

Consolidated Financial Results for Fiscal Year Ending March 31, 2025 (Based on IFRS)

May 12, 2025
Stock exchange listing: Tokyo (Prime)

Company name: Nippon Sanso Holdings Corporation
TSE Code: 4091 URL: <https://www.nipponsanso-hd.co.jp>
Representative: Toshihiko Hamada, President CEO
Inquiries: Keita Kajiyama, General Manager, Investor Relations
Tel.: +81-3-5788-8512
Schedules date to be held Ordinary General Meeting of Shareholders: June 18, 2025
Scheduled date to file Securities Report: June 16, 2025
Scheduled date to commence dividend payments: June 19, 2025
Supplementary materials on quarterly financial results: Yes
Quarterly results explanatory meeting: Yes (For institutional investors and analysts)

(Amounts less than ¥1 million are omitted)

1. Financial results for FYE2025 (April 1, 2024 – March 31, 2025)

(1) Operating results

(Percentages indicate year-on-year change)

	Revenue		Core operating income		Operating income		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
FYE2025	1,308,024	4.2	189,149	13.9	165,906	(3.6)	101,945	(6.8)	98,779	(6.7)	89,826	(59.9)
FYE2024	1,255,081	5.8	165,996	34.8	172,041	43.9	109,364	44.0	105,901	44.9	224,112	88.6

(Reference) Income before income taxes

FYE2025: ¥145,272 million [(3.6%)]

FYE2024: ¥150,720 million [42.9%]

Core operating income is calculated as operating income excluding certain gains and expenses attributable to non-recurring factors (non-recurring items).

	Basic earnings per share (Yen)	Diluted net income per share (Yen)	Return on equity attributable to owners of the parent (%)	Income before income taxes to total assets ratio (%)	Core operating income to revenue ratio (%)
FYE2025	228.20	—	10.4	6.0	14.5
FYE2024	244.66	—	12.9	6.6	13.2

(Reference) Share of profit (loss) of associates and joint ventures accounted for using the equity method

FYE2025: ¥5,014 million FYE2024: ¥4,006 million

(2) Financial position

	Total assets (¥ million)	Total equity (¥ million)	Equity attributable to owners of the parent (¥ million)	Equity attributable to owners of the parent ratio (%)	Equity attributable to owners of the parent per share (yen)
FYE2025 (March 31, 2025)	2,418,197	1,020,930	980,451	40.5	2,265.08
FYE2024 (March 31, 2024)	2,409,083	946,112	914,481	38.0	2,112.66

(3) Consolidated cash flows

	Cash flows from operating activities (¥ million)	Cash flows from investing activities (¥ million)	Cash flows from financing activities (¥ million)	Balance of cash and cash equivalents at term-end (¥ million)
FYE2025	235,147	(142,926)	(73,287)	144,528
FYE2024	215,980	(124,654)	(110,072)	126,100

2. Dividends

	Annual Dividend					Total amount of dividends (¥ million)	Payout ratio (consolidated) (%)	Ratio of dividends to equity attributable to owners of the parent (consolidated) (%)
	End of 1 st quarter (Yen)	End of 2 nd quarter (Yen)	End of 3 rd quarter (Yen)	Term end (Yen)	Total (Yen)			
FYE2024	—	20.00	—	24.00	44.00	19,047	18.0	2.3
FYE2025	—	24.00	—	27.00	51.00	22,078	22.3	2.3
FYE2026 (est.)	—	27.00	—	27.00	54.00		20.2	

3. Forecasts for business operations for FYE2026 full term (April 1, 2025 – March 31, 2026)

(Percentages indicate year-on-year change)

	Revenue		Core operating income		Operating income		Net income		Net income attributable to owners of the parent		Basic earnings per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(Yen)
Full term	1,290,000	(1.4)	191,000	1.0	191,000	15.1	119,500	17.2	116,000	17.4	267.99

(Reference) Income before income taxes

FYE2026 full term: ¥168,500 million [16.0%]

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in financial forecasts

1. Changes in accounting policies required by IFRS: None
2. Changes in accounting policies other than 1.: None
3. Changes in accounting estimates: None

(3) Number of outstanding shares (common shares)

1. Number of outstanding shares at the end of the period (including treasury stock)	As of Mar. 31, 2025	433,092,837 shares	As of Mar. 31, 2024	433,092,837 shares
2. Number of treasury stocks at the end of the period	As of Mar. 31, 2025	237,521 shares	As of Mar. 31, 2024	235,014 shares
3. Average number of shares during the period	FYE2025	432,856,514 shares	FYE2024	432,859,115 shares

* Financial reports are out of the scope of audit by certified public accountants or audit corporations.

* Explanation on the appropriate use of the forecasts of financial results and other comments

The forward-looking statements such as the forecasts of financial result stated in this document are based on the information currently available on the Company and certain assumptions that the Company judges as rational. The Company is under no obligation to guarantee their achievement. Actual financial results may vary significantly due to various reasons. For details on the assumptions of the forecasts and related matters, please see page 8, “(4) Future Outlook” in “1. Overview of Business Results.”

The Company plans to hold a briefing of results for institutional investors and analysts on Friday, May 23, 2025.

Results materials handed out at that briefing will be posted on the Company website in a prompt manner following the briefing.

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1. Overview of Business Results

(1) Explanation Concerning Business Results for the Fiscal Year Under Review

(General Overview)

Nippon Sanso Holdings Group (NSHD Group) delivered positive profit growth for the fiscal year under review (from April 1, 2024 to March 31, 2025) despite macro environment challenges.

Shipment volumes of our core air separation gases oxygen, nitrogen, and argon remained stable year over year, while overall group shipment volumes decline slightly. However, disciplined price management has helped offset cost pressures, and ongoing productivity initiatives continue to enhance operational efficiency and financial performance. These efforts have enabled the NSHD Group to achieve the following results for the full fiscal year under review. Meanwhile, an impairment loss occurred due to the cancellation of construction plans for a hydrogen production plant which was being built in the United States.

Revenue on a consolidated basis increased by 4.2% year-on-year to ¥ 1,308,024 million, core operating income increased by 13.9% to ¥ 189,149 million, operating income decreased by 3.6% to ¥ 165,906 million, and net income attributable to owners of the parent decreased by 6.7% to ¥ 98,779 million.

As for the impact of foreign exchange rates year-on-year, JPY depreciated against the USD from ¥ 145.31 to ¥ 152.57 (+¥7.26, or +5.0%), against the EUR from ¥ 157.72 to ¥ 163.66 (+¥5.94, or +3.8%). As a result, overall revenue and core operating income were favorably impacted by approximately ¥35.3 billion and ¥5.5 billion respectively.

Core operating income is calculated by excluding from operating income certain gains and losses attributable to non-recurring factors such as losses incurred due to business withdrawal or downsizing.

(Overview of business performance by reportable segment)

A breakdown of business performance by reportable segment is as follows.

Segment income represents core operating income.

(i) Japan

In the industrial gas-related business, shipment volumes of air separation gases and carbon dioxide declined along with revenue from electronic material gases. However, the equipment and installation segment experienced higher revenues in both industrial gas and electronics-related businesses, driven primarily by medium- and large-scale projects accounted for on a percentage-of-completion basis. Additionally, revenue declined due to two transactions which occurred in the previous fiscal year: the conversion of a consolidated on-site subsidiary into a joint operation entity and the deconsolidation of a subsidiary managing resident-use LP gas. Segment income increased due to moderating electricity costs and stronger equipment and installation sales.

As a result, in the Japan segment, revenue decreased by 1.1% year-on-year to ¥ 410,009 million and segment income increased by 9.5% to ¥ 47,090 million.

(ii) United States

In the industrial gas-related business, revenue grew primarily due to a modest increase in shipment volumes of air separation gases and effective price management. In the equipment and installation segment, sales conditions for industrial gas and electronics-related equipment remained soft. However, segment income improved, driven by the positive impact of price management and ongoing productivity enhancement initiatives.

As a result, in the United States segment, revenue increased by 3.8% year-on-year to ¥ 360,200 million and segment income increased by 19.5% to ¥ 59,761 million.

(iii) Europe

In the industrial gas-related business, shipment volumes of air separation gases remained flat year over year, while carbon dioxide demand was subdued. However, revenue growth was primarily driven by effective price management.

Equipment and installation revenue increased, supported by strong performance in both industrial gas and medical-related equipment. Segment income improved due to higher sales revenue and the continued success of productivity enhancement initiatives.

As a result, in the Europe segment, revenue increased by 8.6% year-on-year to ¥ 328,601 million and segment income increased by 17.2% to ¥ 62,419 million.

(iv) Asia & Oceania

In the industrial gas-related business, shipment volumes of air separation gases remained strong. LP gas, with a significant portion of sales concentrated in the Australia region, saw solid sales volumes, contributing to revenue growth. The electronics-related business also experienced revenue growth across both gases and equipment. However, segment income declined, impacted by increasing labor and logistics expenses in Australia and downward pressure on sales prices in some regions due to a helium supply surplus. Additionally, this segment was weakened by preacquisition costs for a previously announced acquisition in Australia which was recorded in the fourth quarter.

As a result, in the Asia & Oceania segment, revenue increased by 10.1% year-on-year to ¥ 176,538 million and segment income decreased by 5.6% to ¥ 15,047 million.

(v) Thermos

In Japan, sales of portable vacuum-insulated mugs remained strong, with revenue growth driven in part by the successful launch of new products featuring functional and stylish designs. In Korea, sales performance remained stable year over year. Segment income improved despite being impacted by rising manufacturing costs associated with the continued depreciation of the Japanese yen, as a result of productivity and cost reduction efforts.

As a result, in the Thermos segment, revenue increased by 5.9% year-on-year to ¥ 32,593 million and segment income increased by 12.9% to ¥ 6,286 million.

(2) Overview of Financial Position for the Fiscal Year Under Review

Total assets amounted to ¥2,418,197 million as of March 31, 2025, an increase of ¥9,114 million from March 31, 2024. Foreign exchange rates resulted in a decrease in total assets of approximately ¥20.7 billion. This mainly reflected foreign exchange rate changes, such as the JPY appreciation of ¥1.89 against the USD and the JPY appreciation of ¥1.16 against the EUR as of March 31, 2025, compared with the rates as of March 31, 2024.

In the fiscal year, property, plant and equipment increased due to the progress of capital investments. In addition, the Company proceeded with the planned repayment of interest-bearing debt with a focus on financial soundness. Despite an unclear business environment, the Company will continue to communicate openly and appropriately with the bond market and financial institutions to improve liquidity and funding capacity.

The hybrid financing raised in January and March 2019 totaled ¥250.0 billion, and the rating agencies (Japan Credit Rating Agency, Ltd. and Rating and Investment Information, Inc.) have approved 50% of this financing as "equity." The Company has referred to this as equity-type debt. Furthermore, of the hybrid bonds issued in January 2019, following the ¥100.0 billion paid in January 2024, ¥75.0 billion was paid in full as a complete early redemption in December 2024, bringing the total amount of hybrid finance to ¥75.0 billion as of the end of the fiscal year under review. As a financial soundness indicator that considers this hybrid financing, the Company has established the adjusted net D/E ratio* as one of its key performance indicators and strives for the optimal composition of debt and equity. The adjusted net D/E ratio achieved was 0.71 times, an improvement of 0.03 points from the end of the previous fiscal year.

Note: Adjusted net D/E ratio: (Net interest-bearing debt – Equity-type debt) / (Equity attributable to owners of the parent + Equity-type debt)

[Assets]

Total current assets were ¥565,776 million, a decrease of ¥2,425 million from March 31, 2024. The main factors were the impact of foreign exchange rates. When comparing the substantive amounts excluding foreign exchange effects, cash and cash equivalents increased while trade receivables decreased. Total non-current assets were ¥1,852,421 million, an increase of ¥11,539 million from March 31, 2024, mainly reflecting increases in property, plant and equipment and a decrease in intangible assets.

[Liabilities]

Total current liabilities were ¥395,285 million, a decrease of ¥102,734 million from March 31, 2024. The main factors were decreases in bonds and borrowings and other financial liabilities. Total non-current liabilities were ¥1,001,982 million, an increase of ¥37,030 million from March 31, 2024. The main factors were increases in bonds and borrowings and other financial liabilities.

[Equity]

Total equity amounted to ¥1,020,930 million, an increase of ¥74,817 million from March 31, 2024. The main factors were an increase due to the recording of net income attributable to owners of the parent, a decrease due to retained earnings paid as dividends, and a decrease in exchange differences on translation of foreign operations. The ratio of equity attributable to owners of the parent stood at 40.5%, up 2.5 percentage points from March 31, 2024.

(3) Overview of Cash Flows for the Fiscal Year Under Review

[Cash flow from operating activities]

Net cash provided by operating activities increased 8.9% year on year to ¥235,147 million. The main factors were profit before income taxes, depreciation and amortization, and corporate income tax payment or refund.

[Cash flow from investing activities]

Net cash used in investing activities increased 14.7% year on year to ¥142,926 million. The main use of cash was for the purchase of property, plant and equipment.

[Cash flow from financing activities]

Net cash used in financing activities decreased 33.4% year on year to ¥73,287 million. The main factors were repayment of long-term borrowings, proceeds from long-term borrowings, and payment of dividends.

As a result of the Company's operating, investing and financing activities, the balance of cash and cash equivalents as of March 31, 2025, after accounting for the effects of exchange rates, increased 14.6% year on year to ¥144,528 million.

	FYE2021	FYE2022	FYE2023	FYE2024	FYE2025
The ratio of equity attributable to owners of the parent (%)	27.9	31.8	33.5	38.0	40.5
The ratio of equity attributable to owners of the parent on a market-value basis (%)	49.6	51.1	47.8	85.4	80.8
Redemption period (years)	6.4	6.2	5.0	4.3	3.8
Interest coverage ratio (times)	12.9	13.7	14.7	9.3	9.4

Note:

The indicator values were all calculated based on financial numerical values on a consolidated basis.

-The ratio of equity attributable to owners of the parent (%): Equity attributable to owners of the parent / total assets

-The ratio of equity attributable to owners of the parent on a market-value basis (%): Total market value of the stock / total assets

-Redemption period (years): Interest-bearing debts / cash flows

-Interest coverage ratio (times): Cash flows / interest payment

1. The total market value of the stock is calculated by multiplying the term-end closing price of the stock by the number of term-end outstanding shares.

2. The cash flow used in the calculations is the cash flow from operating activities included in the Consolidated Statement of Cash Flows.

3. Interest-bearing debts cover all of the debts recorded in the Consolidated Statement of Financial Position on which the Company pays interest.

4. The figures specified for interest payment are the amounts of interest paid which are recorded in the Consolidated Statement of Cash Flows.

(4) Future Outlook

We have formulated the medium-term management plan, “NS Vision 2026 – Enabling the Future,” for the four-year period from FYE2023 to FYE2026. The plan defines five focused fields, “Sustainability Management,” “Explore New Business Toward Carbon Neutrality,” “Total Electronics,” “Operational Excellence,” and “DX Initiatives,” under the business management structure of four global industrial gas regions (Japan, United States, Europe, Asia & Oceania) and Thermos, which comprise the five operating segments of the Nippon Sanso Holdings Group. In addition, we will enhance human well-being and contribute to a more sustainable future by improving the Group’s total strengths and aiming for further growth.

Overall, in the regions where we operate, the outlook remains difficult to predict due to geopolitical issues, trade tensions, a global energy volatility, global inflation, and tariff considerations by the new U.S. administration. Therefore, the actual results may vary from our medium-term management financial outlook due to these and other positive and negative factors.

In FYE2026, the Industrial gas business expects continued growth in resilient markets such as food & beverage and healthcare, we will explore new business opportunities with customers who are working toward Carbon Neutrality. In the electronics business, we will adopt to customers’ production, demand and capital investment plans.

In addition, global energy inflation headwinds which began in FYE2022 from geopolitical issue, have moderated in some regions, but the situation remains volatile and varies from region to region. We expect future energy prices to remain unpredictable. Hence, our entire group will continue to focus on appropriate price management in line with cost trends, and productivity initiatives.

In the Thermos business, we expect that higher raw material costs due to inflation pressures will continue. We will concentrate on improving business performance through offerings new design and new products with better functionality such as dishwasher compatible series, expansion of product lines including kitchenware, and E-commerce services including online shopping.

In FYE2025, we exceeded our targets in three indicators (revenue, core operating income, and ROCE after tax) out of the five financial KPIs set in the medium-term management plan (for the period leading to FYE2026). We will continue to meet customer expectations and strengthen our earnings power by providing value to our customers, ensuring appropriate price management, and driving productivity initiatives.

Our consolidated earnings forecasts for FYE2026 are shown in the table below. The exchange rate assumptions used in the forecast are ¥141.00 to the USD, and ¥162.00 to the EUR.

	Revenue	Core operating income	Operating income	Net income	Net income attributable to owners of the parent
FYE2026 (¥ billion)	1,290.0	191.0	191.0	119.5	116.0
FYE2025 (¥ billion)	1,308.0	189.1	165.9	101.9	98.7
Change (%)	(1.4)	1.0	15.1	17.2	17.4

(5) Basic Policy on Profit Distribution and Dividends for FYE2025 and FYE2026

We will strive to return profits to shareholders under a dividend policy that aims to provide continuous and stable dividends, aligned in a way with consolidated business results, while setting aside enough retained earnings to enhance and strengthen our operational makeup.

Under this policy, we plan to offer a year-end dividend of ¥27 per share, up ¥3 from the year before. Since the interim dividend was ¥24 per share, this means that we will pay an annual dividend of ¥51 per share. For the next fiscal year, we plan to offer an annual dividend of ¥54 per share (an interim dividend of ¥27).

2. Basic Policy on Selection of Accounting Standards

The NSHD Group adopted the International Financial Reporting Standards (IFRS) in FYE2017 in order to improve the international comparability of its financial statements in the capital market and integrate accounting procedures within the group.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	126,100	144,528
Trade receivables	282,199	263,080
Inventories	100,460	99,509
Other financial assets	27,216	14,588
Other current assets	27,847	42,148
Subtotal	563,825	563,854
Assets possessed for a sales purpose	4,376	1,921
Total current assets	568,201	565,776
Non-current assets		
Property, plant and equipment	877,400	899,306
Goodwill	575,809	575,289
Intangible assets	252,348	240,967
Investments accounted for using the equity method	54,673	61,171
Other financial assets	63,436	58,482
Retirement benefit asset	4,712	5,201
Other non-current assets	9,133	8,427
Deferred tax assets	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)

	As of March 31, 2024	As of March 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	136,027	133,822
Bonds and borrowings	166,219	92,630
Corporate income taxes payable	14,169	14,070
Other financial liabilities	121,402	93,378
Allowance	1,095	296
Other current liabilities	59,105	61,088
Total current liabilities	498,019	395,285
Non-current liabilities		
Bonds and borrowings	724,039	757,936
Other financial liabilities	39,488	44,703
Retirement benefit liabilities	15,352	15,337
Allowance	5,019	5,304
Other non-current liabilities	20,656	19,293
Deferred tax liabilities	160,395	159,405
Total non-current liabilities	964,951	1,001,982
Total liabilities	1,462,970	1,397,267
Equity		
Share capital	37,344	37,344
Capital surplus	39,233	39,803
Treasury stock	(242)	(260)
Retained earnings	627,544	709,068
Other components of equity	210,601	194,495
Total equity attributable to owners of the 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)

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

(Consolidated statement of Comprehensive Income)

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Net income	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	5,529	(3,484)
Remeasurements of defined benefit plans	1,075	778
Share of other comprehensive income of investments accounted for using the equity method	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	106,377	(11,351)
Effective portion of net change in fair value of cash flow hedges	580	(362)
Share of other comprehensive income of investments accounted for using the equity method	1,115	2,199
Total of items that may be reclassified subsequently to profit or loss	108,073	(9,514)
Total other comprehensive income, net of tax	114,747	(12,119)
Comprehensive income	224,112	89,826
Comprehensive income attributable to:		
Owners of the 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)			
	Share capital	Capital surplus	Treasury stock	Retained earnings
Balance at April 1, 2023	37,344	51,610	(233)	537,867
Net income	—	—	—	105,901
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	—	105,901
Purchase of treasury stock	—	—	(8)	—
Disposal of treasury stock	—	—	—	—
Dividends	—	—	—	(17,316)
Changes in ownership interest in subsidiaries	—	(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

	Other components of equity				Total	Total equity attributable to owners of the 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
Net income	—	—	—	—	—	105,901	3,463	109,364
Other comprehensive income	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 stock	—	—	—	—	—	(8)	—	(8)
Disposal of treasury stock	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	(17,316)	(863)	(18,179)
Changes in ownership interest in subsidiaries	—	—	—	—	—	(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)			
	Share capital	Capital surplus	Treasury stock	Retained earnings
Balance at April 1, 2024	37,344	39,233	(242)	627,544
Net income	—	—	—	98,779
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	—	98,779
Purchase of treasury stock	—	—	(18)	—
Disposal of treasury stock	—	0	0	—
Dividends	—	—	—	(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

	Other components of equity				Total	Total equity attributable to owners of the 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, 2024	188,017	291	22,292	—	210,601	914,481	31,630	946,112
Net income	—	—	—	—	—	98,779	3,166	101,945
Other comprehensive income	(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 stock	—	—	—	—	—	(18)	—	(18)
Disposal of treasury stock	—	—	—	—	—	0	—	0
Dividends	—	—	—	—	—	(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)

	Year ended March 31, 2024	Year ended March 31, 2025
Cash flow from operating activities		
Profit before income taxes	150,720	145,272
Depreciation and amortization	112,440	116,196
Impairment loss	2,532	27,145
Gains on loss of control	(8,892)	—
Interest and dividends 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 sale 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 liabilities	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)
Corporate income tax refund (paid)	(40,692)	(47,024)
Cash flow from operating activities	215,980	235,147
Cash flow from investing activities		
Payments for purchase of property, plant and equipment	(118,346)	(146,825)
Proceeds from sale of property, plant and equipment	1,326	7,257
Payments for purchase of investment	(190)	(520)
Proceeds from sale and redemption of investments	790	5,792
Payments for acquisition of subsidiaries	—	(343)
Proceeds from sale of subsidiaries	362	610
Payments for acquisition of businesses	(2,326)	(5,645)
Other	(6,269)	(3,251)
Cash flow from investing activities	(124,654)	(142,926)

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Cash flow 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
Repayment of long-term borrowings	(106,848)	(178,582)
Proceeds from issuance of bonds	99,532	19,898
Payments for redemption of bonds	(100,000)	(20,000)
Payments for repayment of lease obligations	(13,683)	(13,748)
Payments for purchase of shares in subsidiaries not resulting in change in scope of consolidation	(17,438)	(557)
Dividends paid	(17,316)	(20,779)
Dividends paid to non-controlling interests	(863)	(1,251)
Other	265	101
Cash flow from financing activities	(110,072)	(73,287)
Impact 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 fiscal year	132,217	126,100
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	184	16
Increase in cash and cash equivalents in relation to merger	—	101
Balance of cash and cash equivalents at term-end	126,100	144,528

(5) Notes to Consolidated Financial Statements

(Applicable financial reporting framework)

On Consolidated Financial Statements of the Group (Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to Consolidated Financial Statements), parts of the disclosure items and notes required by International Financial Reporting Standards (IFRS) are omitted.

(Notes regarding going concern assumption)

Not applicable.

(Segment information)

(1) Outline of reportable segments

The NSHD Group's reportable segments are those of the components of the NSHD Group on which separate financial information is available, and which are evaluated regularly by the Board of Directors to determine the allocation of management resources and assess business performance. No grouping of operating segments has been carried out for reporting purposes.

The NSHD Group conducts gas businesses in Japan and overseas, mainly for customers in the steel, chemical, and electronics industries, and has production and sales bases for its main products in Japan, United States, Europe, and Asia & Oceania. In addition, the NSHD Group engages in the manufacture and sale of housewares such as stainless steel vacuum bottles. Accordingly, the Group has established the following five reportable segments: Japan, United States, Europe, Asia & Oceania, and Thermos.

The principal products and services for each of the reportable segments are as shown below.

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

The accounting methods adopted for the reported operating segments are the same as those adopted to prepare the consolidated financial statements. Revenue from inter-segment transactions and transfers is based primarily on prevailing market prices.

(2) Figures of revenue and income (loss) by reportable segment
FYE2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts on the Consolidate d Statement of Income
	Japan	United States	Europe	Asia & Oceania	Thermos	Total		
Revenue								
Revenue from external customers	414,365	347,054	302,477	160,327	30,765	1,254,990	90	1,255,081
Revenue from inter-segment transactions 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 income (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 loss	—	—	954	63	—	1,017	—	1,017
Share of profit of investments accounted for using the equity method	211	—	507	429	2,856	4,005	1	4,006

- Note: 1. The negative adjustment of (¥1,780) million for segment income 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 consist mainly of Group administration expenses at the Company that are not attributable to reportable segments.
2. Segment income represents core operating income, which is calculated by excluding from operating income certain gains or losses attributable to non-recurring factors, such as losses arising from business withdrawal or downsizing.

FYE2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts on the Consolidated Statement of Income
	Japan	United States	Europe	Asia & Oceania	Thermos	Total		
Revenue								
Revenue from external customers	410,009	360,200	328,601	176,538	32,593	1,307,944	80	1,308,024
Revenue from inter-segment transactions 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 income (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 loss	—	—	—	5	—	5	—	5
Share of profit of investments accounted for using the equity method	863	—	746	305	3,099	5,014	(0)	5,014

Notes: 1. The negative adjustment of (¥1,455) million for segment income 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 consist mainly of Group administration expenses at the Company that are not attributable to reportable segments.

2. Segment income represents core operating income, which is calculated by excluding from operating income certain gains or losses attributable to non-recurring factors such as losses arising from business withdrawal or downsizing.

Reconciliation of segment income with income before income taxes is shown below.

(Millions of yen)

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

(Per share information)

Basic earnings per share and the calculation basis are as follows.

	FYE2024 (April 1, 2023 to March 31, 2024)	FYE2025 (April 1, 2024 to March 31, 2025)
Net income attributable to owners of parent (¥ million)	105,901	98,779
Average number of shares during the term (thousand shares)	432,859	432,856
Basic earnings per share (yen)	244.66	228.20

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

(Impairment loss)

The major assets on which impairment losses were recognized are as follows.

From April 1, 2024 to March 31, 2025

(Millions of yen)

Item	Place	Type	Segment	Impairment loss
Hydrogen production plant	Alabama, U.S.	Construction in progress	United States	25,842

Breakdown of Impairment Losses

- Hydrogen production plant (¥25,842 million)

The book value of a hydrogen production facility under construction in the U.S. was reduced to its recoverable amount due to the decision to discontinue the construction plan. The recoverable amount is measured based on fair value less costs of disposal. As the asset is difficult to sell, its fair value less costs of disposal is set at zero, and the fair value hierarchy is Level 3.

(Additional information)

(Australian business subsidiary acquires Australian industrial gas company (subsidiary formation))

The NSHD has reached an agreement with Wesfarmers Limited (hereinafter "Wesfarmers") through NSC (Australia) Pty Ltd, its business subsidiary in Australia in December 2024 to acquire Coregas Pty Ltd, Blacksmith Jacks Pty Ltd, and

Coregas NZ (hereinafter called “Coregas Group”), which is currently owned by Wesfarmers and handles industrial gas businesses in Australia and New Zealand.

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

(European business company to acquire Spanish respiratory home therapy service company (subsidiary formation))

In December 2024, the NSHD has reached an agreement with Corporación Químico-Farmacéutica Esteve (CQFE) and Teijin Holdings Europe BV (Teijin) through Oximesa S.L.U., the business subsidiary company in Europe to acquire all of the shares of Esteve Teijin Healthcare (ETH).

The transaction is expected to be completed as soon as approval is received from Spain's National Commission on Markets and Competition (Comisión Nacional de los Mercados y de la Competencia) for the acquisition of shares.

(Significant subsequent events)

Not applicable.