate (15%).

The Group recorded ¥12 million in income taxes as income taxes resulting from the application of the global minimum tax rules for FYE2025. The said income tax expense is pertaining to Ireland. The country's effective tax rate is below 15% and the Group is additionally taxed based on the Qualified Domestic Minimum Top-up Tax (QDMTT) of the country.

Please see “(1) Deferred tax assets and deferred tax liabilities” for information on recognition and disclosure of deferred tax assets and liabilities for income taxes arising from the global minimum tax rules.

### 31. Earnings per Share

Basic earnings per share and the basis of calculation are as follows:

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Profit attributable to owners of parent (Millions of yen)	105,901	98,779
Average number of shares during the fiscal year (Thousands of shares)	432,859	432,856
Basic earnings per share (Yen)	244.66	228.20

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

### 32. Cash Flow Information

#### Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities are as follows:

#### FYE2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Balance at April 1, 2023	Changes from cash flows	Non-cash changes			Balance at March 31, 2024
			Changes from business combinations, etc.	New lease transactions and changes in lease contracts, etc.	Exchange differences on translation of foreign operations, etc.	
Short-term borrowings	32,238	(6,521)	—	—	3,441	29,158
Commercial papers	26,000	(9,000)	—	—	—	17,000
Long-term borrowings (Note)	644,116	(45,046)	—	—	47,573	646,643
Bonds (Note)	197,665	(467)	—	—	258	197,457
Lease liabilities (Note)	41,762	(13,683)	111	14,537	3,939	46,667

Note: Balances include the current portion.

#### FYE2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Balance at April 1, 2024	Changes from cash flows	Non-cash changes			Balance at March 31, 2025
			Changes from business combinations, etc.	New lease transactions and changes in lease contracts, etc.	Exchange differences on translation of foreign operations, etc.	
Short-term borrowings	29,158	2,756	650	—	(892)	31,672
Commercial papers	17,000	(17,000)	—	—	—	—
Long-term borrowings (Note)	646,643	(22,707)	20	—	(2,562)	621,392
Bonds (Note)	197,457	(101)	—	—	144	197,501
Lease liabilities (Note)	46,667	(13,748)	2	20,340	(1,178)	52,082

Note: Balances include the current portion.



### 33. Financial Instruments

#### (1) Equity management

The NSHD Group manages equity aiming at maximizing corporate value through sustainable growth. The major indices used by the Company in equity management are return on capital employed (ROCE) after tax and adjusted net debt-to-equity (D/E) ratio.

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
ROCE after tax (Note 1)	6.7%	7.2%
Adjusted net D/E ratio (Note 2)	0.74	0.71

Notes: 1. It is a capital efficiency index calculated as follows:  $[\text{NOPAT (core operating profit after tax)} (+ \text{Dividend income})] / ((\text{Core operating profit} - \text{Share of profit (loss) of investments accounted for using the equity method included in core operating profit}) \times (1 - \text{Effective tax rate}) + \text{Share of profit (loss) of investments accounted for using the equity method included in core operating profit} + \text{Dividend income}) / [\text{Capital employed}] (\text{Interest bearing liabilities} + \text{Total equity attributable to owners of parent})$ .

2. It is an indicator of financial stability and calculated using the following formula:  $(\text{Net interest-bearing liabilities} - \text{equity-type liabilities}) / (\text{equity attributable to owners of parent} + \text{equity-type liabilities})$ .

A credit rating agency has certified the 50% of the balance of the funds obtained through hybrid financing (¥250 billion as of the financing) at the end of each fiscal year as “equity” and the Company calls it “equity-type liabilities.”

#### (2) Matters related to risk management

The NSHD Group is exposed to financial risks in the course of conducting business activities in various countries and regions throughout a wide range of fields. In order to reduce or avoid such risks, the NSHD Group manages risks based on certain policies, etc.

In addition, derivative transactions are used to hedge currency fluctuation risk, interest rate fluctuation risk, or price fluctuation risk. In principle, derivative transactions are only conducted based on actual demand and not used for speculative purposes.

#### (3) Credit risk

Trade receivables, etc., which are receivables arising from the NSHD Group’s business activities, are exposed to the credit risk of customers. In addition, derivative transactions that the NSHD Group uses to hedge financial risks are exposed to the credit risk of financial institutions that are counterparties to the transactions.

In accordance with internal policies of each Group company, such as credit management regulations, the NSHD Group monitors due dates and outstanding balances of individual customers and establishes a system to periodically assess credit status. The NSHD Group thereby aims to identify and alleviate collection concerns due to a deteriorating financial situation at an early stage. In addition, derivative transactions are limited to financial institutions with high creditworthiness in order to minimize counterparties’ credit risk related to contract default.

The NSHD Group records allowance for doubtful accounts at an unrecoverable amount for individually material financial assets, and at an amount based on historical experience, etc., for individually immaterial financial assets, at the end of each fiscal year. Allowance for doubtful accounts related to such financial assets is included in “Trade receivables” and “Other financial assets” in the consolidated statement of financial position.

Allowance for doubtful accounts is as follows. Since the amount of expected credit losses for 12 months is not material, it is included in the amount of the expected credit losses for the entire period.

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Balance at beginning of the fiscal year	10,456	12,177
Increase during the fiscal year	4,197	2,962
Decrease during the fiscal year (Intended use)	(1,632)	(2,683)
Decrease during the fiscal year (Reversal)	(2,058)	(897)
Other changes	1,214	(101)
Balance at end of the fiscal year	12,177	11,456

The maximum exposure to credit risk of financial assets is the carrying amount after impairment that is presented in the consolidated financial statements.

#### **(4) Liquidity risk**

The NSHD Group's trade payables and borrowings, etc., are exposed to liquidity risk. The NSHD Group manages the risk by preparing cash management plans and secures liquidity by establishing commitment lines with several financial institutions.

Balances of financial liabilities (including derivative instruments) by due date are as follows:

**FYE2024 (March 31, 2024)**

(Millions of yen)

	Carrying amount	Undiscounted contractual cash flows	One year or less	More than one year but within two years	More than two years but within three years	More than three years but within four years	More than four years but within five years	More than five years
Non-derivative financial liabilities								
Trade payables	136,027	136,027	136,027	—	—	—	—	—
Accounts payable—other	25,586	25,586	20,987	1,076	—	3,460	—	61
Short-term borrowings	29,158	29,158	29,158	—	—	—	—	—
Long-term borrowings	646,643	648,553	100,061	57,149	50,886	62,203	79,774	298,478
Commercial papers	17,000	17,000	17,000	—	—	—	—	—
Bonds	197,457	198,000	20,000	—	70,000	—	60,000	48,000
Lease liabilities	46,667	51,599	13,180	9,321	7,451	5,795	4,500	11,351
Accrued expenses	87,147	87,147	87,147	—	—	—	—	—
Other	1,428	1,428	921	2	2	2	2	497
Derivative liabilities								
Forward exchange contracts	12	12	12	—	—	—	—	—
Currency swaps	—	—	—	—	—	—	—	—
Interest rate currency swaps	50	50	—	—	—	—	50	—

FYE2025 (March 31, 2025)

(Millions of yen)

	Carrying amount	Undiscounted contractual cash flows	One year or less	More than one year but within two years	More than two years but within three years	More than three years but within four years	More than four years but within five years	More than five years
Non-derivative financial liabilities								
Trade payables	133,822	133,822	133,822	—	—	—	—	—
Accounts payable—other	19,961	19,961	16,282	—	3,635	—	—	43
Short-term borrowings	31,672	31,672	31,672	—	—	—	—	—
Long-term borrowings	621,392	622,897	60,957	54,860	69,208	100,291	138,482	199,096
Commercial papers	—	—	—	—	—	—	—	—
Bonds	197,501	198,000	—	70,000	—	60,000	40,000	28,000
Lease liabilities	52,082	58,601	13,012	11,360	9,440	8,073	5,746	10,967
Accrued expenses	64,922	64,922	64,922	—	—	—	—	—
Other	1,026	1,026	539	4	3	2	3	472
Derivative liabilities								
Forward exchange contracts	8	8	8	—	—	—	—	—
Currency swaps	0	0	0	—	—	—	—	—
Interest rate currency swaps	79	79	—	—	—	79	—	—

#### (5) Currency risk

Receivables and payables denominated in foreign currencies arising from the NSHD Group's global business development are exposed to the risk of exchange rate fluctuations. The NSHD Group hedges trade receivables and payables denominated in foreign currencies, borrowings, and loans by using forward exchange contracts and currency swaps as necessary.

The NSHD Group's net investments in foreign operations are exposed to the risk of exchange rate fluctuations. The NSHD Group hedges the risk by using borrowings denominated in foreign currencies as necessary.

#### Currency sensitivity analysis

The following is the impact on profit before income taxes on the consolidated statement of profit or loss from the foreign currency financial instruments held by the NSHD Group at the end of the fiscal year, if the yen appreciates by 1% against the U.S. dollar and euro, respectively, at the end of the fiscal year.

This analysis is calculated by multiplying each exposure of currency risk by 1%. It is assumed that there is no impact of the fluctuation of each exchange rate on other variables (foreign exchange rates of other currencies, interest rates, etc.).

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
U.S. dollar (1% appreciation of the yen)	(34)	(62)
Euro (1% appreciation of the yen)	1	43

**(6) Interest rate risk**

The NSHD Group's interest rate risk arises from interest-bearing liabilities, net of cash equivalents, etc. Borrowings and corporate bonds that are based on floating interest rates are exposed to interest rate fluctuation risk.

The NSHD Group hedges such risks by using derivative transactions (interest rate swaps) as necessary.

**Interest rate sensitivity analysis**

The following is the impact on profit before income taxes on the consolidated statement of profit or loss if the interest rate rises by 1% for financial instruments held by the NSHD Group at the end of the fiscal year.

This analysis is intended for financial instruments impacted by fluctuations in interest rates, and it is assumed that other factors, such as the impact of exchange rate fluctuations, remain constant.

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Profit before income taxes	(2,541)	(2,294)

**(7) Risk of market price fluctuations**

Securities, etc., held by the NSHD Group are exposed to the risk of market price fluctuations.

The NSHD Group periodically evaluates the fair value and the financial status of issuers (business partners) for securities, etc., and each supervising department reviews the holding status taking into consideration the relationship with the business partners on an ongoing basis.

**(8) Fair value of financial instruments**

For fair value hierarchy of financial instruments, Level 1 to Level 3 is categorized as follows:

Level 1: Fair value measured by the unadjusted quoted prices in active markets of identical assets or liabilities

Level 2: Fair value calculated using observable prices directly or indirectly, other than Level 1

Level 3: Fair value calculated by valuation techniques including inputs not based on significant observable market data

Transfers between levels of financial instruments are determined at the end of each reporting period.

In FYE2025 and FYE2024, there was no material reclassification of financial instruments between levels.

**1) Financial instruments measured at fair value on a recurring basis**

Financial instruments measured at fair value are as follows:

**FYE2024 (March 31, 2024)**

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Assets				
Equity securities and investments in capital	32,222	370	9,991	42,584
Equity securities and investments in capital held for sale	4,376	—	—	4,376
Derivative assets	—	611	—	611
Total	36,598	982	9,991	47,572
Liabilities				
Derivative liabilities	—	62	—	62
Total	—	62	—	62

**FYE2025 (March 31, 2025)**

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Assets				
Equity securities and investments in capital	23,943	370	10,109	34,423
Equity securities and investments in capital held for sale	1,921	—	—	1,921
Derivative assets	—	229	—	229
Total	25,865	599	10,109	36,574
Liabilities				
Derivative liabilities	—	88	—	88
Total	—	88	—	88

Equity securities and investments in capital

The fair value of marketable equity securities categorized as Level 1 is based on unadjusted quoted prices in active markets of identical assets or liabilities.

The fair value of marketable equity securities categorized as Level 2 is calculated using quoted prices of the same or similar assets or liabilities in inactive markets.

The fair value of unlisted stocks categorized as Level 3, for which quoted prices are not available in active markets, is calculated using the similar company comparison method or other appropriate valuation techniques based on reasonably available inputs. In addition, certain illiquidity discounts, etc., are considered as necessary.

Derivative assets and liabilities

The fair value of derivative assets and derivative liabilities categorized as Level 2 is calculated based on observable inputs such as prices provided by counterparty financial institutions or exchange rates and interest rates.

For financial instruments categorized as Level 3, the evaluator determines the valuation techniques to measure each financial instrument covered in accordance with valuation policies and procedures including valuation techniques to measure fair value approved by the appropriate authorized person, and the fair value is calculated. The results are reviewed and approved by the appropriate authorized person.

Changes in financial instruments classified as Level 3 are as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Balance at beginning of the fiscal year	9,668	9,991
Other comprehensive income (Note)	667	286
Purchase	210	141
Sale	(202)	(63)
Change in scope of consolidation	(356)	(250)
Other changes	3	4
Balance at end of the fiscal year	9,991	10,109

Note: This is included in “Financial assets measured at fair value through other comprehensive income” in the consolidated statement of comprehensive income.

2) Financial instruments measured at amortized cost

The carrying amount and fair value of financial instruments measured at amortized cost are as follows:

**FYE2024 (March 31, 2024)**

(Millions of yen)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Liabilities					
Long-term borrowings	646,643	—	645,471	—	645,471
Bonds	197,457	—	196,316	—	196,316
Total	844,100	—	841,788	—	841,788

**FYE2025 (March 31, 2025)**

(Millions of yen)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Liabilities					
Long-term borrowings	621,392	—	620,227	—	620,227
Bonds	197,501	—	193,265	—	193,265
Total	818,893	—	813,493	—	813,493

For financial instruments measured at amortized cost other than long-term borrowings and bonds, their fair value reasonably approximates the carrying amount.

Long-term borrowings

The fair value of long-term borrowings is calculated based on the present value calculated by discounting the total amount of principal and interest by the interest rate assumed when similar borrowings are newly made.

Bonds

The fair value of bonds is calculated based on market price.

**(9) Derivative transactions**

## 1) Derivative transactions for which hedge accounting is applied

Analysis of contract amounts, etc., of the hedging instruments by due date is as follows:

**FYE2024 (March 31, 2024)**

(Millions of yen)

	Contract amounts, etc.	One year or less	More than one year but within two years	More than two years but within three years	More than three years but within four years	More than four years but within five years	More than five years
Cash flow hedges							
Price risk							
Commodity swaps	3,931	3,931	—	—	—	—	—
Currency risk							
Forward exchange contracts	2,055	2,055	—	—	—	—	—
Interest rate and currency risks							
Interest rate currency swaps	3,452	—	—	—	—	3,452	—
Hedges of net investments							
Currency risk							
Borrowings denominated in foreign currencies	102,025	—	—	—	—	—	102,025

**FYE2025 (March 31, 2025)**

(Millions of yen)

	Contract amounts, etc.	One year or less	More than one year but within two years	More than two years but within three years	More than three years but within four years	More than four years but within five years	More than five years
Cash flow hedges							
Price risk							
Commodity swaps	5,597	5,597	—	—	—	—	—
Currency risk							
Forward exchange contracts	1,822	1,822	—	—	—	—	—
Interest rate and currency risks							
Interest rate currency swaps	12,383	—	—	448	11,935	—	—
Hedges of net investments							
Currency risk							
Borrowings denominated in foreign currencies	101,300	—	—	—	—	—	101,300



Major forward rates of foreign exchange contracts and major interest rates of interest rate swaps are as follows:

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Cash flow hedges		
Currency risk		
Forward exchange contracts		
U.S. dollar	¥146.43–¥151.06	¥140.60–¥150.59
Euro	¥140.82–¥162.48	¥154.69–¥167.10

Amounts related to items designated as hedging instruments are as follows:

**FYE2024 (March 31, 2024)**

(Millions of yen)

	Contract amounts, etc.	Carrying amount		Items on the consolidated statement of financial position	Changes in fair value used to calculate ineffective portion of hedges for the fiscal year
		Assets	Liabilities		
Cash flow hedges					
Price risk					
Commodity swaps	3,931	474	—	Other financial assets	744
Currency risk					
Forward exchange contracts	2,055	81	1	Other financial assets Other financial liabilities	197
Interest rate and currency risks					
Interest rate currency swaps	3,452	—	50	Other financial liabilities	(50)
Hedges of net investments					
Currency risk					
Borrowings denominated in foreign currencies	102,025	—	102,025	Bonds and borrowings	(10,950)

**FYE2025 (March 31, 2025)**

(Millions of yen)

	Contract amounts, etc.	Carrying amount		Items of the consolidated statement of financial position	Changes in fair value used to calculate ineffective portion of hedges for the fiscal year
		Assets	Liabilities		
Cash flow hedges					
Price risk					
Commodity swaps	5,597	217	—	Other financial assets	(257)
Currency risk					
Forward exchange contracts	1,822	6	8	Other financial assets Other financial liabilities	(82)
Interest rate and currency risks					
Interest rate currency swaps	12,383	—	79	Other financial liabilities	(29)
Hedges of net investments					
Currency risk					
Borrowings denominated in foreign currencies	101,300	—	101,300	Bonds and borrowings	725

Amounts related to items designated as hedged items are as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)			FYE2025 (March 31, 2025)		
	Changes in fair value used to calculate ineffective portion of hedges for the fiscal year	Cash flow hedge reserves	Foreign currency translation reserve	Changes in fair value used to calculate ineffective portion of hedges for the fiscal year	Cash flow hedge reserves	Foreign currency translation reserve
Cash flow hedges						
Price risk						
Planned purchase	(744)	326	—	257	148	—
Currency risk						
Planned purchase	(197)	23	—	82	(30)	—
Interest rate and currency risks						
Borrowings denominated in foreign currencies and interests on borrowings	50	(58)	—	29	(187)	—
Hedges of net investments						
Currency risk						
Effect of exchange rate changes on net investments	10,950	—	(26,368)	(725)	—	(25,643)

Details of cash flow hedges are as follows:

**FYE2024 (From April 1, 2023 to March 31, 2024)**

(Millions of yen)

	Changes in fair value of hedging instruments recognized in other comprehensive income	Ineffective portion of hedges recognized in profit or loss	Items on the consolidated statement of profit or loss that include ineffective portion of gain or loss on hedges	Reclassification adjustments from cash flow hedge reserves to profit or loss	Items on the consolidated statement of profit or loss that include gain or loss due to reclassification adjustments
Cash flow hedges					
Price risk					
Commodity swaps	744	—	—	395	Finance costs
Currency risk					
Forward exchange contracts	197	—	—	68	Finance costs
Interest rate and currency risks					
Interest rate currency swaps	(50)	—	—	—	—
Hedges of net investments					
Currency risk					
Borrowings denominated in foreign currencies	(10,950)	—	—	—	—

**FYE2025 (From April 1, 2024 to March 31, 2025)**

(Millions of yen)

	Changes in fair value of hedging instruments recognized in other comprehensive income	Ineffective portion of hedges recognized in profit or loss	Items on the consolidated statement of profit or loss that include ineffective portion of gain or loss on hedges	Reclassification adjustments from cash flow hedge reserves to profit or loss	Items on the consolidated statement of profit or loss that include gain or loss due to reclassification adjustments
Cash flow hedges					
Price risk					
Commodity swaps	(257)	—	—	(626)	Finance costs
Currency risk					
Forward exchange contracts	(82)	—	—	(72)	Finance costs
Interest rate and currency risks					
Interest rate currency swaps	(29)	—	—	—	—
Hedges of net investments					
Currency risk					
Borrowings denominated in foreign currencies	725	—	—	—	—

2) Derivative transactions for which hedge accounting is not applied

Amounts related to items not designated as hedging instruments are as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)			FYE2025 (March 31, 2025)		
	Contract amounts, etc.	More than one year	Fair value	Contract amounts, etc.	More than one year	Fair value
Forward exchange contracts	1,224	—	(10)	3,236	—	2
Interest rate swaps	579	579	20	190	—	2
Currency swaps	123	123	35	236	—	(0)

**34. Subsidiaries**

Status of major subsidiaries as of March 31, 2025, are as described in Section 4 titled “Status of Subsidiaries and Associates” in Item 1 “Overview of the Group” in the annual securities report.

For FYE2025 or FYE2024, there were no subsidiaries with individually material non-controlling interests.

**35. Related Parties**

**Remuneration for major executives**

Remuneration for the NSHD Group’s major executives is as follows:

(Millions of yen)

	FYE2024 (From April 1, 2023 to March 31, 2024)	FYE2025 (From April 1, 2024 to March 31, 2025)
Remuneration and bonuses	310	330
Total	310	330

### 36. Commitments

#### (1) Commitments on acquisition of property, plant and equipment and intangible assets

Commitments on acquisition of property, plant and equipment and intangible assets are as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Acquisition of property, plant and equipment and intangible assets	35,657	17,517

#### (2) Other commitments

Acquisition of industrial gases business (turning into subsidiary) by Australian subsidiary

The Company, through its Australian subsidiary NSC (Australia) Pty Ltd, reached an agreement with Wesfarmers Limited in Australia (hereinafter, "Wesfarmers") to acquire Coregas Pty Ltd, Blacksmith Jacks Pty Ltd, and Coregas NZ Limited (hereinafter collectively, "Coregas Group"), currently owned by Wesfarmers and engaged in industrial gases business in Australia and New Zealand, and concluded an agreement to acquire all the shares of Coregas Group in December 2024.

1) Timing of acquisition of shares

The share acquisition is expected to be completed upon obtaining approval from the Foreign Investment Review Board (FIRB) and the Australian Competition and Consumer Commission (ACCC).

2) Percentage of voting equity interests to be acquired

100.0%

3) Purchase consideration

The Company plans to pay 770 million Australian dollars (approximately 72.4 billion yen) as acquisition consideration.

Note: The conversion to yen was based on the March 31, 2025 rate of 1 Australian dollar = ¥93.97.

Acquisition of home therapy service company (turning into subsidiary) by European subsidiary

The Company, through its European subsidiary Oximesa S.L.U., reached an agreement with Corporación Químico-Farmacéutica Esteve (hereinafter, "CQFE") and Teijin Holdings Europe BV (hereinafter, "Teijin") of Spain to acquire Esteve Teijin Healthcare, S.L. (hereinafter, "ETH"), a joint venture of CQFE and Teijin that operates home therapy service company in Spain, and concluded an agreement to acquire all the shares in ETH in December 2024.

1) Timing of acquisition of shares

The share acquisition is expected to be completed upon obtaining approval from Spain's National Commission on Markets and Competition (Comisión Nacional de los Mercados y de la Competencia).

2) Percentage of voting equity interests to be acquired

100.0%

3) Purchase consideration

The Company plans to pay 124 million euro (approximately 20.1 billion yen) as acquisition price.

Note: The conversion to yen was based on the March 31, 2025 rate of 1 euro = ¥162.08.

**37. Contingent Liabilities****Guaranteed obligations**

Guarantees and quasi-guarantees for borrowings from financial institutions are as follows:

(Millions of yen)

	FYE2024 (March 31, 2024)	FYE2025 (March 31, 2025)
Joint ventures	110	95
Associates	775	583
Other (Note)	641	593
Total	1,527	1,271

Note: Other mainly consists of guarantees for employees' bank loans based on the employees' house ownership support system.

**38. Subsequent Events**

Not applicable.

(2) Other

**Semi-annual information for FYE2025 (From April 1, 2024 to March 31, 2025)**

	First half of FYE2025	FYE2025
Revenue (Millions of yen)	643,045	1,308,024
Profit before income taxes (Millions of yen)	71,781	145,272
Profit attributable to owners of parent (Millions of yen)	49,194	98,779
Basic earnings per share (Yen)	113.65	228.20



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