



NIPPON SANSO HOLDINGS

Q3 FYE2023 Consolidated Financial Results

Earnings Announcement

(Nine months ended December, 2022)

February 2, 2023
Tokyo (Japan)

The Gas Professionals

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● Financial information

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

Notes

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

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

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

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

<Forex rates>

		Average Forex rates								FYE2023	FYE2023	(Reference) Currency sensitivity as rough indication		
		FYE2022				FYE2023				(Updated)	(Previous)	Impact of devaluation by 1 JPY (Full-term basis)		
Unit : JPY	Currency	1Q (Apr.-Jun.)	1st Half (Apr.-Sep.)	9M (Apr.-Dec.)	Full-term (Apr.-Mar.)	1Q (Apr.-Jun.)	1st Half (Apr.-Sep.)	9M (Apr.-Dec.)	Full-term (Apr.-Mar.)	Full-term Assumption (Apr.-Mar.)	Full-term Assumption (Apr.-Mar.)	Unit : ¥ bn.	Revenue	Core Operating Income
	USD	109.76	110.10	111.45	113.04	131.25	135.30	136.85		138	115	USD	+2.0	+0.25
	EUR	132.44	131.16	130.96	131.11	138.75	139.14	140.83		140	125	EUR	+1.6	+0.2
	SGD	82.41	82.01	82.77	83.83	94.97	97.12	98.61		97.1	82.7			
	AUD	84.15	82.33	82.69	83.33	92.52	93.51	93.16		93.5	82.2			
	CNY	17.06	17.07	17.35	17.65	19.71	19.91	19.81		19.9	17			

● Presentation of overall business performance and segment performance

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

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Appendix

1. Strategic overview

Our Medium-term Management plan:

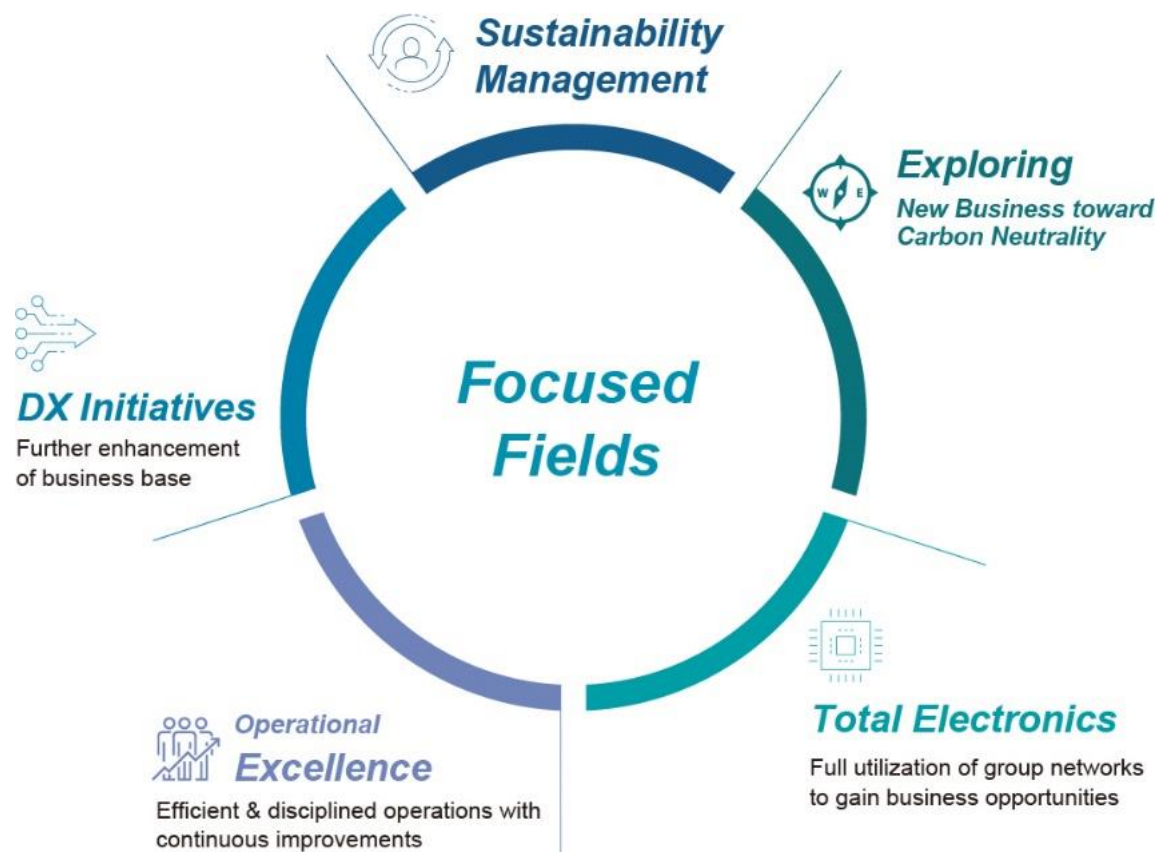
NS Vision 2026 | Enabling the Future

Group Philosophy

Proactive. Innovative. Collaborative.
Making life better through gas technology.
The Gas Professionals

Group Vision

We aim to create social value through innovative gas solutions that increase industrial productivity, enhance human well-being and contribute to a more sustainable future.



Price Management

Drive price to maintain and increase profits and maximize operating cash flows.

Solid pricing management enables:

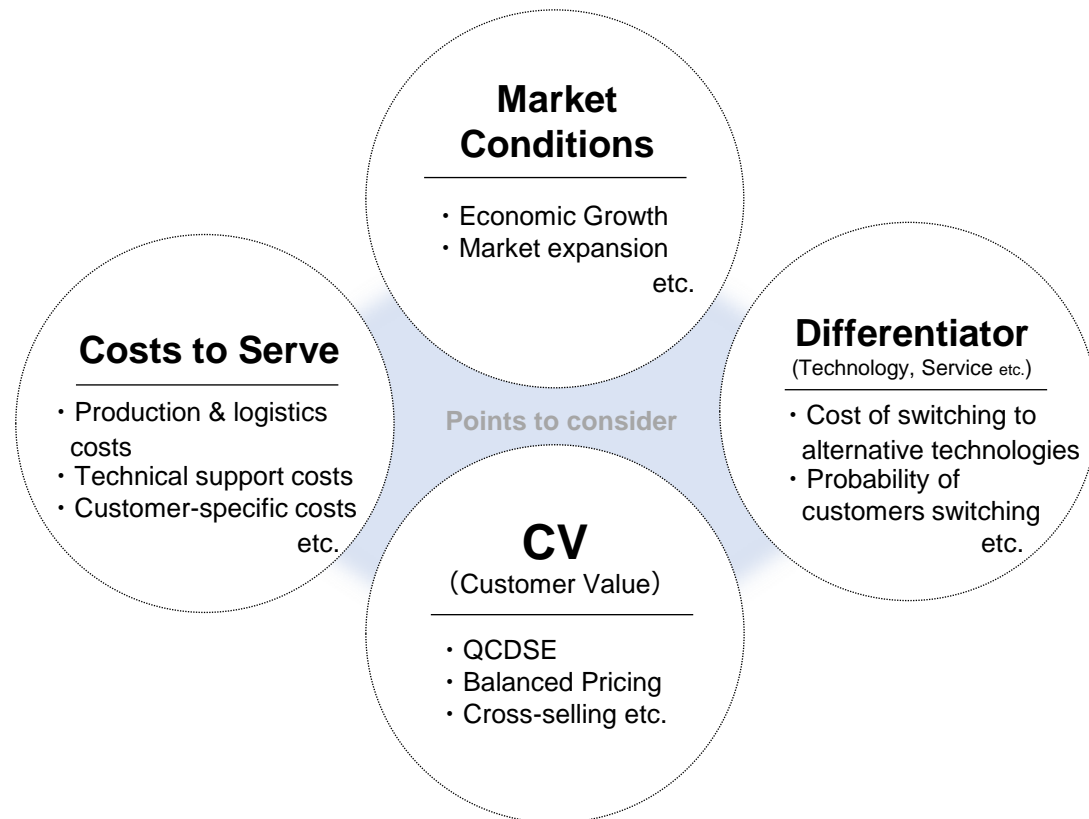
- Stable dividends to shareholders
- Increased investment in R&D, CAPEX, and M&A
- Appropriate organizational resourcing and deployment
- Debt reduction for financial soundness

Maintain strong relationship with customers through solid product and service value.

Viewpoint (QCDSE)	Customer requests & expectations
Quality	Sustainably provide products & services with quality that meets the required standards
Cost	Reduce production cost per unit through continuous high efficiency & rationalization
Delivery	Deliver to the specified location in compliance with the required deadlines
Safety	Manage safety with appropriate security, maintenance, and upkeep activities
Environment	Save energy & reduce GHG emissions per unit

Price Management Cont'

Price and value provided to our customers are determined and managed within each region that we operate.



Key Aspects of the Industrial gas business

- 1.** Suitable for production in consumption areas
 - Air separation gases (O₂: Oxygen, N₂: Nitrogen, Ar: Argon)
 - CO₂ gas (LCD: Liquide Carbon Dioxide, DI: Dry-ice)
- 2.** Fundamental value: Reliable supply network
 - Density of Production sites, and business network
 - HR & operational proficiency to ensure reliable supply
- 3.** Wide various customer industries
 - One of production goods used in all industries
 - Indispensable foundation material in any generations
- 4.** Business structures/practices by region
 - Differences in sales composition
 - Differences in commercial culture

As the Gas Professionals, we will maintain safe and reliable product supply and will manage price to ensure our Company's long-term viability and sustainability.

Japan Price initiatives

Price revisions are based on Customer Value and are needed to ensure appropriate profit levels.

New Initiatives

- ① Revise prices to offset energy and general cost inflation.
- ② Improve our operational performance to further enhance CV for customers.
- ③ Prioritize sustainable profit generation at the core of our management team.

Price Efforts Since January 2022

[In the case of Liquefied Gas Products]

Item	Released timing	Revision date	Revision range*1
1 st revision	Nov. 2021	From Feb. 2022	+ 10%
2 nd revision	Jul. 2022	From Aug. 2022	+ 15%
3 rd revision	Dec. 2022	From Feb. 2023	+ 20%

*1 Compared to current shipping price

Japan business view for Taiyo Nippon Sanso Group

Market phase	<p>Mature phase. Growth curve stabilizes lowly.</p> <p>Japan GDP growth rate has remained low, making it difficult to expect a significant increase in volume linked to customers' production activities.</p>
Cost structure	<p>Air Separation Gas production costs up.</p> <p>Since electricity is significantly consumed in the production of Industrial Gases, higher electricity costs have a direct correlation to our cost stack.</p>
Current price convention	<p>Region-specific business practices by supply mode</p> <p>On-site : Includes JV operation style with our customers.</p> <p>Bulk : Price formulation hasn't been widespread, and when electricity base price increases, price negotiation style is mostly conducted on an individual customer by customer basis. Fluctuations in cyclical fuel cost adjustment unit prices had been absorbed solely by suppliers.</p> <p>Packaged : Majority of sales are through outside distributors, with few direct channel.</p>

Long-Term Targets for CY2030 in TAIYO NIPPON SANSO (Japan)

『iGaaS*2 10・15・20』

*2 industrial Gases as a Service

10%: Improve productivity

15%: Achieve operating income margin

20%: Achieve sales ratios for new merchandise, products, and services

Specific measures (examples)

- Enhance communication with customers
- Application and development of best practices from other regions (US, Europe, and A&O^{*3})
- Develop products and services that meet new demands (e.g., more Customers aiming for carbon neutrality) and accurately design prices commensurate with the value provided.
- Develop personnel, tools, and systems to accurately manage prices

*3 Asia & Oceania

HYCO* Business Advancement

Meet our customer's expectations toward the realization of Carbon neutrality (CN) with our HyCO capabilities/expertise.

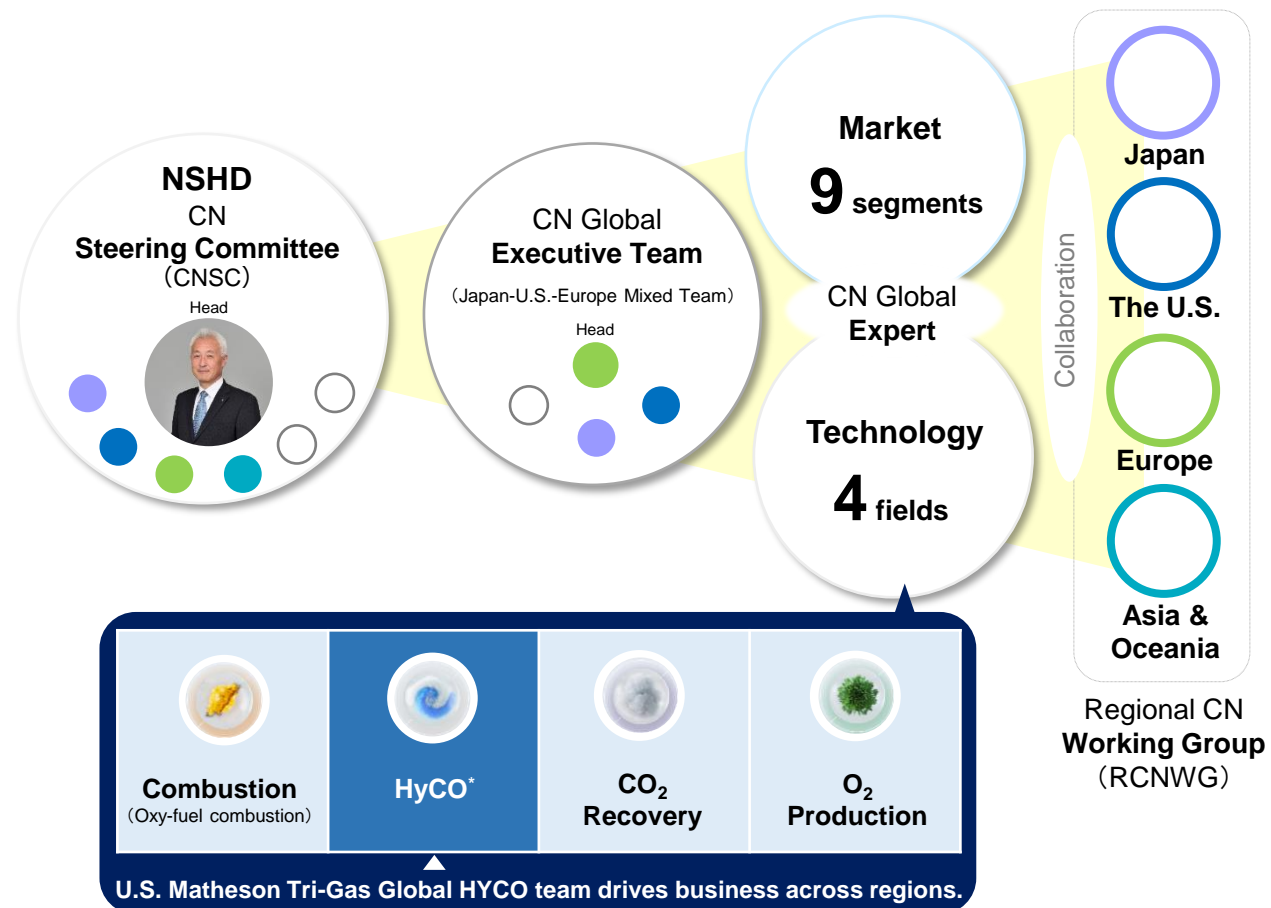
Current recognition and stance

- ✓ Efforts to achieve CN are underway in all industries (GHG emissions reduction by our Group Companies and our customers is one of our most important management issues)
- ✓ Acquire business opportunities with attention to economics and financial soundness

Key strategic themes

- 1. Reduce energy usage by improving plant operation**
(= Reduction of both production costs and GHG emissions)
- 2. Expand Hydrogen business**
 - Actively utilize capability of Global HYCO team in US Matheson Tri-Gas
 - Construct production bases with advanced, highly efficient facilities
 - Integrate HYCO solutions with customer processes optimally
- 3. Advance HyCO production capabilities**
(= Pursuing higher efficiency and lower GHG emissions)

Integrated promotion organization to respond promptly




* Use of different terms in this presentation as below,
 • HyCO: the area of H₂, CO, Syngas plus CO₂
 • HYCO: our own business line

Progress toward HYCO business expansion

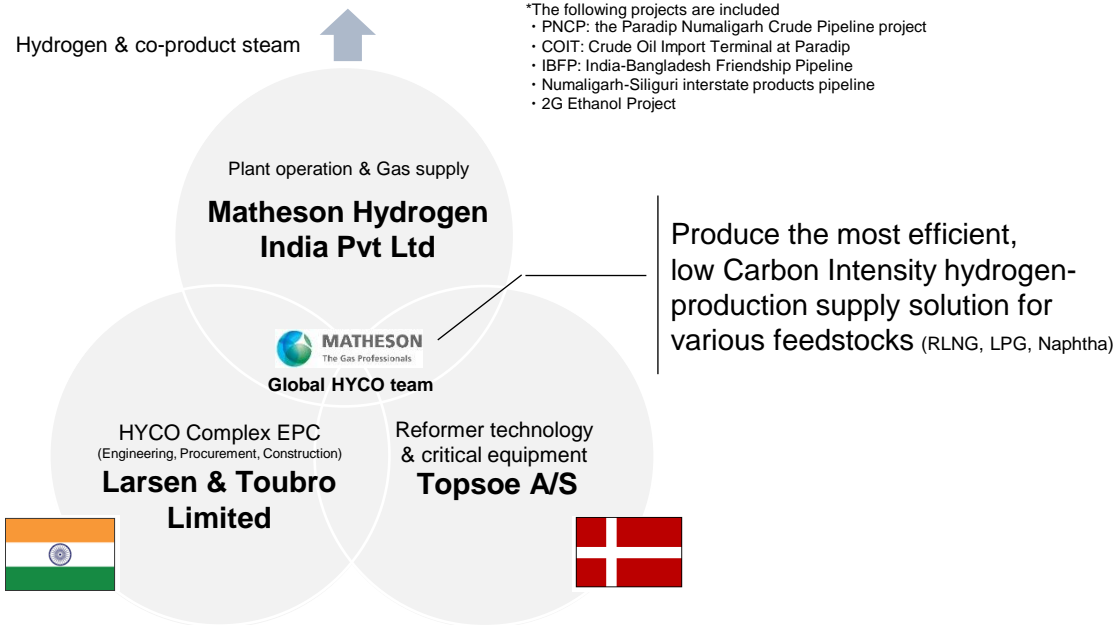
U.S. Matheson Tri-Gas was awarded a 20-yr contract to supply Hydrogen and co-product steam for Numaligarh Refinery Limited's (NRL) refinery in Numaligarh, Assam, northeast India in December 2022.

A Public Sector affiliate of the India Gov't



Hydrogen and co-product steam to be supplied by us will be used in the Numaligarh Refinery Expansion Project (NREP), an expansion project led by NRL under the India's Gov't Northeast Development Plan*.

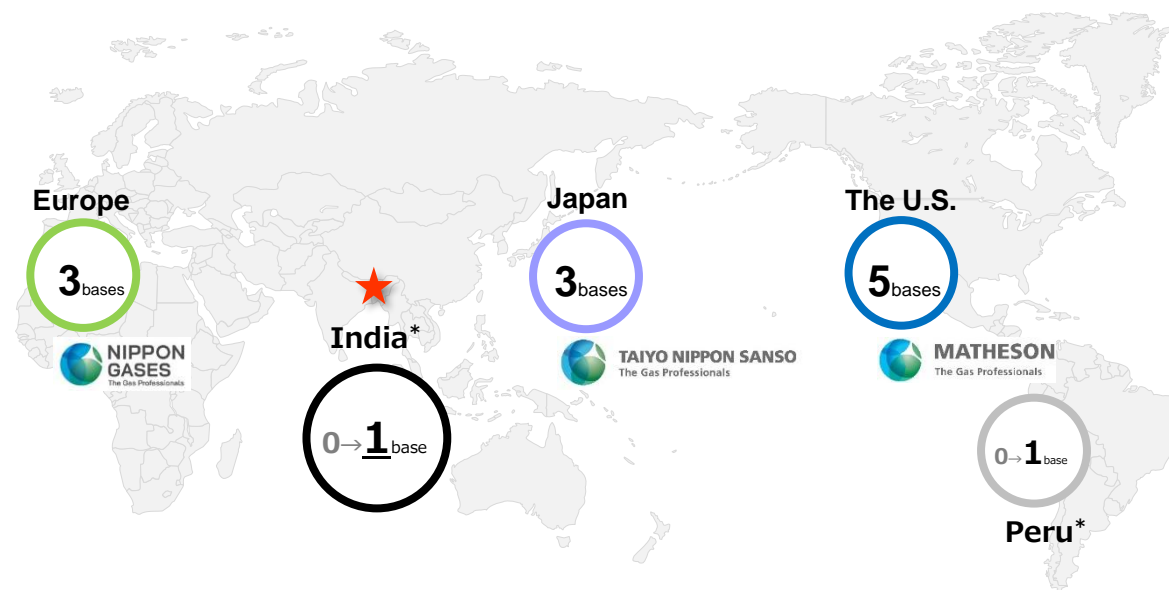
- *The following projects are included
- PNCP: the Paradip Numaligarh Crude Pipeline project
 - COIT: Crude Oil Import Terminal at Paradip
 - IBFP: India-Bangladesh Friendship Pipeline
 - Numaligarh-Siliguri interstate products pipeline
 - 2G Ethanol Project



HyCO and Hydrogen production bases of our group

(Supply capabilities : > 1,000Nm³/h [including SMR and By-product])

As of Dec. 31,2022

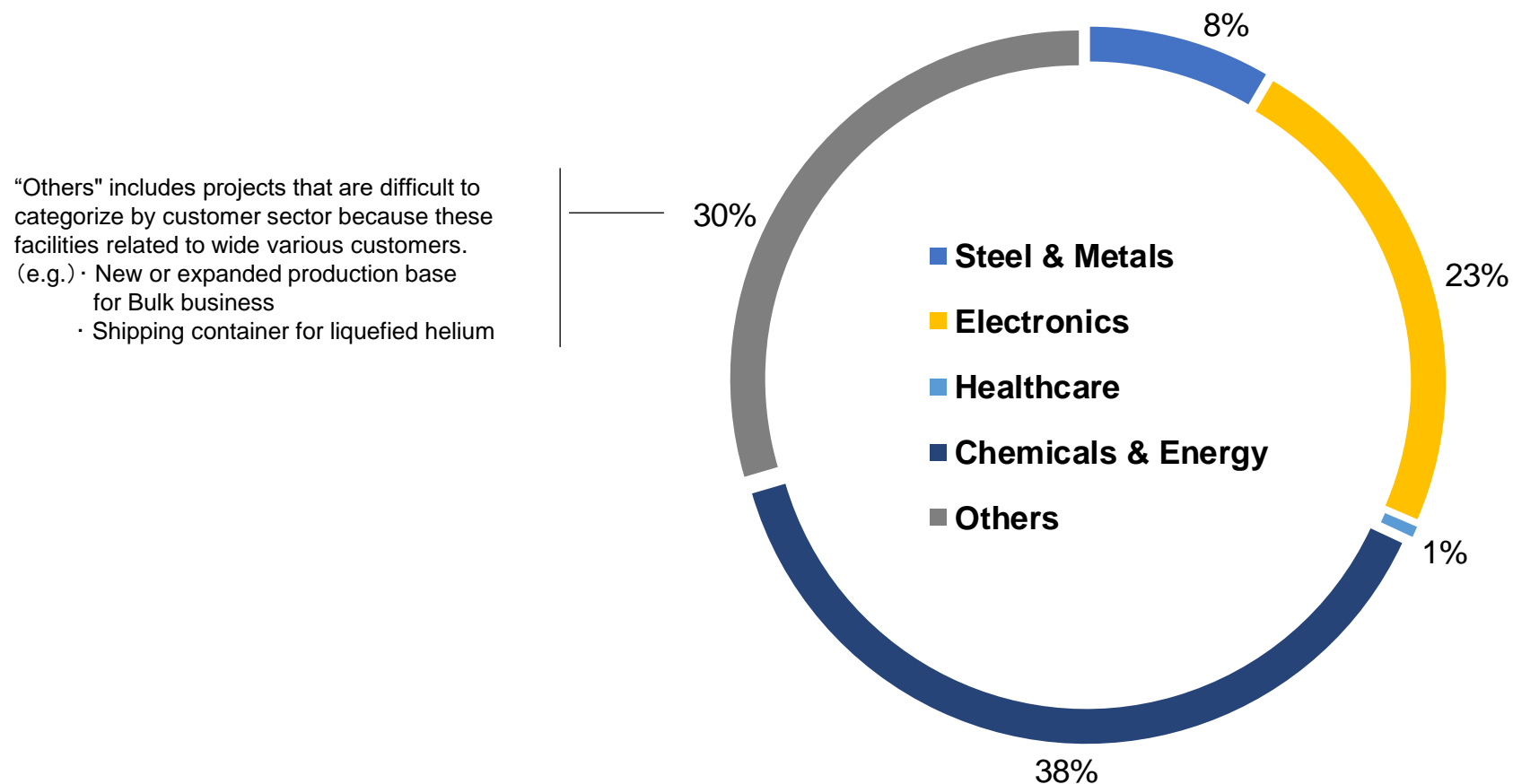


The first production base in India with a supply capacity of 1,000 Nm³/h or more in the A&O region

* Note that HYCO business bases in Peru and India will be included in the U.S. segment for disclosure.

Key CAPEX for our sustainable growth

We have identified many global growth opportunities and currently have a diversified capital portfolio aligned with our Medium-term management plan; NS Vision 2026.



* Note that the above is an aggregation of investments which have been approved by the Board of directors of each our group company, but have not yet been placed in service. The size of each project is over approx. ¥500mn., \$4mn. or €4mn.

Key Highlights

- ✓ Proceed flexible measures against **inflation**
- ✓ Key **initiatives** in **Electronics & Carbon Neutral** related
- ✓ Pursuing **project wins** and building **backlog**
- ✓ **Focus on** growth, productivity and pricing
- ✓ **Weak JPY** pushed Revenue & Operating Income up

2. Q3 FYE2023

Business performance

-1. Q3 Quarter Period performance

Consolidated results

	FYE2022	FYE2023	YoY	
	Q3	Q3	Difference	% Change
(Unit: ¥ bn.)	(Oct.-Dec.)	(Oct.-Dec.)		
Revenue	244.1	299.3	+55.2	+22.6%
Core operating income	26.4	31.3	+4.9	+18.4%
Core OI margin	10.8%	10.5%		
Non-recurring profit and loss	-0.0	-0.8	-0.8	
Operating income (IFRS)	26.4	30.5	+4.1	+15.4%
OI margin	10.8%	10.2%		
EBITDA margin	20.2%	19.4%		
Finance costs	-2.4	-5.4	-3.0	
Income before income taxes	23.9	25.1	+1.2	+4.8%
Income tax expenses	7.1	7.1	+0.0	
Net income	16.8	17.9	+1.1	+6.7%
(Attribution of net income)				
Net income attributable to owners of the parent	15.8	17.2	+1.4	+8.9%
NI margin	6.5%	5.8%		
Net income attributable to non-controlling interests	1.0	0.7	-0.3	

Japan

(Unit: ¥ bn.)	FYE2022	FYE2023	YoY		
	Q3 (Oct.-Dec.)	Q3 (Oct.-Dec.)	Difference	% Change	% Change exc. FX
Revenue	93.5	106.1	+12.6	+13.5%	+13.3%
Segment income	8.4	7.4	-1.0	-12.6%	-12.9%
Segment OI margin	9.1%	7.0%			

YoY Factors for increase/decrease in this quarterly period and other comment

- Bulk & On-Site (Air separation gases): Volume decreased, but revenue increased due to price revisions. Energy costs increased significantly.
- Bulk (LP gas): Revenue decreased due to lower volume, despite the impact of higher selling prices which are linked to purchase price.
- Specialty gases: Electronic industry shipments were favorable.
- Equipment and installation, other: Revenue of industrial gas-related were flat with the previous year, but revenue of electronics-related increased.
- EBITDA margin: 11.5% (FYE2023 Q3)



United States

(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	
	Q3	Q3		% Change	% Change exc. FX
	(Oct.-Dec.)	(Oct.-Dec.)			
Revenue	56.8	77.6	+20.8	+36.6%	+11.4%
Segment income	6.3	10.0	+3.7	+58.3%	+29.4%
Segment OI margin	11.1%	12.9%			

YoY Factors for increase/decrease in this quarterly period and other comment

- Bulk & Packaged: While demand remains stable, costs have risen significantly from general inflation and high energy and distribution costs. Driver shortage improving, but remains a cost headwind. Ongoing price revision activities.
- On-site: Customer demand stable with previous year.
- Equipment and installation, other: Demand was favorable in welding and cutting related fields.
- EBITDA margin: 26.2% (FYE2023 Q3)

Europe

(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	
	Q3	Q3		% Change	% Change exc. FX
	(Oct.-Dec.)	(Oct.-Dec.)			
Revenue	54.3	66.9	+12.6	+23.3%	+11.5%
Segment income	6.7	9.4	+2.7	+41.2%	+28.0%
Segment OI margin	12.4%	14.2%			

YoY Factors for increase/decrease in this quarterly period and other comment

- Packaged: Shipment volume decreased but revenue increased due to price revisions.
- Bulk and on-site: Demand decreased in the manufacturing industry. Revenue of bulk increased significantly due to price revisions.
- Equipment and installation, other: Revenue of welding and cutting-related decreased.
- Appropriate response to rapid changes in the business environment: Revenue increased significantly due to price pass-through, cost recovery, and surcharges in response to the steep rise in energy costs that began in Q2 of the previous fiscal year.
- EBITDA margin: 27.4% (FYE2023 Q3)



Asia & Oceania

(Unit: ¥ bn.)	FYE2022	FYE2023	YoY		% Change exc. FX
	Q3 (Oct.-Dec.)	Q3 (Oct.-Dec.)	Difference	% Change	
Revenue	31.8	41.0	+9.2	+28.9%	+13.5%
Segment income	3.0	3.3	+0.3	+9.4%	-4.6%
Segment OI margin	9.7%	8.2%			

YoY Factors for increase/decrease in this quarterly period and other comment

- Bulk gas: Demand remains firm.
- Bulk (LP gas): In Australia, revenue increased significantly due to an increase in volume and the impact of higher selling prices which are linked to purchase prices.
- Specialty gases: Revenue increased significantly due to growth in shipment volume for electronics industry in East Asia.
- Equipment and installation, other: In industrial gas-related business, sales decreased in Singapore.
In electronics-related business, sales increased in Taiwan.
- EBITDA margin: 14.1% (FYE2023 Q3)

Thermos

(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	
	Q3	Q3		% Change	
	(Oct.-Dec.)	(Oct.-Dec.)			
Revenue	7.4	7.4	-0.0	-0.3%	-2.7%
Segment income	1.9	1.1	-0.8	-40.9%	-42.8%
Segment OI margin	26.3%	15.6%			

YoY Factors for increase/decrease in this quarterly period and other comment

- Japan: Revenue of main products; sports bottles were firm. Revenue of kitchenware such as frying pans were also strong. Raw material and manufacturing costs increased mainly from the effect of inflation and the weak JPY.
- Asia: Revenue in South Korea were on par. Operation of production plants declined from the previous year. Performance of equity method affiliates was flat.
- EBITDA margin: 20.7% (FYE2023 Q3)



2. Q3 FYE2023

Business performance

-2. Nine months Cumulative performance

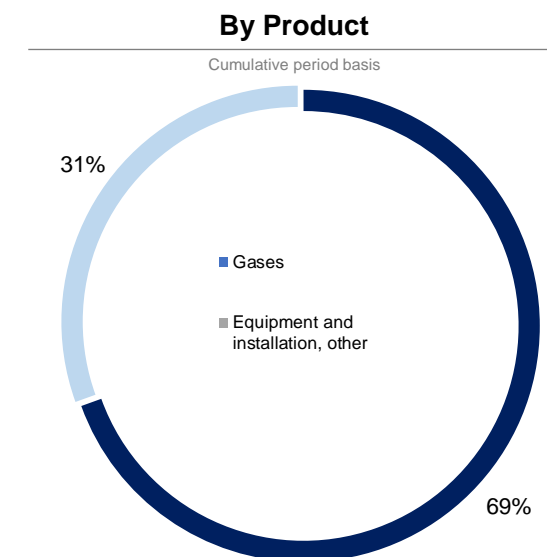
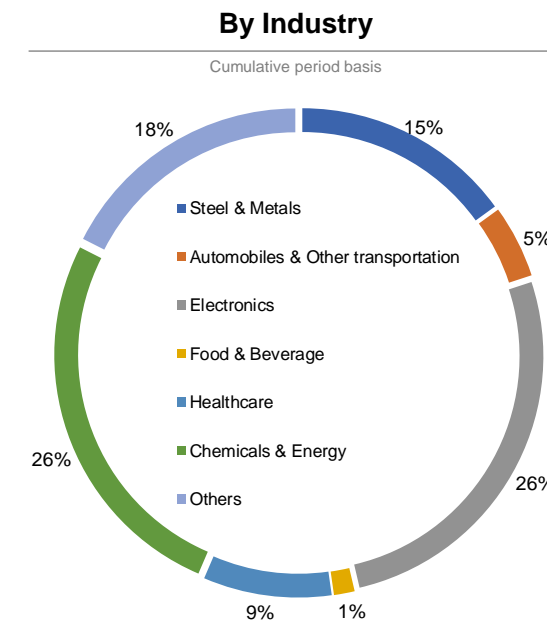
Consolidated results

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



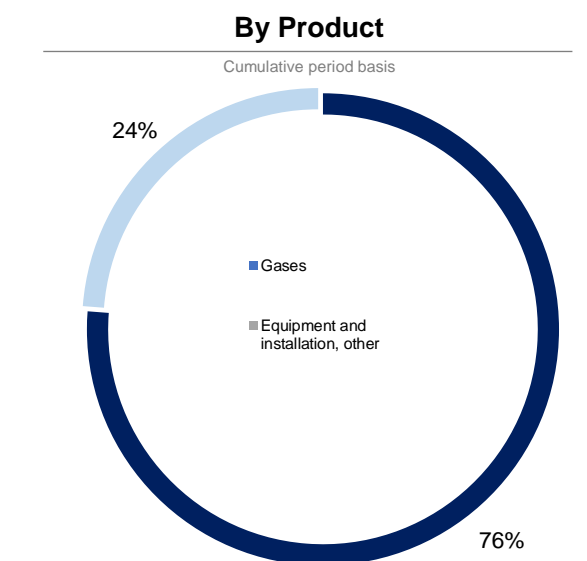
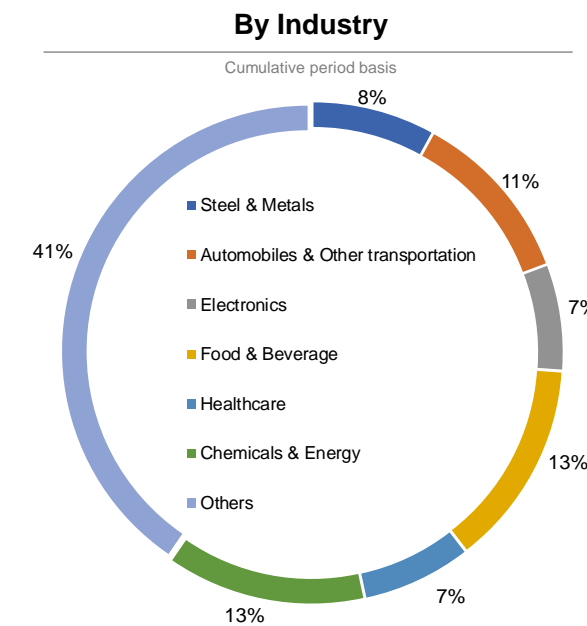
Japan

(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	
	9M (Apr.-Dec.)	9M (Apr.-Dec.)		% Change	% Change <i>exc. FX</i>
Revenue	266.7	300.5	+33.8	+12.7%	+12.5%
Segment income	22.4	20.1	-2.3	-10.4%	-10.8%
Segment OI margin	8.4%	6.7%			



United States

(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	
	9M (Apr.-Dec.)	9M (Apr.-Dec.)		% Change	% Change <i>exc. FX</i>
Revenue	164.2	223.6	+59.4	+36.2%	+10.9%
Segment income	20.4	26.0	+5.6	+27.7%	+3.5%
Segment OI margin	12.4%	11.7%			

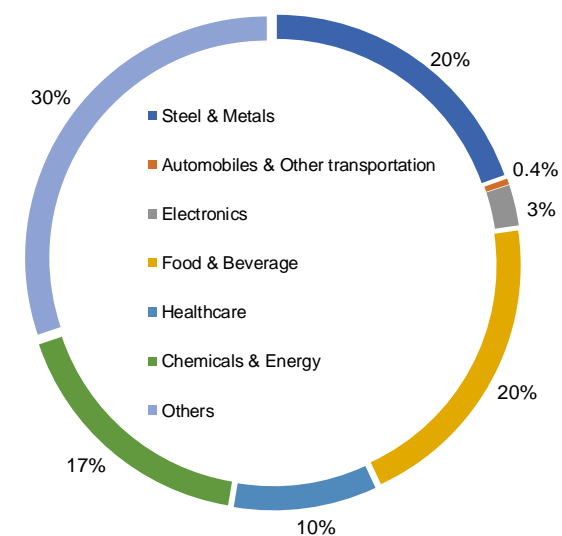


Europe

(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	% Change <i>exc. FX</i>
	9M (Apr.-Dec.)	9M (Apr.-Dec.)		% Change	
Revenue	149.2	203.3	+54.1	+36.2%	+26.7%
Segment income	19.4	25.3	+5.9	+30.7%	+21.3%
Segment OI margin	13.0%	12.5%			

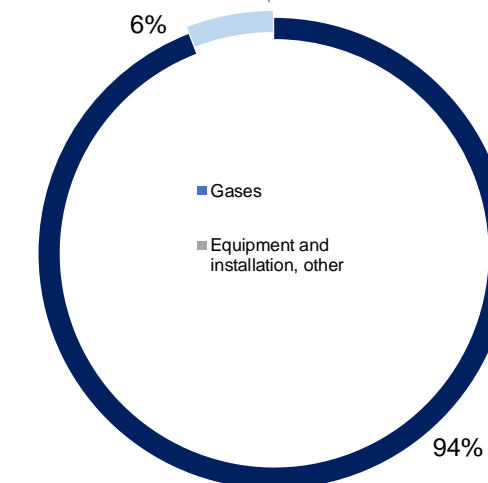
By Industry

Cumulative period basis



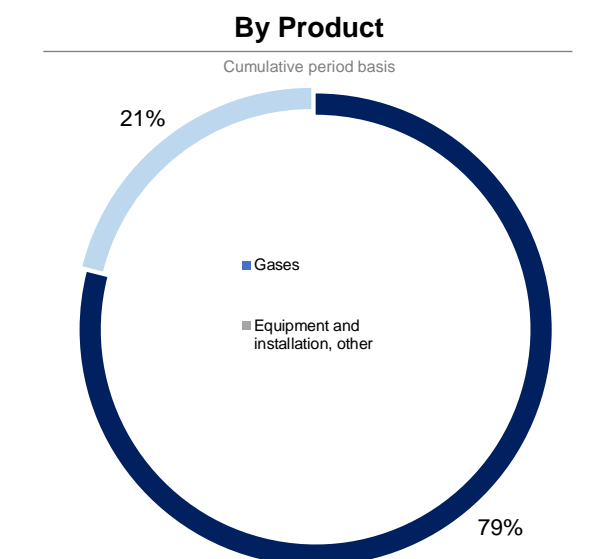
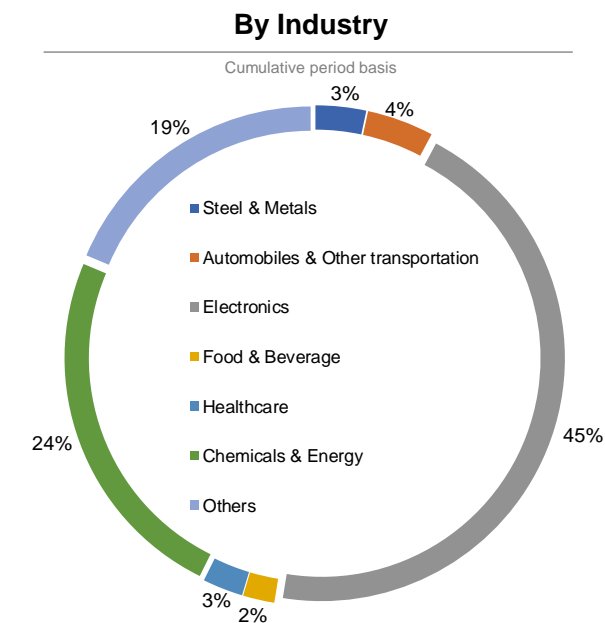
By Product

Cumulative period basis



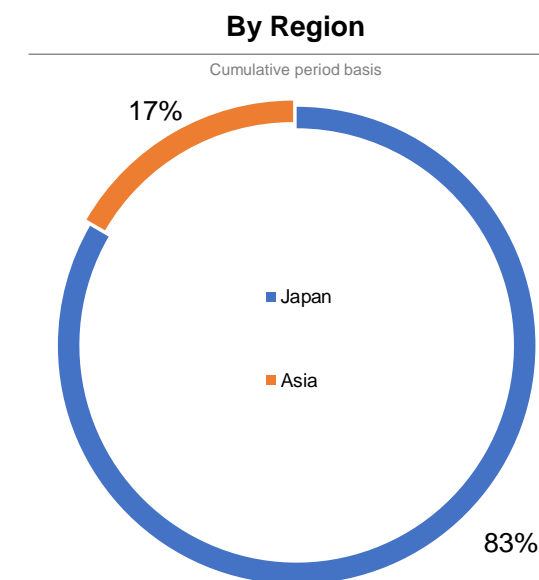
Asia & Oceania

(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	
	9M (Apr.-Dec.)	9M (Apr.-Dec.)		% Change	% Change <i>exc. FX</i>
Revenue	90.7	122.8	+32.1	+35.3%	+18.0%
Segment income	9.7	12.3	+2.6	+26.6%	+10.0%
Segment OI margin	10.7%	10.0%			



Thermos

(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	
	9M (Apr.-Dec.)	9M (Apr.-Dec.)		% Change	% Change <i>exc. FX</i>
Revenue	20.3	22.6	+2.3	+11.2%	+9.2%
Segment income	4.9	4.4	-0.5	-9.7%	-11.6%
Segment OI margin	24.3%	19.8%			



3. FYE2023 Full-term forecast

Consolidated forecast

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

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

The Gas Professionals

Q&A Session



Representative Director,
President CEO

Toshihiko Hamada



Executive Officer,
Group Finance &
Accounting Office,
and CFO

Alan Draper



Senior Executive Officer,
Group Corporate Planning
Office

Tsutomu Moroishi



Senior Executive Officer,
Group Sustainability
Management Office,
and CSO
(Chief Sustainability Officer)

Takeshi Miki



General Manager,
Investor relations,
Group Finance &
Accounting Office

Keita Kajiyama



General Manager,
Accounting,
Group Finance &
Accounting Office

Takashi Yoshida

Appendix

Corporate Information

(As of March 31, 2022)

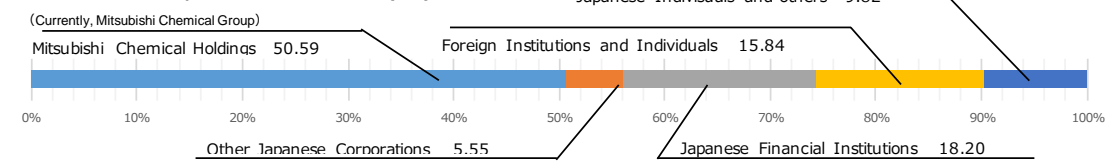
Company Name	Nippon Sanso Holdings Corporation
Founded	October 30, 1910
Headquarters	1-3-26 Koyama Shinagawa-ku, Tokyo 142-0062, Japan
TEL	81-3-5788-8500
	Representative Director, President CEO
Representative	Toshihiko Hamada
Common stock	37.3 billion yen

Stock information

(As of March 31, 2022)

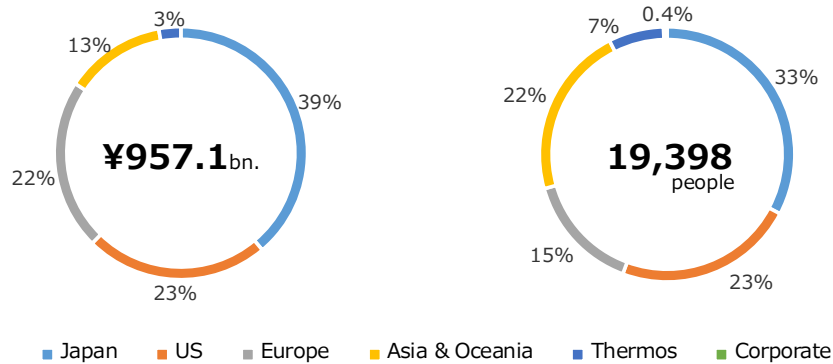
Number of shares	433,092,837
Number of shareholders	14,709
Listed stock exchanges	Tokyo Stock Exchange Prime Market
Ticker	4091.T

Distribution by share holders (%)



Revenue / Employee personnel by Segment

(As of March 31, 2022)



Corporate Philosophy

Group Philosophy

Proactive. Innovative. Collaborative.

Making life better through gas technology.

The Gas Professionals

Group Vision

We aim to create social value through innovative gas solutions that increase industrial productivity, enhance human well-being and contribute to a more sustainable future.

Main Core business

Industrial Gas business



Electronics business



Thermos business



FYE2023 Financial Forecast (IFRS)

Revenue	¥1,160.0 bn.	Net income attributable to owners of the parent	¥68.0 bn.
Operating income	¥113.0 bn.	EPS	¥157.11

Overview

Plan Name	NS Vision 2026
Slogan	Enabling the Future
Period	4 years from April 2022 to March 2026
Released date	May 11, 2022

Financial target

(Final fiscal year in the plan: FYE2026)

Revenue	¥975.0-1000.0 bn.
Core Operating Income	¥125.0-135.0 bn.
EBITDA margin	Group: ≥24 % Japan, the U.S., EU, A&O, Thermos: ≥17-33%
Adjusted net D/E ratio	≤0.7 times
ROCE after Tax	≥6 %

(Note) Forex rate (Assumption) : USD ¥115 EUR ¥125

Non-Financial target

<Environment>

Reduction rate of GHG emissions	FYE2026:	18 %
(Base year: FYE2019)	FYE2031:	32 %
GHG reduced emissions through environmental product offer	FYE2026: Lower GHG emissions through environmental product offerings and applications > NSHD Group GHG emission	

<Safety Management>

Lost Time Injury Rate	FYE2026:	≤1.6
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<Compliance>

Rate of receiving compliance training	FYE2026:	100 %
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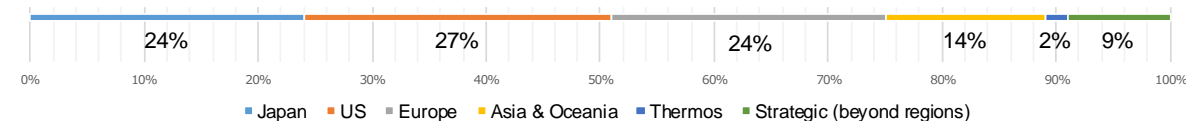
<HR>

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

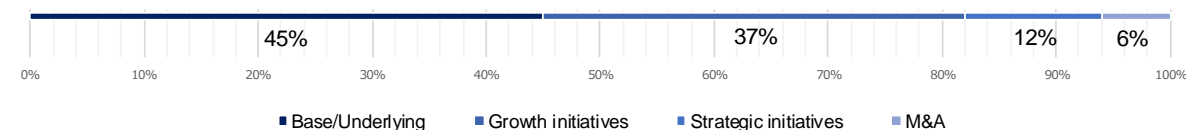
Capital allocation

Cash-in	(the total for 4 years)
[Operating Cash flow]	¥730.0 bn.
Cash-out	¥433.0 bn.
[Investment as a whole]	

Composition ratio by Business



Composition ratio by Initiative



Focused fields



Non-recurring items

Non-recurring items are costs of structural reform (cost for withdrawal or downsizing business operations and special retirement allowances), losses caused by disasters or serious accidents, and other gains and expenses (such as disposal of idling assets).
Core operating income is calculated as operating income excluding certain gains and expenses attributable to non-recurring items in the Company.

	FYE2022 9M	FYE2023 9M	YoY Difference
(Unit: ¥ bn.)			
Core operating income	76.3	87.5	+11.2
Non-recurring profit and loss	-0.0	-3.1	-3.1
Operating income (IFRS)	76.2	84.3	+8.1

Items (Unit : ¥ bn.)

FYE2022 9M result		FYE2023 9M result	
Item	Amount	Item	Amount
Others	-0.0	Arbitration of Leasing facilities dispute (United States)	-3.5
		Gain on sales of overseas land (Asia&Oceania)	0.5
		Restructuring-related expenses for the alfi business (Thermos)	-0.3
		Others (Japan)	0.1
Total	-0.0	Total	-3.1

Key performance indicators

Item	Unit	FYE2022 9M	FYE2023 9M	FYE2022 Full-term
Basic earnings per share	JPY	115.85	121.07	148.13
Overseas sales ratio	%	59.4	64.0	59.2
ROE	%	—	—	11.2
ROCE	%	—	—	6.8
ROCE after Tax	%	—	—	4.8
Annual dividends per share	JPY	—	—	34
Dividend payout ratio	%	—	—	23.0
CAPEX _(fund basis) & Investments and loans	¥bn.	51.8	64.9	76.5
Depreciation and amortization	¥bn.	68.3	78.8	92.4
Free cash flow	¥bn.	50.1	44.2	77.9
Adjusted net D/E ratio	Times	1.03	0.89	0.94
Interest-bearing liabilities	¥bn.	917.1	954.2	929.2
Net interest-bearing liabilities	¥bn.	838.4	844.7	835.5

(Reference) Preconditions, Definition & Calculations of our KPIs

Glossary	Preconditions and Definitions in this Presentation
Core operating income	Core operating income is calculated as operating income excluding certain gains and expenses attributable to non-recurring factors (non-recurring items*). *Non-recurring items are costs of structural reform (cost for withdrawal or downsizing business operations and special retirement allowances), losses caused by disasters or serious accidents, and other gains and expenses (such as disposal of idling assets).
Interest-bearing debt	Bonds and borrowings as presented in the statement of financial position, plus lease liabilities included in other financial liabilities. *Includes Hybrid finance.
Hybrid finance	A form of debt financing that has features resembling equity, such as voluntary deferral of interest, extremely long-term redemption periods and subordination during liquidation or bankruptcy procedures. This kind of financing does not cause stock dilution, and a certain ratio of the funds procured in this way can be recognized as equity credit by rating agencies provided that certain conditions are met.
Equity-type debt	The amount of debt procured by hybrid finance that has been recognize as equity credit by rating agencies. In this fund procurement, rating agencies have recognized equity credit for 50% of the procured amount.
Indicator	Calculations used in this presentation
EBITDA margin	$(\text{Core operating income} + \text{Depreciation and amortization}) / \text{Revenue}$
ROE	$\text{Profit attributable to owners of parent} / \text{Total equity attributable to owners of parent}^*$
ROCE	$\text{Core operating income} / (\text{Interest-bearing debt} + \text{Total equity attributable to owners of parent}) * [\text{Capital employed}]$
ROCE after Tax	$\text{Core operating income after Tax} (+\text{Dividend received}) [\text{NOPAT}] ((\text{Core operating} - \text{Investment income/loss from Equity in earnings (losses) of affiliated companies included in Core operating income}) \times (1 - \text{effective tax rate}) + \text{Investment income/loss from Equity in earnings (losses) of affiliated companies included in Core operating income} + \text{Dividend received}) / (\text{Interest-bearing debt} + \text{Total equity attributable to owners of parent}) * [\text{Capital employed}]$
Adjusted net D/E ratio	$((\text{Interest-bearing debt} - \text{equity-type debt}) - \text{cash and cash equivalents}) / (\text{equity attributable to owners of the parent} + \text{equity-type debt})^*$

* The average of the amounts at the end of the comparative fiscal years of the previous and current fiscal years is used.

Condensed consolidated statements of Cash flows

(Unit : ¥ bn.)	FYE2022	FYE2023	YoY	
	9M	9M	Difference	%Change
Income before income taxes	68.9	74.7	+5.8	+8.4%
Depreciation and amortization	68.3	78.8	+10.5	
Changes in working capital	-24.8	-36.0	-11.2	
Others	-15.0	-9.3	+5.7	
Cash flows from operating activities	97.3	108.2	+10.9	+11.2%
Capital expenditures	-50.3	-62.1	-11.8	
Investments and loans	-1.4	-2.7	-1.3	
Others (asset sales, etc.)	4.6	0.9	-3.7	
Cash flows from investing activities	-47.2	-63.9	-16.7	+35.5%
Free cash flow	50.1	44.2	-5.9	-11.7%
Cash flows from financing activities	-62.1	-28.8	+33.3	-53.5%



Condensed consolidated statements of Financial position

(Unit : ¥ bn.)	FYE2022 Q4	FYE2023 Q3	YoY Difference		FYE2022 Q4	FYE2023 Q3	YoY Difference
Cash and cash equivalents	93.6	109.5	+15.9	Trade payables	115.1	120.5	+5.4
Trade receivables	218.4	243.4	+25.0	Interest-bearing liabilities	929.2	954.2	+25.0
Inventories	80.0	103.0	+23.0	Others	271.5	314.6	+43.1
Others	30.2	52.2	+22.0	Total liabilities	1,315.8	1,389.4	+73.6
Total current assets	422.4	508.2	+85.8	Share capital and capital surplus, etc	569.5	602.9	+33.4
Property, plant and equipment	729.6	762.2	+32.6	Other components of equity	59.1	84.7	+25.6
Goodwill	485.1	503.9	+18.8	Equity attributable to owners of parent	628.7	687.7	+59.0
Intangible assets	241.3	240.7	-0.6	Non-controlling interests	32.4	32.7	+0.3
Others	98.3	94.5	-3.8	Total equity	661.1	720.4	+59.3
Total non-current assets	1,554.5	1,601.6	+47.1	Total liabilities and equity	1,977.0	2,109.9	+132.9
Total assets	1,977.0	2,109.9	+132.9				

Results overview by Segment

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



Revenue growth by Product (Nine months)

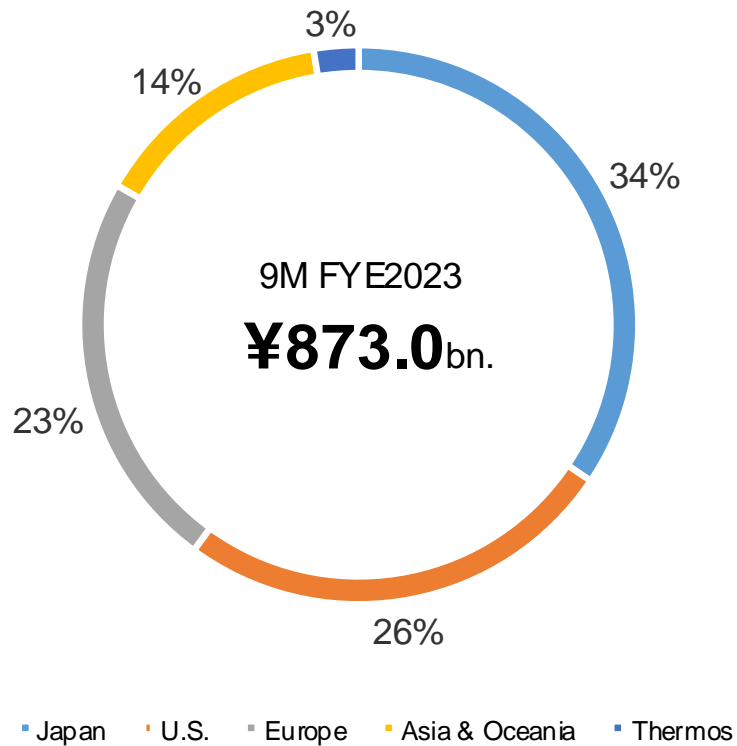
		Japan*	United States		Europe		Asia & Oceania	
		YoY % Change	YoY % Change	YoY % Change exc. FX impact	YoY % Change	YoY % Change exc. FX impact	YoY % Change	YoY % Change exc. FX impact
Gases	Packaged	+7.3%	+21.9%	-0.8%	+19.9%	+11.5%	+38.0%	+19.8%
	Bulk	+10.6%	+34.7%	+9.7%	+49.9%	+39.4%	+30.8%	+15.4%
	On-site	+26.6%	+36.8%	+11.4%	+35.0%	+25.5%	+33.6%	+14.5%
	Specialty gases	+16.0%	+27.6%	+3.9%	+19.0%	+10.6%	+47.3%	+27.0%
	Subtotal	+16.1%	+31.2%	+6.8%	+38.6%	+28.8%	+37.6%	+20.0%
Equipment and installation, other	Industrial Gases-related	+0.8%	+61.3%	+31.4%	+7.4%	-0.1%	+20.5%	+3.9%
	Electronics-related	+26.5%	+18.8%	-3.3%	—	—	+61.7%	+44.1%
	Subtotal	+5.5%	+55.0%	+26.2%	+7.4%	-0.1%	+27.6%	+10.7%
Total	Revenue	+12.7%	+36.2%	+10.9%	+36.2%	+26.7%	+35.3%	+18.0%

* In Japan, the FX impact has been slight effect. Thus, the information in the above chart is omitted.

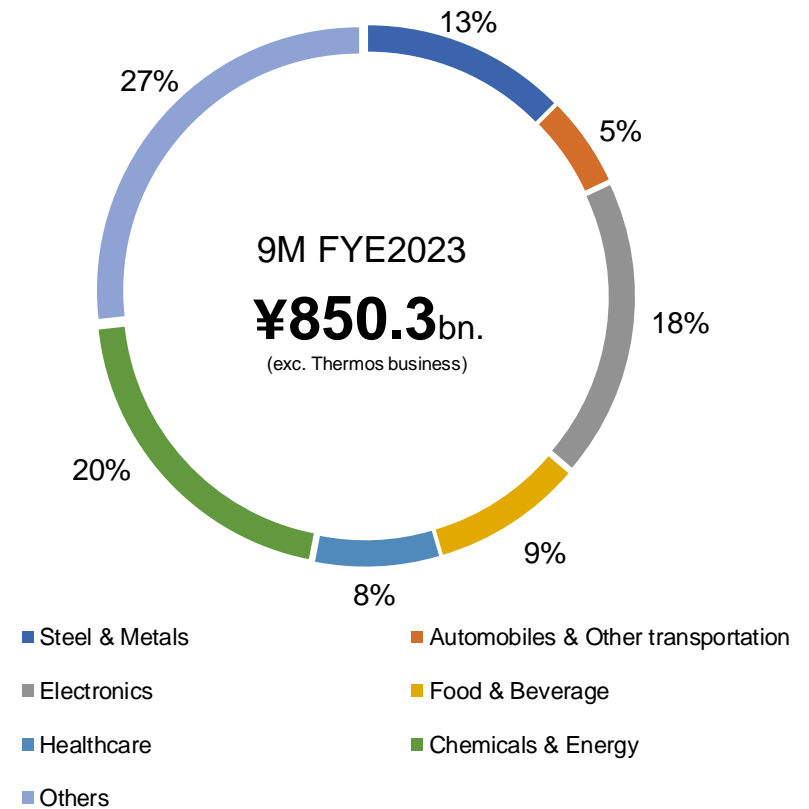
(Reference) Category	Breakdown
Gases	Industrial gases such as oxygen, nitrogen, argon, carbon dioxide and helium, LP gases, specialty gases
Packaged	Gas filling containers (cylinders) are delivered to the customer, and the gas is supplied according to method of use
Bulk	A storage tank for liquified gas is installed within the customer's facility, and the gas is supplied according to method of use
On-site	A gas production facility is established in an area adjacent to the customer, and the gas is constantly supplied using a directly connected pipe
Specialty gases	Mainly, gases for electronic materials that are used in the manufacture of semiconductors or LCD panels, standard gas, high-purity gas
Equipment and installation, other	Ancillary equipment for gas usage, refining equipment to raise gas purity level, construction for equipment installation, and welding and cutting-related goods
Industrial Gases-related	Supply facilities and other gas-using equipments, air separation units, and hardgoods (welding and cutting-related)
Electronics-related	Construction for equipment and pipe installation toward electronics, refining equipment for removing impurities, and other equipment

Revenue composition

By Segment

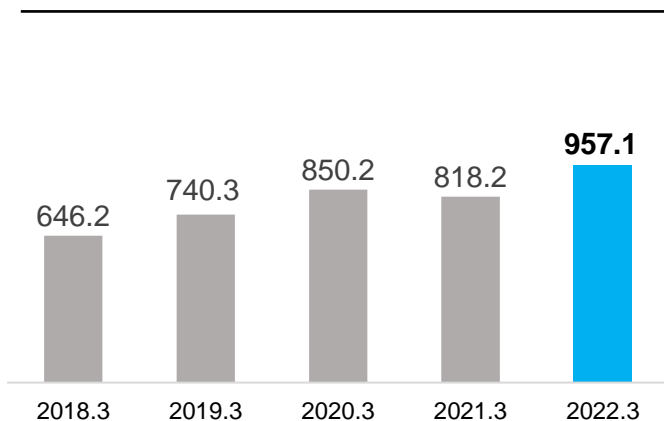


By Industry

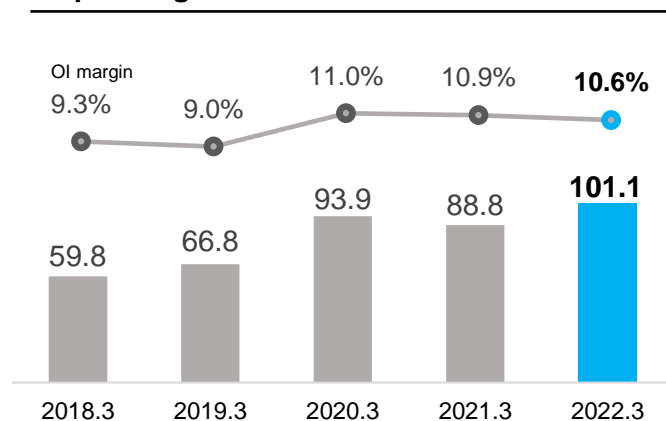


Business performance over the past five years

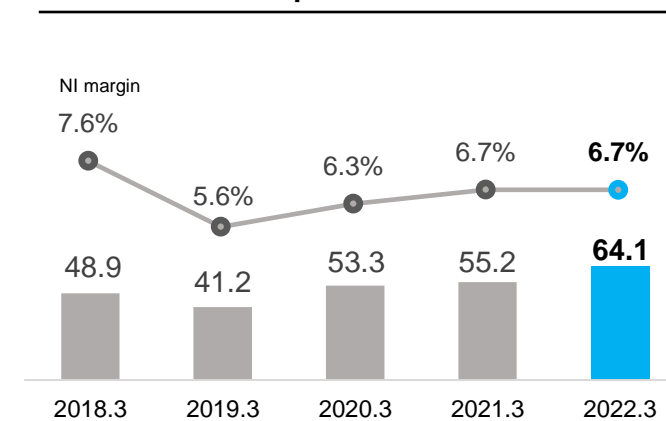
Revenue (¥ bn.)



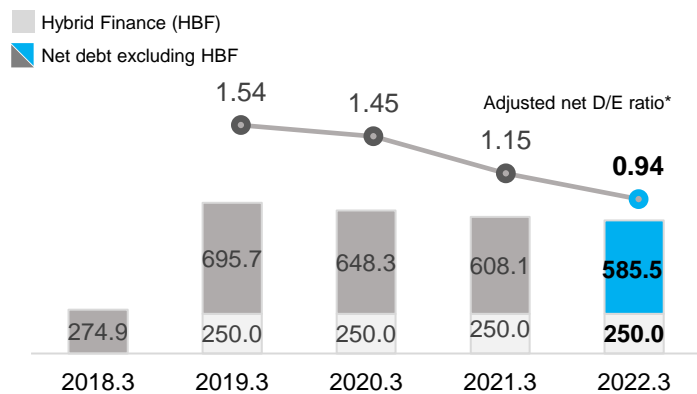
Operating income (IFRS) (¥ bn.)



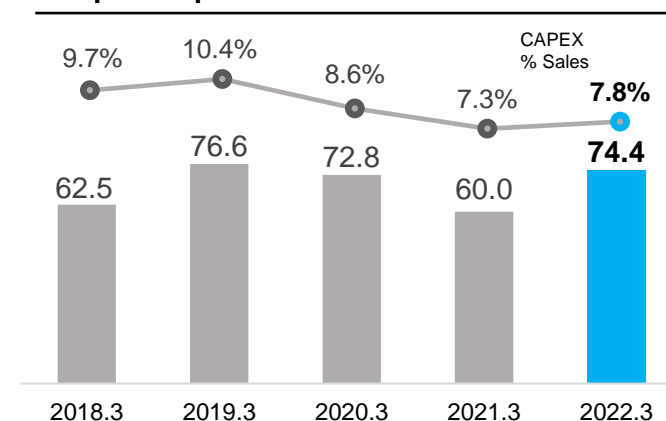
Profit attributable to owners of the parent (¥ bn.)



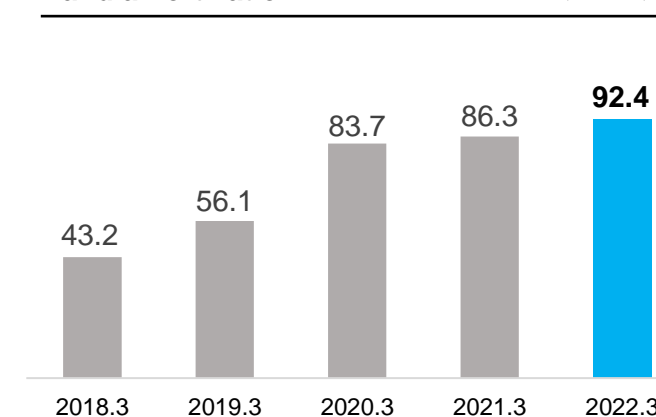
Net interest-bearing debts (¥ bn.)



Capital expenditures (¥ bn.)



Depreciation and amortization (¥ bn.)



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

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

Glossary: EBITDA margin / ROCE after Tax

EBITDA

(Earnings Before Interest Taxes Depreciation and Amortization)

Indicator that shows profitability based on Cash Flow, excluding the impact of M&A and CAPEX.

This indicator should not be considered in isolation from performance indicators such as operating income and net income, which are indicators based on IFRS, and should not be viewed as substitutes for these indicators. This indicator should be given due consideration when comparing them with similarly named financial indicators presented by other companies.

ROCE after Tax

(Return On Capital Employed after Tax)

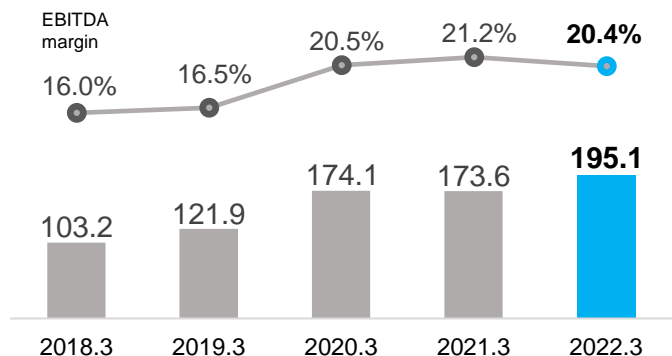
$$= \frac{\text{NOPAT (Net Operating Profit After Tax)}}{(\text{Interest-bearing debt} + \text{Total equity attributable to owners of parent})^*}$$

* The average of the amounts at the end of the comparative fiscal year s of the previous and current fiscal years is used.

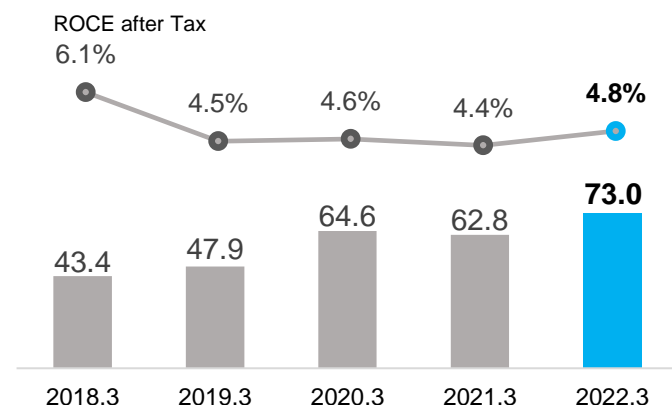
Indicator based on profitability and investment efficiency

This indicator should not be considered in isolation from performance indicators such as operating income and net income, which are indicators based on IFRS, and should not be viewed as substitutes for these indicators. This indicator should be given due consideration when comparing them with similarly named financial indicators presented by other companies.

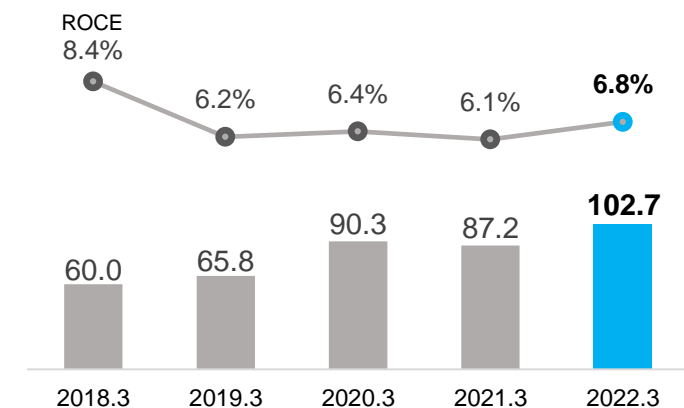
EBITDA margin and EBITDA (¥ bn.)



ROCE after Tax and NOPAT (¥ bn.)

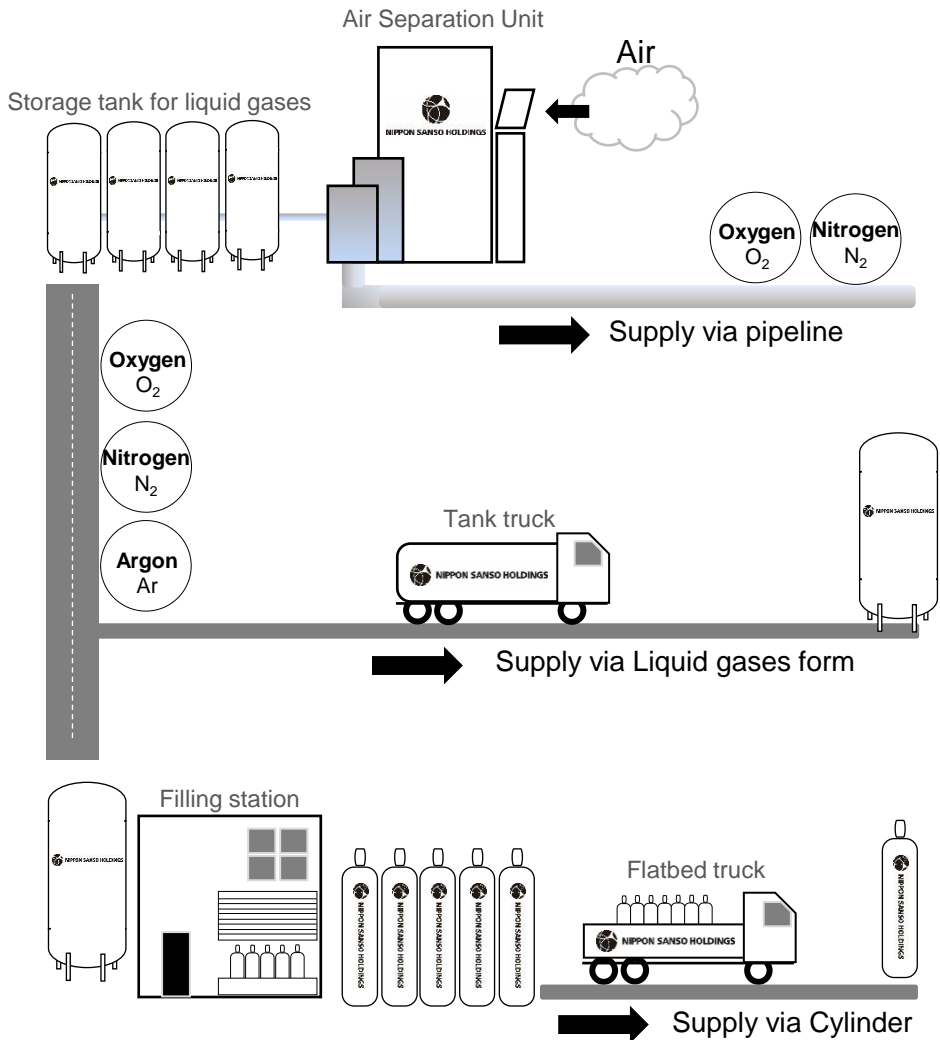


(Reference) ROCE and Core OI (¥ bn.)



Industrial gas supply systems

Air Separation Gases



On-site

Major supply destination (Sector)

Steel Petrochemical Refinery

We've established production plants in the vicinity of the customer. A form of direct connection and constant supply of pipes. (Large-scale supply)

Bulk

Major supply destination (Sector)

**Automobile Shipbuilding Manufacturing
Construction Pharmaceutical Glass/Paper
machinery Medical Food/
LCP Photovoltaics Semiconductor
beverage**

We've installed a storage tank for liquefied gas in the customer's premises. A form of supply according to the method of use of gas. (Medium-scale supply)

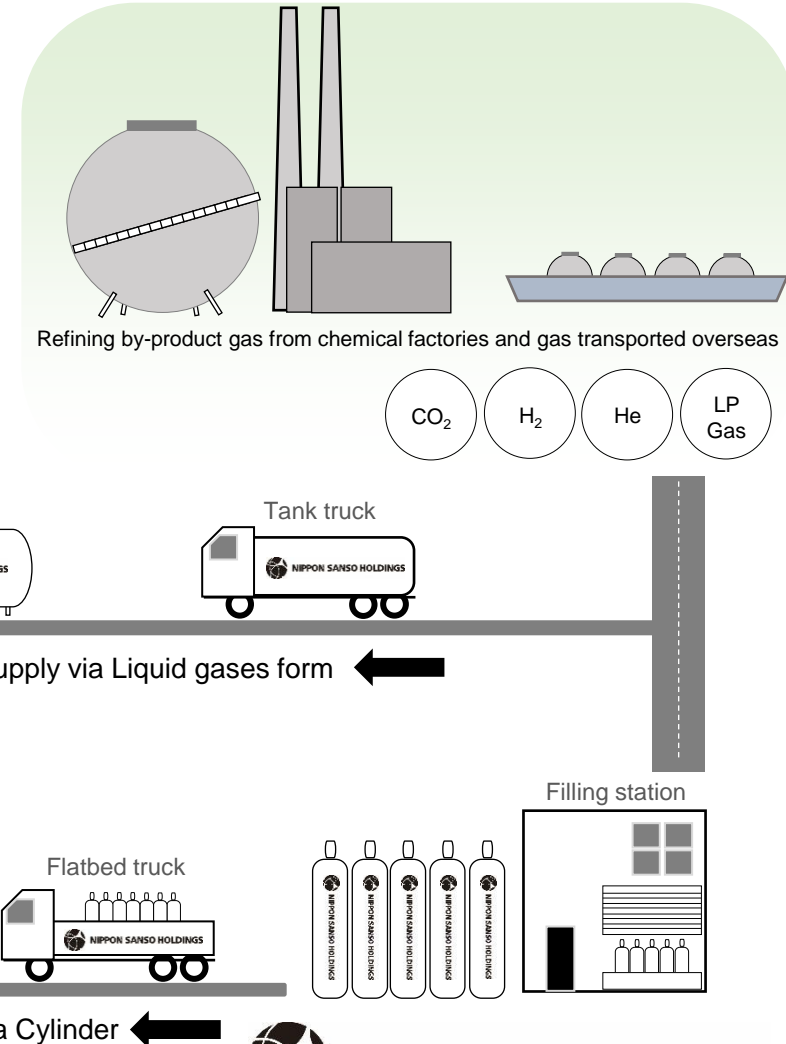
Packaged

Major supply destination (Sector)

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

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

Other Gases



THERMOS

Thermos products deliver what matters every time.

As the leading manufacturer of convenient insulated product for over 100 years, Thermos is trusted by consumers to provide innovative portable containers that promote a safe and healthy lifestyle.

Thermos delivers when it matters.

At Thermos, We carefully choose the best available materials, and produce products with consistent quality and reliable performance. We ensure the excellence of our products by testing for quality.



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Group Finance & Accounting Office
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E-mail : Nshd.ir@nipponsanso-hd.co.jp

Upcoming IR events

FYE2023 Full-term Earnings Call	May 11, 2023
FYE2023 Full-term Earnings Presentation	May 19, 2023

www.nipponsanso-hd.co.jp/en/

NIPPON SANSO Holdings Corporation (Ticker:4091.T)

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NIPPON SANZO HOLDINGS

The Gas Professionals

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