

# FYE2025 Full-term Earnings Presentation

May 23, 2025  
Tokyo, Japan



**NIPPON SANSO HOLDINGS**

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

## ● Financial information

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

# Notes

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

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

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

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

<Forex rates>

		Average Forex rates									(Reference) Currency sensitivity as rough indication		
		FYE2024				FYE2025				FYE2026	Impact amount per 1 JPY (Full-term basis)		
Unit : JPY Currency	Q1 (Apr.-Jun.)	1st Half (Apr.-Sep.)	9M (Apr.-Dec.)	Full-term (Apr.-Mar.)	Q1 (Apr.-Jun.)	1st Half (Apr.-Sep.)	9M (Apr.-Dec.)	Full-term (Apr.-Mar.)	Full-term Assumption (Apr.-Mar.)	Unit : ¥ bn.	Revenue	Core Operating Income	
USD	139.63	142.61	143.78	145.31	158.24	152.45	153.03	152.57	141.00 <small>(Announced on May 12, 2025)</small>	USD	±2.3	±0.40	
EUR	151.89	154.81	156.24	157.72	170.08	165.83	165.09	163.66	162.00	EUR	±2.0	±0.35	
SGD	103.66	105.79	106.90	108.03	116.65	114.37	114.58	113.98	114.37				
AUD	91.94	93.44	94.47	95.32	104.66	101.80	100.91	99.27	90.00				
CNY	19.67	19.87	20.01	20.20	21.76	21.20	21.25	21.12	21.20				

## ● 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.

# Agenda

## 1. **FYE2025 Overview**

(The third fiscal year in Our MTP; NS Vision 2026)

## 2. **FYE2026 Business Plan**

(Final fiscal year in Our MTP; NS Vision 2026)

## 3. **Financial Profile**

## 4. **Q&A Session**

# Opening remarks

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President CEO  
**Toshihiko Hamada**

# Our philosophy and vision

## 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.**

# Implement the “Five focused fields”

Our MTP; Medium-Term management Plan

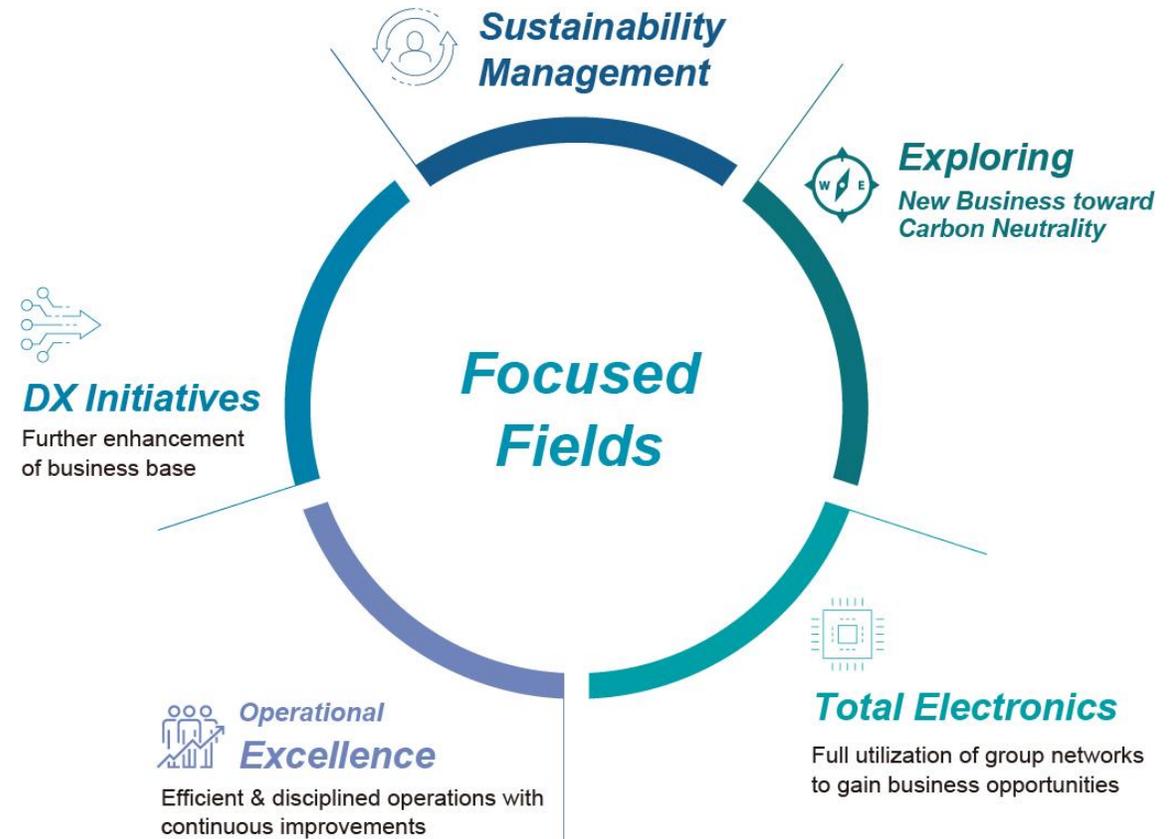
## NS Vision 2026 : Enabling the Future Slogan

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

**“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.”**

Under the four global regions + Thermos business structure, we established five focused fields; Sustainability Management, Exploring New Business toward Carbon Neutrality, Total Electronics, Operational Excellence, and DX Initiatives.

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



# Toward the final fiscal year in NS Vision 2026

■ : KPIs (Key Performance Indicators) in FYE2025 actual that exceeded the planned figure for the final fiscal year



**Revenue**  
JPY 975.0-1,000.0  
Billion\*

**Core Operating Income**  
JPY 125.0-135.0  
Billion\*

**EBITDA Margin**  
Group:  
≥24%  
Japan, the U.S., EU, A&O, Thermos:  
≥17-33%

**Adjusted net D/E Ratio**  
≤0.7

**ROCE after Tax**  
≥6%

**Environment**

**Reduction rate of GHG emissions** (Base year: FYE2019)  
18% :FYE2026      32% :FYE2031

**GHG reduced emissions through environmental product offer**  
Lower customer GHG emissions through environmental product offerings and applications > NSHD group GHG emissions FYE2026

**Safety Management**

**Lost Time Injury Rate**  
≤1.6  
FYE2026

**HR**

**Rate of female employees**  
≥22% :FYE2026  
25% :FYE2031

**Compliance**

**Rate of receiving compliance training**  
100%  
FYE2026

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



\* Due to the uncertainty in the global economy, revenue and core operating income are shown in range. The assumed exchange rates at the time the plan was formulated were USD ¥115 and EUR ¥125.

# Non-Financial KPI Progress :Steady progress, highly rated in environmental field

Making steady progress toward achieving our final year target, in line with our Sustainability Management strategy. In the environmental field, results were favorable in both CNP I & II and highly rated for its efforts and information disclosure.

<Non-Financial KPI>				NS Vision 2026		
Segment	Non-Financial Programs	Initiative	Non-Financial KPI	Actual		Final-Year Targets
				FYE2023	Released in Sep 2024 FYE2024	
Environment	<b>CNP I</b> Carbon Neutral Program I	Reduce the Group's GHG emissions	Reduction rate of GHG emissions*1	12.3%	<b>15.3%</b>	<b>18%</b>
	<b>CNP II</b> Carbon Neutral Program II	Reduce customer GHG emissions through environmental product offerings and applications	Lower customer GHG emissions	7,308 > 5,868 K t-CO <sub>2</sub> e	<b>7,454 &gt; 5,667</b> K t-CO <sub>2</sub> e	Lower customer GHG emissions through environmental product offerings and applications > NSHD Group GHG emissions
Social	<b>SFP</b> Safety First Program	Reduction in lost time injury rate	Lost time injury rate*2	1.56	<b>2.09</b>	<b>≤ 1.6</b>
	<b>TDP</b> Talent Diversity Program	Utilization of diverse talent	Rate of female employees	19.9%	<b>20.2%</b>	<b>≥ 22%</b>
Rate of female management posts			14.5%	<b>15.4%</b>	<b>≥ 18%</b>	
Governance	<b>CPP</b> Compliance Penetration Program	Compliance education and enforcement	Rate of receiving compliance training	99.7%	<b>99.4%*3</b>	<b>100%</b>

In addition to the above, we are also involved in the Zero Waste Program (ZWP) for waste reduction, the Sustainable Water Program (SWP) for effective use of water resources, and the Quality Reliability Program (QRP) to improve quality and reliability. Together, we call them our "**Eight Non-Financial Programs.**"

\*1 Reduction targets for a fiscal year are set regarding the base year of FYE2019, with figures adjusted to reflect the acquisition of the European industrial gases business.

\*2 This is an indicator that represents the frequency of occupational accidents. It is calculated as the number of employees injured in accidents that resulted in lost work time, divided by the total number of work hours, multiplied by one million hours.

\*3 100% completion rate as of the end of June 2024

## Highly rated for environmental disclosures



Selected as a CDP Climate Change "A list" company, the highest rating for the first time (2024)

\*received an "A-" score on Water Security

Selected as "Excellent TCFD Disclosure" and "Highly Improved Integrated Reports" by GPIF's Domestic Equity Investment Managers

## Selected consecutively for inclusion in following ESG indices

● **MSCI** ESG Score: **BBB** (as of Mar. 2025)

ESG indices adopted by GPIF Theme index (Social)

**MSCI Japan Empowering Women (WIN) Select Index**

● **FTSE** ESG Score: **3.7** (as of Jun. 2024)

ESG indices adopted by GPIF Composite index

**FTSE Blossom Japan Index FTSE4Good Index Series**

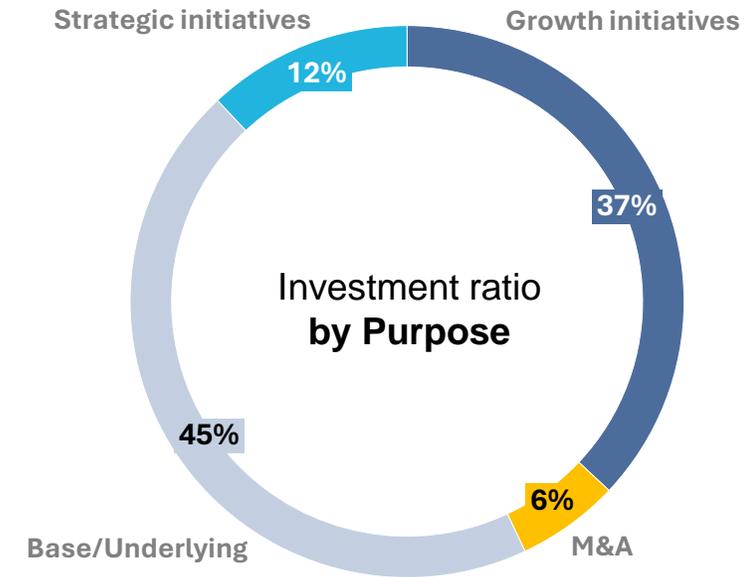
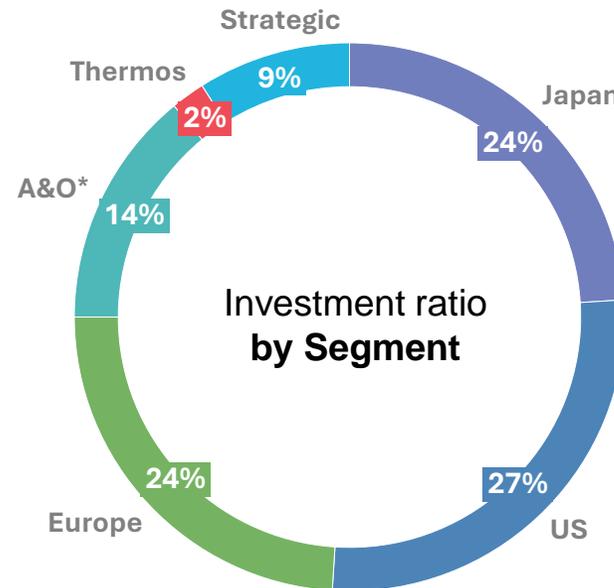
# Approach for Capital Allocation in NS Vision 2026

**IN**

**OUT**



- **Strategic Investment for**
  - **CN:** Carbon Neutral related initiatives
  - **DX:** Digital Transformation initiatives



(Reference) Investment / revenue % by Segment

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

\* The assumed exchange rates at the time the plan was formulated were USD ¥115 and EUR ¥125.

1. **FYE2025  
Overview**

2. FYE2026  
Business Plan

3. Financial Profile

4. Q&A Session

# 1. FYE2025 Overview

(The third fiscal year in Our MTP; NS Vision 2026)



President CEO  
**Toshihiko Hamada**

# Summary of Consolidated financial results (FYE2025 Full-term)

	FYE2024	FYE2025	YoY		% Change exc. FX
	Full-term	Full-term	Difference	% Change	
(Unit: ¥ bn.)					
<b>Revenue</b>	<b>1,255.0</b>	<b>1,308.0</b>	<b>+53.0</b>	<b>+4.2%</b>	<b>+1.4%</b>
<b>Core operating income</b>	<b>165.9</b>	<b>189.1</b>	<b>+23.2</b>	<b>+13.9%</b>	<b>+10.3%</b>
Core OI margin	13.2%	14.5%			
Non-recurring profit and loss	6.0	-23.2	-29.2		
<b>Operating income (IFRS)</b>	<b>172.0</b>	<b>165.9</b>	<b>-6.1</b>	<b>-3.6%</b>	
OI margin	13.7%	12.7%			
EBITDA margin	22.2%	23.3%			
Finance costs	-21.3	-20.6	+0.7		
<b>Income before income taxes</b>	<b>150.7</b>	<b>145.2</b>	<b>-5.5</b>	<b>-3.6%</b>	
Income tax expenses	41.3	43.3	+2.0		
Net income	109.3	101.9	-7.4	-6.8%	
(Attribution of net income)					
<b>Net income attributable to owners of the parent</b>	<b>105.9</b>	<b>98.7</b>	<b>-7.2</b>	<b>-6.7%</b>	
NI margin	8.4%	7.6%			
Net income attributable to non-controlling interests	3.4	3.1	-0.3		
Forex (Unit: JPY)					
(average rate during the period)	USD	145.31	152.57		
	EUR	157.72	163.66		
	AUD	95.32	99.27		

## Revenue Analysis

	YoY % Change
<b>Revenue Growth</b>	<b>+4.2%</b>
FX	+2.8%
Price	+2.2%
Pass-through & Surcharge	+0.0%
Volume / Mix	-1.3%
Others	+0.5%

- **Price Management status:** Solid
- **Pass-thru & Surcharge:** Flat
- **Volume / Mix:** Soft
- **Others:** Deconsolidation in Japan, contributions from business acquisitions in Europe and Australia, etc.

# Summary: Progress toward Financial targets

## Price management & Productivity initiatives



While the Group's overall product shipment volumes declined, price revisions and price management to address cost inflation were implemented.



Continued initiatives under the productivity improvement program and cost management across all regions.

- In FYE2025, Revenue growth; +1.4%, and Core OI growth; +10.3% (YoY basis excluding FX impact), COI margin improved by 130 bps and EBITDA margin also improved by 110 bps.

## Enhanced Financial soundness



Executed a balanced capital allocation strategy focused on investments in sustainable growth projects, disciplined debt reduction, and consistent shareholder returns.

- Adjusted net D/E ratio improved by 3 bps (YoY basis), and the annual dividend per share increased by ¥7 (planned, YoY basis).



Steady progress toward financial soundness of NS Vision 2026; Adjusted net D/E ratio below 0.7.

- In December 2024, ¥75.0 billion of the hybrid loan was paid in full as a complete early redemption. We have focused on cash management and improved working capital.

## Capital efficiency & Cost of capital



Return On Capital Employed (ROCE) after Tax, a measure of capital efficiency, improved from improved profitability and reduction of interest-bearing debt.

- ROCE after Tax (NOPAT basis) improved by 50 bps (YoY basis).



Ensuring strict investment criteria, hurdle rates, and prioritization of economically strong projects with strategic value are driving investment capital efficiency.

1. FYE2025  
Overview

2. **FYE2026  
Business Plan**

3. Financial Profile

4. Q&A Session

# 2. FYE2026 Business Plan

(Final fiscal year in Our MTP; NS Vision 2026)



President CEO  
**Toshihiko Hamada**

# Summary of Consolidated financial forecast

	FYE2025	FYE2026	YoY		FYE2026	
	Full-term	Full-term forecast	Difference	% Change	Full-term forecast	% Change
(Unit: ¥ bn.)		(Announced on May 12, 2025)			(exc. FX)	
<b>Revenue</b>	<b>1,308.0</b>	<b>1,290.0</b>	<b>-18.0</b>	<b>-1.4%</b>	<b>1,328.8</b>	<b>+1.6%</b>
<b>Core operating income</b>	<b>189.1</b>	<b>191.0</b>	<b>+1.9</b>	<b>+1.0%</b>	<b>197.2</b>	<b>+4.3%</b>
Core OI margin	14.5%	14.8%			14.8%	
Non-recurring profit and loss	-23.2	0.0	+23.2		0.0	
<b>Operating income (IFRS)</b>	<b>165.9</b>	<b>191.0</b>	<b>+25.1</b>	<b>+15.1%</b>	<b>197.2</b>	<b>+18.9%</b>
OI margin	12.7%	14.8%			14.8%	
EBITDA margin	23.3%	24.1%			24.1%	
Finance costs	-20.6	-22.5	-1.9		-23.0	
<b>Income before income taxes</b>	<b>145.2</b>	<b>168.5</b>	<b>+23.3</b>	<b>+16.0%</b>	<b>174.2</b>	<b>+20.0%</b>
Income tax expenses	43.3	49.0	+5.7		50.5	
Net income	101.9	119.5	+17.6	+17.2%	123.7	+21.4%
(Attribution of net income)						
<b>Net income attributable to owners of the parent</b>	<b>98.7</b>	<b>116.0</b>	<b>+17.3</b>	<b>+17.4%</b>	<b>120.2</b>	<b>+21.7%</b>
NI margin	7.6%	9.0%			9.0%	
Net income attributable to non-controlling interests	3.1	3.5	+0.4		3.5	
Forex (Unit: JPY)						
USD	152.57	141.00			152.57	
(average rate during the period)						
EUR	163.66	162.00			163.66	
AUD	99.27	90.00			99.27	

## Summary: Assumptions of the business plan (Basic concept)

### Nimble react to customer trends



Aim for growth more than local GDP

- In the FYE2026, Planned revenue growth; +1.6%, and Core OI growth; +4.3% (YoY basis excluding FX impact)



The Group's overall product shipment volumes may be affected by business environment uncertainty



Focus on firm demand from resilient markets (food & beverage, healthcare, etc.)

### Continue steady operation



Continue productivity initiatives and cost management



Set appropriate prices for the value of the products and reliability of services



Execute Post-Merger Integration (PMI) activities to maximize synergies with acquired businesses



Promote supply chain management based on the company's policies on human rights, etc.

### Explore future growth drivers



Seize business opportunities in our technological fields that contribute to the realization of a Carbon Neutral society



Improve customer stickiness through collaborative efforts with customers including the implementation of new applications

# Initiatives at the Holdings

## Reorganization of the Group Corporate Planning Office

The organization within the Group Corporate Planning Office was restructured in April 2025 with the aim of strengthening each function related to formulating management strategies, business management, and promoting group comprehensive capabilities. Business management and promotion functions that were previously in this office have been separated and transferred to newly established offices.

### Group Corporate Planning Office

Development and execution management of business strategies and management of Thermos business

New

### Group Business Management Office

Management of operations in Japan, US, Europe, and Asia & Oceania

New

### Group Business Promotion Office

Promotion of global initiatives across operating companies  
(Total Electronics, Global ASU Engineering\*, R&D, Helium, Operational Excellence, Marketing)

\*ASU (Air Separation Unit) Engineering:

A project established in April 2025 as the Global ASU Engineering Promotion Project with the aim of strengthening the group's comprehensive capabilities in ASU engineering functions

## Establishment of Global CIO Role

- A Global CIO role was established in April 2025 to lead the development and execution of IT and digital strategies and roadmaps across the NSHD group.
- The CIO will also focus on procurement savings, leveraging software and knowledge across the group, and utilizing AI and emerging technologies to drive greater efficiency.

# Japan

## What we need to accomplish

(Toward the final fiscal year in NS Vision 2026)

### 1. Strengthen Core Businesses earning power & profitability

Increase profitability by streamlining and optimizing the business foundation.

### 2. Growth exploration and expansion

Develop business areas through new materials for compound semiconductor manufacturing processes, Stable isotopes, Biotechnology, and Additive manufacturing.

### Segment strategy

#### Growth

- Enhance new products and services
- Provide and expand Industrial Gas Solutions for customers

#### Business Transformation

- Shifting from restructuring low-profitability businesses to enhancing core businesses earning power & profitability

## Surrounding environment

(Our perspective as of the beginning of FYE2026)

### Risks

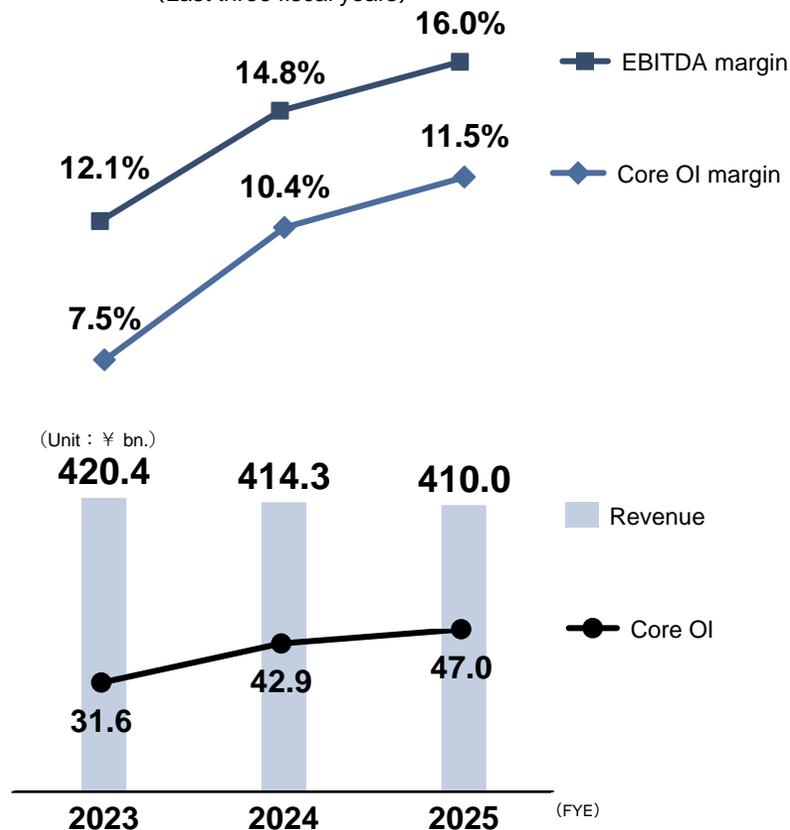
- Uncertain political and economic policies from the new U.S. Administration
- Increasing deflationary export pressure from China
- Rising labor costs and extended construction periods due to labor shortages and working hour regulations

### Opportunities

- Equipment and construction projects in the electronics business
- Demand for electronic material gases for next-generation semiconductors
- Demand for gases and equipment that contribute to productivity improvement and energy conservation

## Business Performance

(Last three fiscal years)

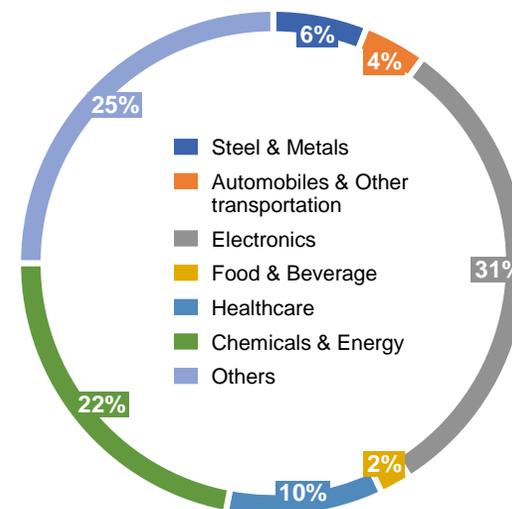


### Legend

- EBITDA margin
- ◆ Core OI margin
- Revenue
- Core OI

## Revenue composition by industry

(FYE2025 Full-term)



# Japan : Initiatives by focused field

## NS Vision 2026 : Five focused fields

## FYE2026 Initiatives

### Sustainability Management

- Strengthening and continuing initiatives on diversity (town hall meetings, women's leadership development training, etc.)
- Promoting hazard prediction and accident forecasting utilizing AI
- Expanding sales of environmentally friendly products and services

### Exploring New Business toward Carbon Neutrality

- Oxygen combustion technology (including hydrogen and ammonia combustion), carbon dioxide capture, purification and effective utilization technology-based solution proposals (for steel, non-ferrous metals, cement industries, etc.)

### Total Electronics

- Promoting R&D for electronic material gases and equipment for next-generation semiconductors
- Expanding and promoting product and service lineup

### Operational Excellence

- Promoting customer management and customer-centric value creation activities
- Continuing cost reduction efforts through optimization of manufacturing equipment operation

### DX Initiatives

- Promoting advanced control and automation of production plants
- Improving tank truck transport efficiency by utilizing customer inventory data
- Conducting internal training to promote data utilization

# United States

## What we need to accomplish

(Toward the final fiscal year in NS Vision 2026)

1. Continue to improve lost time injury rates
2. Grow sales faster than U.S. GDP and industry competitors
3. Increase applications sales in food and met-fab markets
4. Develop M&A target and capital project backlog to support sustainable long-term growth
5. Continue to manage costs down

### Segment strategy

#### Growth

- Intensify cross-selling and applications sales efforts in targeted markets
- Expand onsite generator installations
- Pursue strategic M&A opportunities

## Surrounding environment

(Our perspective as of the beginning of FYE2026)

#### Risks

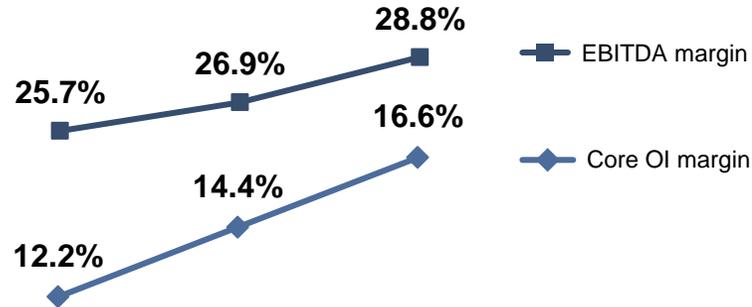
- Uncertain political and economic policies of the new U.S. Administration
- Disruptions in customer supply chains due to tariffs
- Increases in wages, electricity, fuel and procurement costs due to inflation

#### Opportunities

- Sustainable growth in resilient markets (food & beverage, hospitals)
- Capture new gas sales to load new carbon dioxide plants

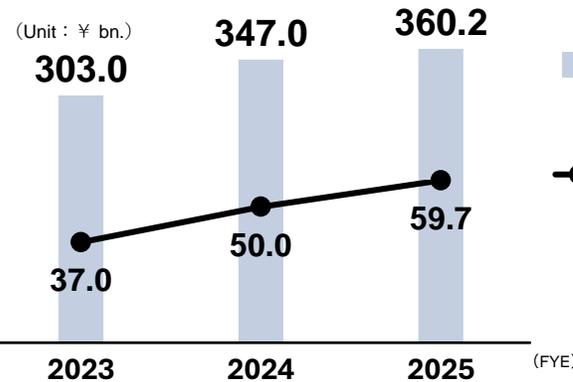
## Business Performance

(Last three fiscal years)



### Legend

- EBITDA margin
- ◆ Core OI margin

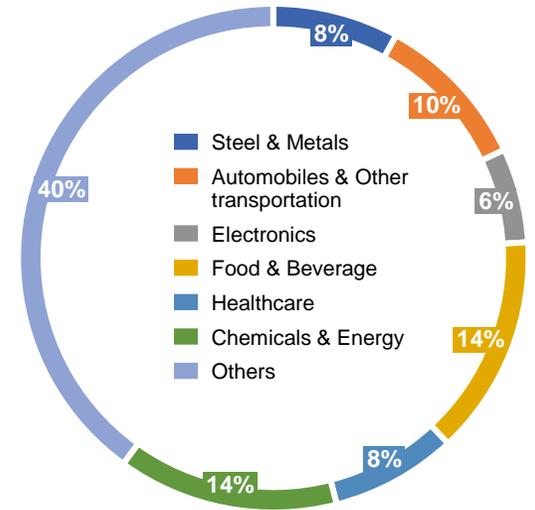


(Reference) Average Forex rates in the fiscal year  
 · USD

Fiscal Year	USD	JPY
2023	136.00	145.31
2025	152.57	

## Revenue composition by industry

(FYE2025 Full-term)



# United States : Initiatives by focused field

## NS Vision 2026 : Five focused fields

## FYE2026 Initiatives

### Sustainability Management

- Improving safety awareness and case management to reduce lost-time injuries
- Recruiting activities focused on diverse and under-represented talent in our industry
- Ongoing efficiency initiatives to reduce GHG emissions in our own operations

### Exploring New Business toward Carbon Neutrality

- Construction of oxygen plant for the first U.S. large-scale Direct Air Capture installation
- Capturing industrial CO<sub>2</sub> emissions to produce dry ice for carbon capture and utilization

### Total Electronics

- Projects underway to establish and increase capacity of strategic electronic materials
- Expanding semiconductor Customer base to include mid-size and regional producers

### Operational Excellence

- Promoting cost reduction and productivity improvement program "**The Right Way**"
- Implementing disciplined price management to recover costs and improve profitability

### DX Initiatives

- Enhancing safe material handling and reducing costs through operations automation
- Improving operational efficiency through automated digital cylinder tracking

# Europe

## What we need to accomplish

(Toward the final fiscal year in NS Vision 2026)

1. Continuous human resource development for achieving excellence
2. Reinforce governance
3. Optimize base business
4. Accelerated Operational Excellence
5. Higher growth compared to peers

### Segment strategy

#### Growth

- Follow up CN and H<sub>2</sub> opportunities
- Partner with our customers to help in CN
- Expand geographical footprint & M&A

#### Optimize Base Business

- Invest in gas application technology
- Evaluate product and market mix

## Surrounding environment

(Our perspective as of the beginning of FYE2026)

### Risks

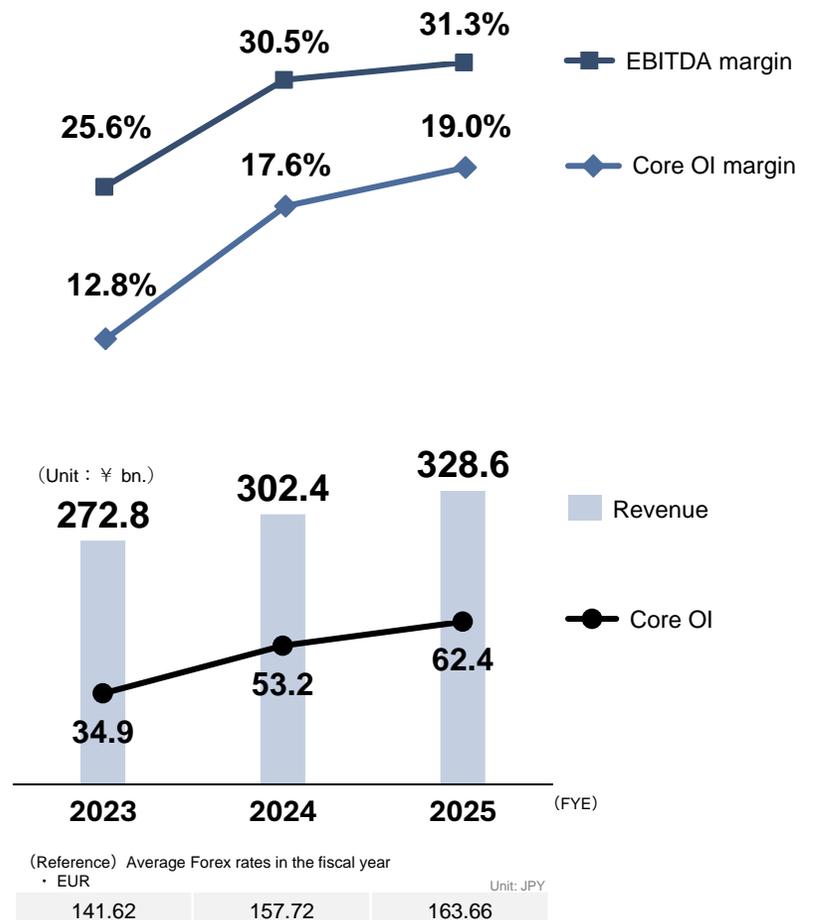
- Uncertainty in the European economic situation
- Inflation driven by trade issues
- Loss of sales opportunities due to supply chain disruptions (helium, carbon dioxide, etc.)

### Opportunities

- Sustainable growth in resilient markets (food & beverage, healthcare)
- Synergy effects with acquired businesses

## Business Performance

(Last three fiscal years)



### Legend

■ EBITDA margin

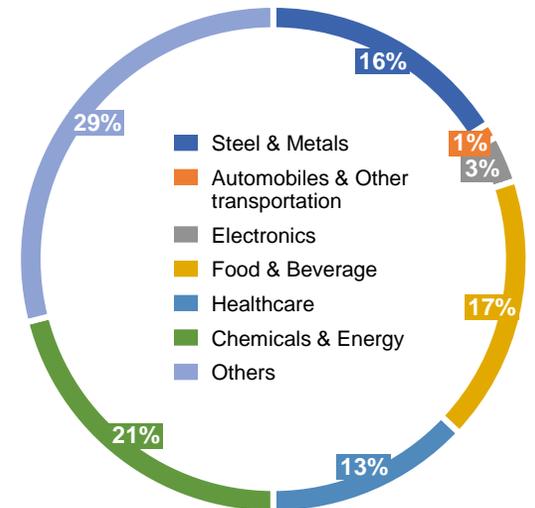
◆ Core OI margin

■ Revenue

● Core OI

## Revenue composition by industry

(FYE2025 Full-term)



# Europe : Initiatives by focused field

## NS Vision 2026 : Five focused fields

## FYE2026 Initiatives

### Sustainability Management

- Continuing training and professional development on environment, safety, and quality, also to enhance ESG ratings
- Promoting the "Women's Sponsorship Program"
- Ongoing initiatives to reduce GHG emissions and introducing carbon-neutral products

### Exploring New Business toward Carbon Neutrality

- Expanding further use of oxygen combustion technology
- Growing onsite business, including CO<sub>2</sub> capture projects
- Advancing selectively in green fuels business (biomethane, green hydrogen)

### Total Electronics

- Expanding product-line, including new molecules, services and supply system
- Reinforcing supply chain
- Enhancing collaboration with semiconductor customers and related industries

### Operational Excellence

- Expanding project replication in productivity initiatives focused on Long Term Value (LTV) generation projects
- Adopting new technologies and assets to optimize distribution cost and customer service.
- Promoting timely and disciplined price management in response to cost fluctuations

### DX Initiatives

- Deployment of digital platforms to enhance performance, efficiency and advanced analytics
- Advanced equipment management through digital twins (computer reproductions of actual equipment)
- Modernizing core systems

# Asia & Oceania

## What we need to accomplish

(Toward the final fiscal year in NS Vision 2026)

1. Tier 1 supplier in each region with the diverse product line
2. Efficient & disciplined operations with continuous improvement and productivity enhancement initiatives
3. Improve revenue growth and OI margin.

### Segment strategy

#### Growth

- Large scale onsite project and enhance ASU capabilities
- New products & sales area expansion
- Pursue global HyCO Opportunities

#### Management

- Launch new management structure

## Surrounding environment

(Our perspective as of the beginning of FYE2026)

### Risks

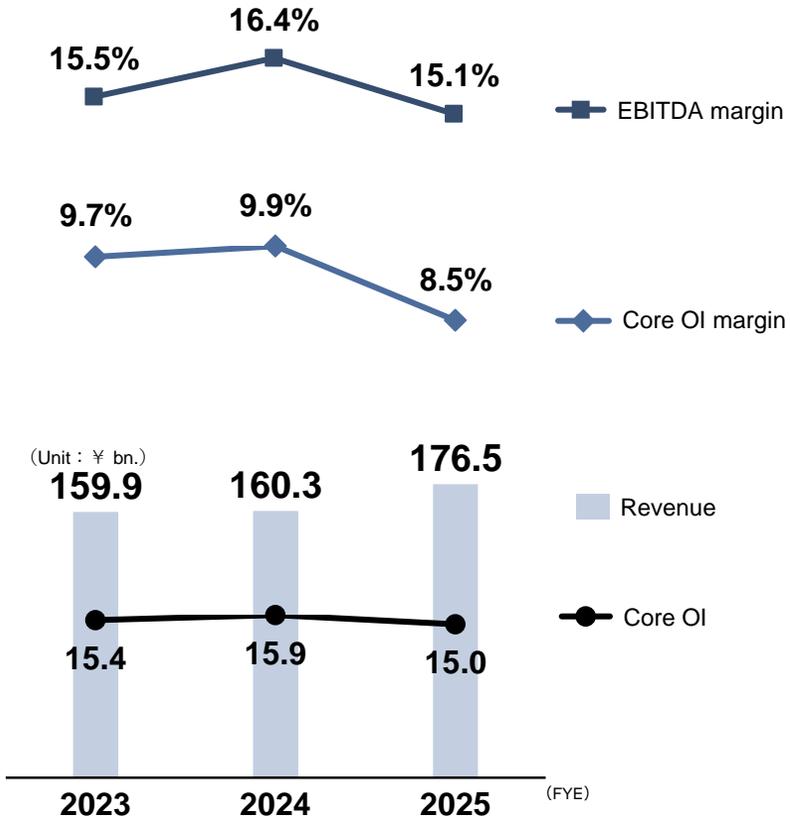
- Rising electricity costs in Southeast Asian countries
- Impact on regional economy due to US-China trade friction
- Softening market conditions due to helium market surplus

### Opportunities

- Demand recovery in the electronics market
- Business opportunities for electronic material gases for advanced semiconductor markets for generative AI
- Continued steady demand in Southeast Asia and India
- Synergy effects with acquired businesses

## Business Performance

(Last three fiscal years)



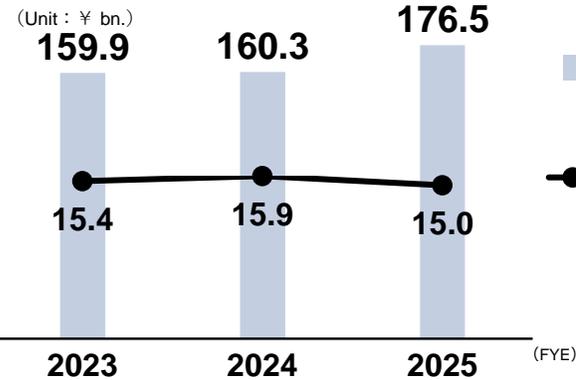
### Legend

■ EBITDA margin

◆ Core OI margin

■ Revenue

● Core OI

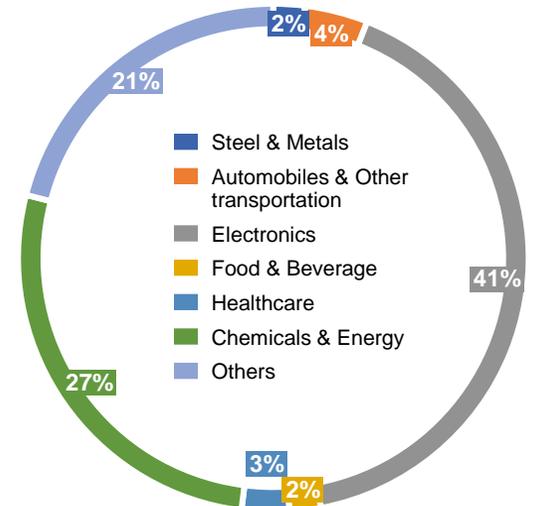


(Reference) Average Forex rates in the fiscal year

	2023	2024	2025
• AUD	92.67	95.32	99.27
• SGD	99.05	108.03	113.98

## Revenue composition by industry

(FYE2025 Full-term)



# Asia & Oceania : Initiatives by focused field

## NS Vision 2026 : Five focused fields

## FYE2026 Initiatives

<b>Sustainability Management</b>	<ul style="list-style-type: none"> <li>• Continuing training and professional development on safety and compliance</li> <li>• Promoting women's empowerment</li> <li>• Ongoing initiatives to reduce GHG emissions in our own operations</li> </ul>
<b>Exploring New Business toward Carbon Neutrality</b>	<ul style="list-style-type: none"> <li>• Solution proposals utilizing group technologies such as oxygen combustion and argon welding (for industries including steel, aluminum, and glass)</li> </ul>
<b>Total Electronics</b>	<ul style="list-style-type: none"> <li>• Strengthening response capabilities in the electronics business (Particularly electronic material gases where we have a manufacturer position, such as diborane, as well as equipment and construction)</li> <li>• Strengthening the organizational structure to secure electronics projects in Southeast Asia and India</li> </ul>
<b>Operational Excellence</b>	<ul style="list-style-type: none"> <li>• Strengthening regional collaboration to improve productivity in bulk and packaged gas production</li> <li>• Enhancing the maturity level of productivity improvement activities within the region</li> </ul>
<b>DX Initiatives</b>	<ul style="list-style-type: none"> <li>• Appointing DX promotion personnel at each site and strengthening cross-regional collaboration</li> <li>• Promoting digitalization and efficiency of operations (Promoting unified regional systems and updating quality management systems, etc.)</li> </ul>

# Thermos

## What we need to accomplish

(Toward the final fiscal year in NS Vision 2026)

To grow sustainably and to be trusted as a value creating company

### Segment strategy

#### Growth

- New products, direct operating stores, e-commerce platform business expansion
- Develop an interactive communication system with customers
- Increase Thermos brand awareness and maximize the brand equity

## Surrounding environment

(Our perspective as of the beginning of FYE2026)

### Risks

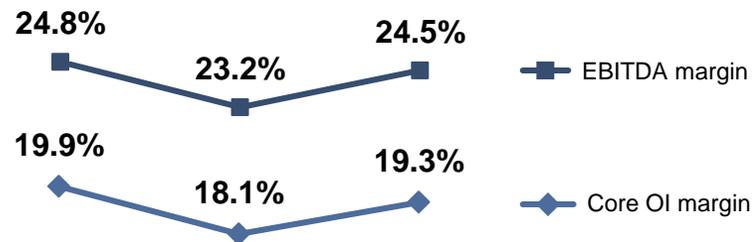
- Rising raw material costs due to inflation
- Rising labor costs at overseas production factories
- Declining consumer sentiment due to inflation

### Opportunities

- Increased demand for savings due to price increases of bottled beverages (increased demand for stainless steel vacuum-insulated bottles, etc.)
- Focus and interest in sustainable products due to rising environmental awareness
- Inbound demand from foreign tourists visiting Japan

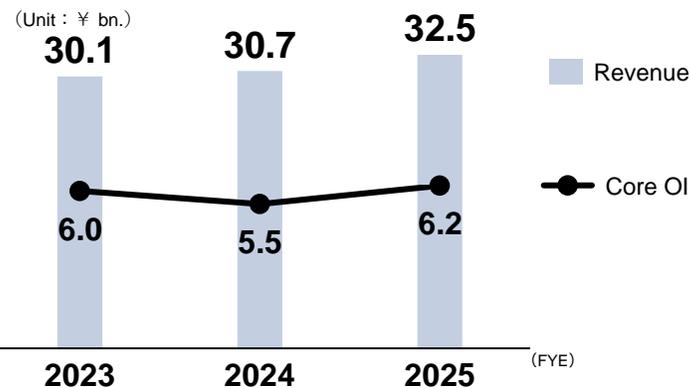
## Business Performance

(Last three fiscal years)



### Legend

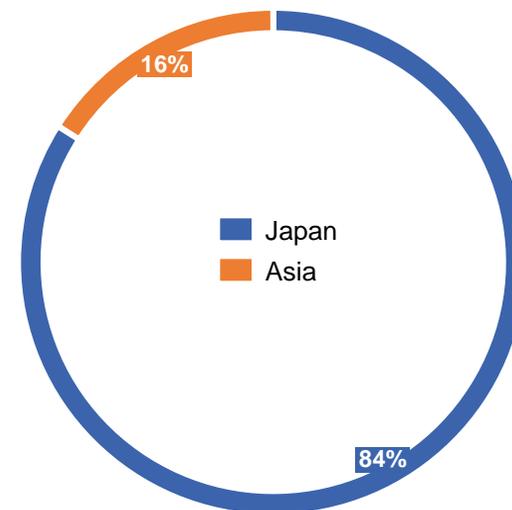
- EBITDA margin
- ◆ Core OI margin



(FYE)

## Revenue composition by industry

(FYE2025 Full-term)



# Thermos : Initiatives by focused field

## NS Vision 2026 : Five focused fields

## FYE2026 Initiatives

### Sustainability Management

- Collection of used stainless steel vacuum-insulated bottles at directly operated stores
- Safety education for employees, proper operation of production facilities
- Active promotion of workforce diversification (employment of people with disabilities, development of female managers, etc.)

### Exploring New Business toward Carbon Neutrality

- Reducing energy consumption through factory production efficiency and use of electricity derived from renewable energy

### Operational Excellence

- Strengthening productivity improvement activities primarily at production factories (Reducing procurement raw material costs, reviewing production processes)

### DX Initiatives

- Promoting efficiency of shipping operations through Web EDI (Electronic Data Interchange)
- Optimizing inventory management through advanced product demand forecasting
- Improving customer experience by utilizing big data

1. FYE2025  
Overview

2. FYE2026  
Business Plan

**3. Financial Profile**

4. Q&A Session

# 3. Financial Profile



Senior Executive Officer,  
CFO

**Alan Draper**

# Financial management

## Our Business Characteristics and Concept

- Stable revenue streams driven by annuity-based earnings from facility fees, cylinder rentals, tank rentals, and take-or-pay agreements.
- Resilient markets spanning homecare, healthcare, pharmaceuticals, environmental, food, beverage, and electronics.
- Improved pricing and contract management performance.



**Financial soundness**

### Leverage Reduction

— Reduction of financial expenses

FYE2025 Actual

Adjusted net D/E Ratio  
(End of FYE2025)

0.71

FYE2026 Forecast

Budget  
Adjusted net D/E Ratio  
(End of FYE2026)

0.77

- Fortifying the capital structure
- Refinanced ¥75bn. Hybrid debt with clean debt during FYE2025
- M&A activities



**Capital and investments**

### Investment for Growth driver

— Deliver growth, enhanced profitability, and global efficiency

CAPEX and Investments  
(Cash basis: ¥ bn.)

153.3

Budget  
CAPEX and Investments  
(Cash basis: ¥ bn.)

267.1

- Economies of scale, improve customer density
- Pursue group synergies and globalization efforts
- Prioritize investments with solid economic returns and earnings potential
- Seek M&A opportunities that improve customer density, expand geographic presence, or enhance technical capabilities



**Shareholder Returns**

### Stable & business performance-linked

— Aiming to achieve shareholders' and investors' expectations

Annual dividend [Planned]  
(¥)

51

Budget  
annual dividend  
(¥)

54

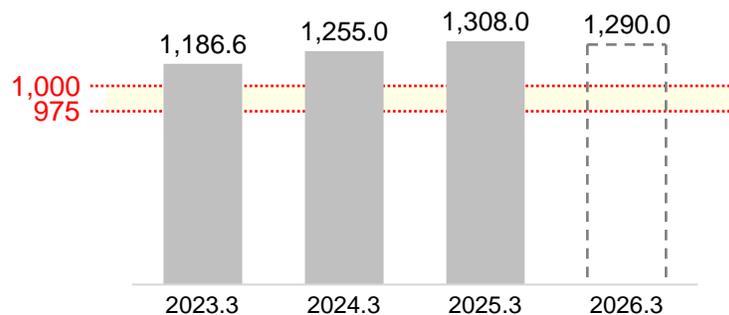
- 11 consecutive years of increasing dividend (subject to shareholder approval at AGM\*)

\*AGM: Annual General Shareholders' Meeting

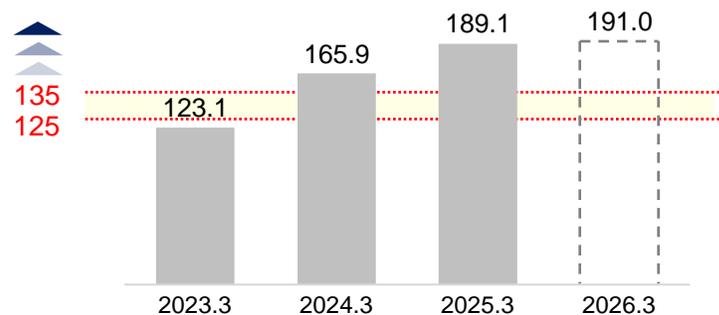
# NS Vision 2026 Financial KPI Progress

Excluding acquisitions, continue to drive financial performance with the objective of exceeding MTP financial KPIs

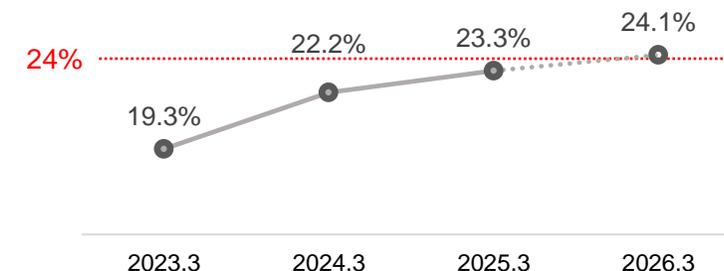
Revenue (¥ bn.)



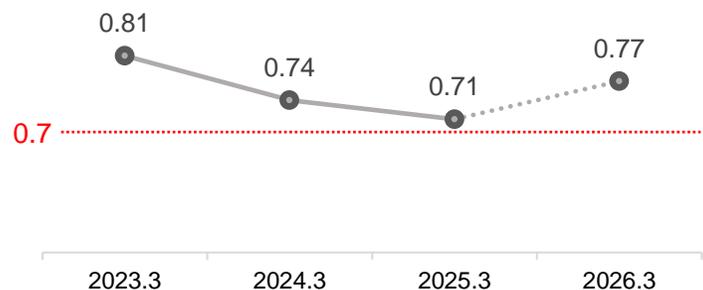
Core Operating Income (¥ bn.)



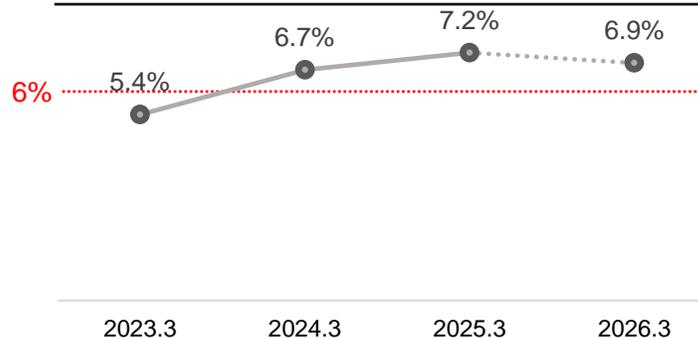
EBITDA margin



Adjusted net D/E ratio\* (times)



ROCE after Tax



Medium-term Management plan  
**NS Vision 2026 planned figure**  
(Targets set in Apr 2022, with planned figures for FYE2026)

Exchange Assumption **USD** : ¥115  
**EUR** : ¥125

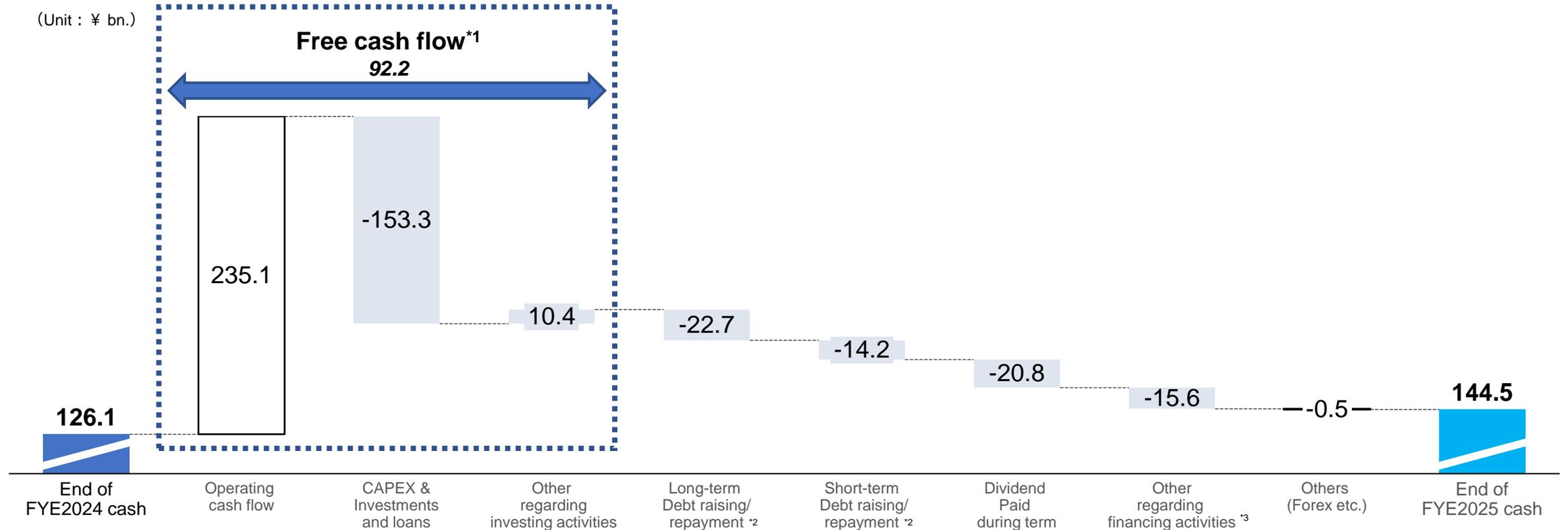
- Due to the uncertainty in the global economy, revenue and core operating income are shown in range.

\*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 Hybrid Finance being permitted as "Equity" by rating agencies.

\*Even when calculated using the above exchange rate assumptions, Revenue and Core Operating Income for FYE2025 exceed the targets.

# Cash flows for FYE2025 Full-term

**Solid operating cash flows enable a balanced capital allocation**



\*1 Free cash flow : Items reconstructed from consolidated statements of cash flows prepared in accordance with IFRS.

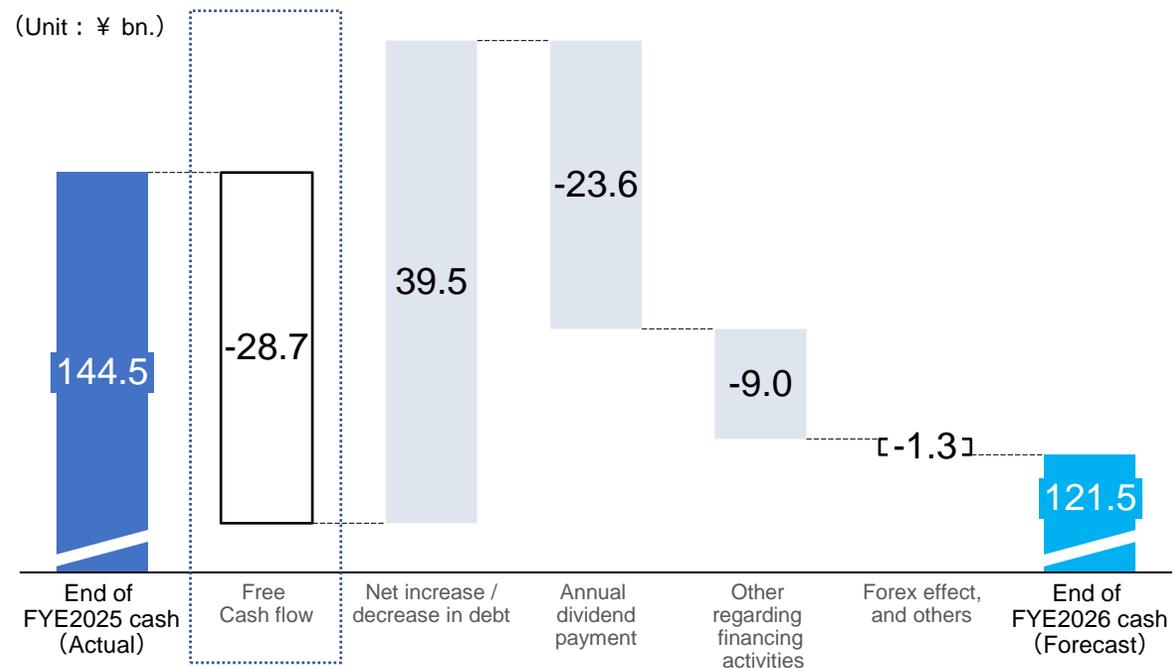
\*2 Long-term Debt and Short-term Debt raising/repayment : Represents cash financed/paid.

\*3 Other regarding financing activities : Indicates cash lease obligations, acquisition of investments, and other items.

# Cash flow and shareholder returns

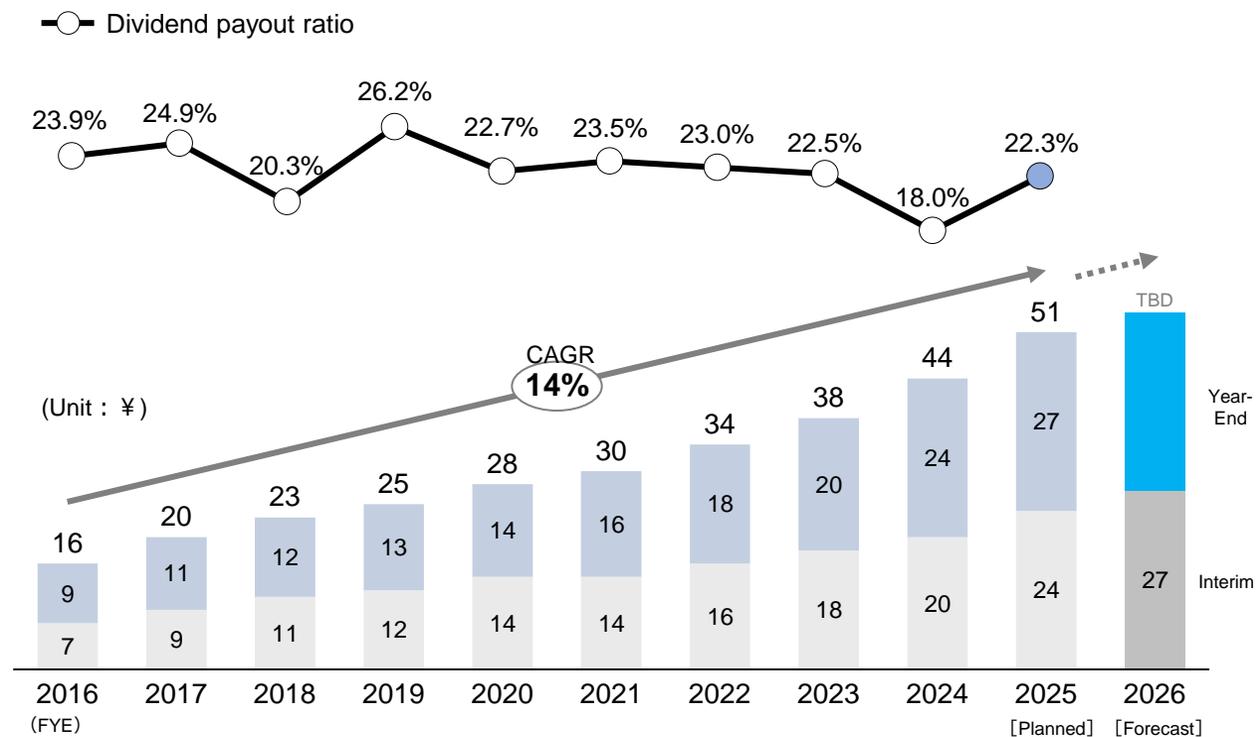
Cash flow forecast FYE2026

## Financial Soundness and Solid Shareholder Returns



Dividend Growth Trend

## Stable and reliable dividend growth



# The Gas Professionals

# Appendix

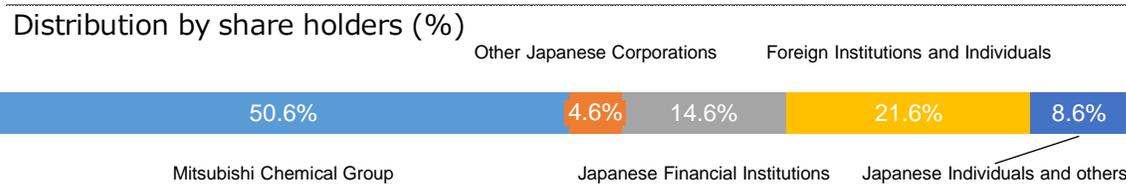
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## Corporate Information (As of March 31, 2025)

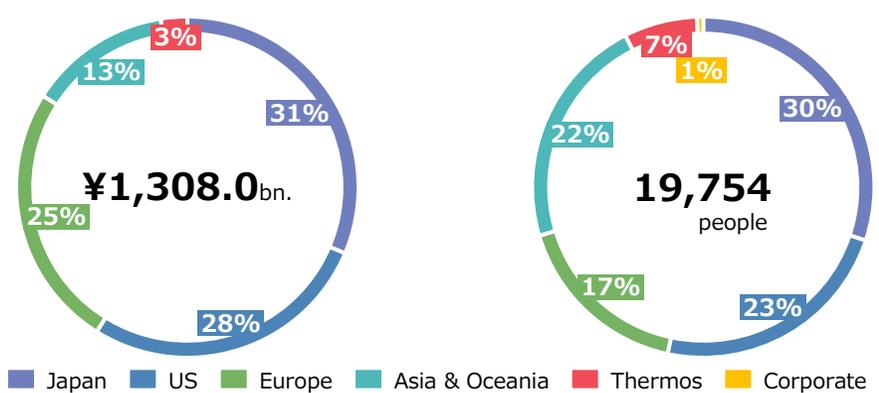
Company Name	Nippon Sanso Holdings Corporation
Founded	October 30, 1910
Headquarters	1-3-26 Koyama Shinagawa-ku, Tokyo 142-0062, Japan
TEL	81-3-5788-8500
	President CEO
Representative	Toshihiko Hamada
Common stock	37.3 billion yen

## Stock information (As of March 31, 2025)

Number of shares	433,092,837
Number of shareholders	12,904
Listed stock exchanges	Tokyo Stock Exchange Prime Market
Ticker	4091.T



## Revenue / Employee personnel by Segment (As of March 31, 2025)



## 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



## FYE2026 Financial Forecast (IFRS)

Revenue	¥1,290.0 bn.	Net income attributable to owners of the parent	¥116.0 bn.
Operating income	¥191.0 bn.	EPS	¥267.99

# Our Medium-term management plan Summary

<https://www.nipponsono-hd.co.jp/en/ir/management/plan.html>

## 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	¥975.0-1,000.0 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 %
---------------------------------------	----------	-------

### <HR>

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

## Capital allocation

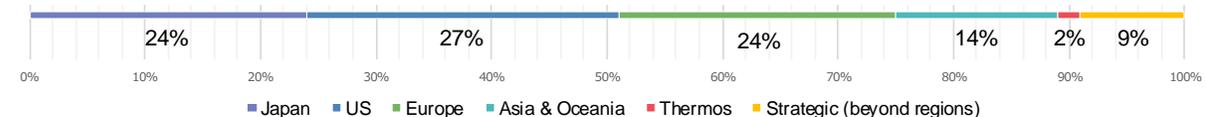
Cash-in (the total for 4 years)

[Operating Cash flow] ¥730.0 bn.

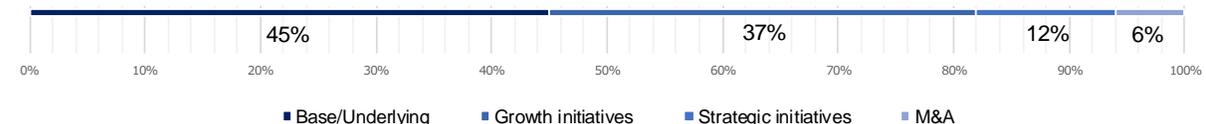
Cash-out ¥433.0 bn.

[Investment as a whole]

### Composition ratio by Business



### Composition ratio by Initiative



## Focused fields



# Free cash flow and Debt situation

(Unit : ¥ bn.)	FYE2024	FYE2025		YoY		FYE2026	Budget's YoY	
	Full-term	Full-term	Difference	% change	Full-term forecast	Difference	% change	
Income before income taxes	150.7	145.2	-5.5	-3.6%	168.5	+23.3	+16.0%	
Depreciation and amortization	112.4	116.1	+3.7		119.3	+3.2		
Changes in working capital	-20.6	15.5	+36.1		0.6	-14.9		
Others	-26.5	-41.8	-15.3		-56.2	-14.4		
<b>Cash flows from operating activities</b>	<b>215.9</b>	<b>235.1</b>	<b>+19.2</b>	<b>+8.9%</b>	<b>232.2</b>	<b>-2.9</b>	<b>-1.2%</b>	
Capital expenditures / Investments and loans	-120.8	-153.3	-32.5		-267.1	-113.8		
Others (asset sales, etc.)	-3.7	10.4	+14.1		6.2	-4.2		
<b>Cash flows from investing activities</b>	<b>-124.6</b>	<b>-142.9</b>	<b>-18.3</b>	<b>+14.7%</b>	<b>-260.9</b>	<b>-118.0</b>	<b>+82.6%</b>	
<b>Free cash flow</b>	<b>91.3</b>	<b>92.2</b>	<b>+0.9</b>	<b>+1.0%</b>	<b>-28.7</b>	<b>+120.9</b>	<b>-131.1%</b>	
<b>(Debt situation)</b>								
Net interest-bearing liabilities	810.8	758.1	-52.7		821.4	+63.3		
Adjusted net D/E ratio	0.74	0.71	-0.03		0.77	+0.06		

# Debt/Equity Performance (FYE2025)

## Net D/E ratio

(General net D/E ratio)

0.77

(YoY basis: 12 bps improvement)

## Adjusted net D/E ratio

0.71

(YoY basis: 3 bps improvement)

## Financial management net D/E ratio

(Our internal financial discipline indicator)

0.81

(YoY basis: 7 bps improvement)

Forecast at the End of FYE2026  
(March 31, 2026)

0.77

Net interest-bearing debt

—————  
Total equity attributable to owners of parent

Net interest-bearing debt — Equity-type debt\*

—————  
Total equity attributable to owners of parent + Equity-type debt\*

Net interest-bearing debt

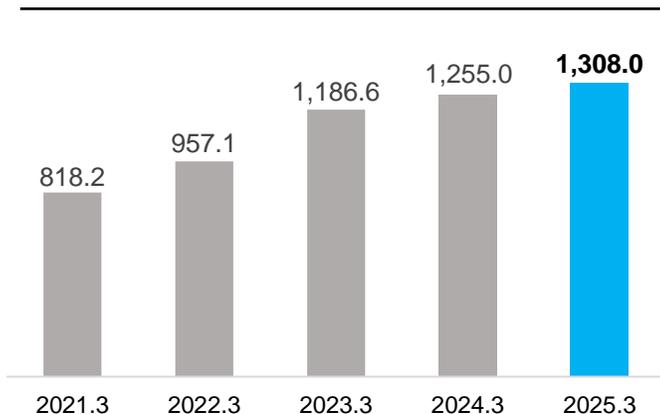
— Lease obligations — Equity-type debt\*

—————  
Total equity attributable to owners of parent  
— Other components of equity + Equity-type debt\*

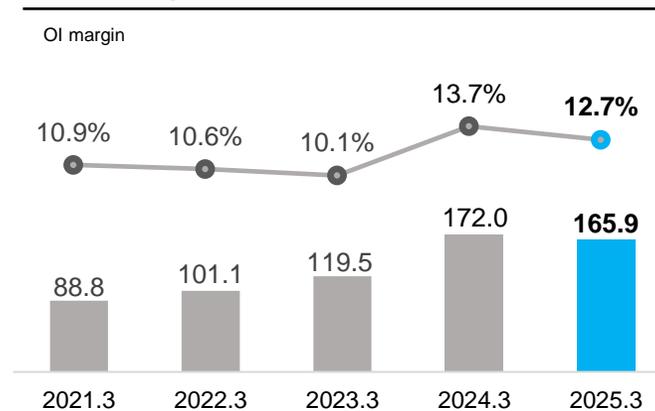
\* Equity-type debt : Our internal name of amount which is 50% of the amount raised through hybrid financing is accepted as "capital" by rating agencies.

# Business performance over the past five years

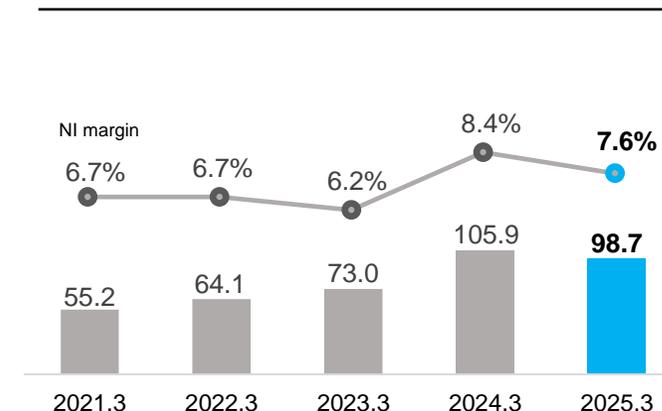
**Revenue** (¥ bn.)



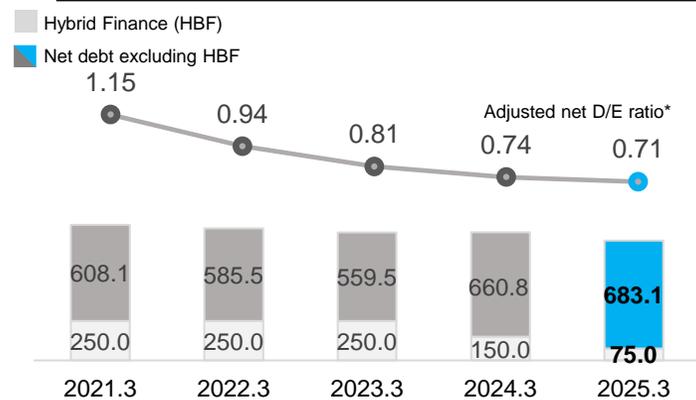
**Operating income (IFRS)** (¥ bn.)



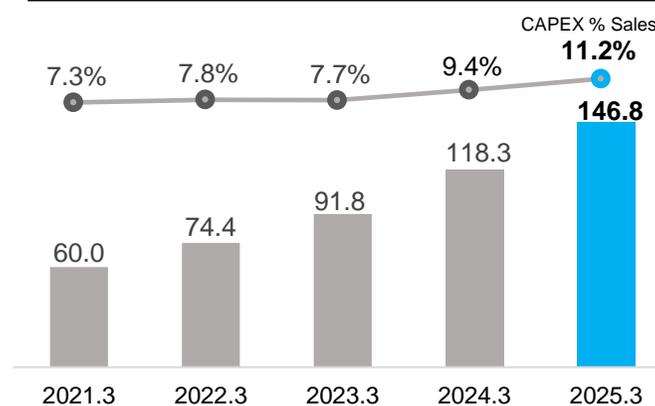
**Profit attributable to owners of the parent** (¥ bn.)



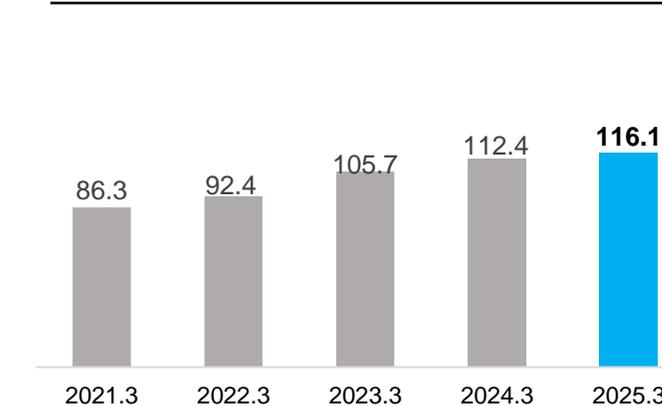
**Net interest-bearing debts** (¥ bn.)



**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 cash basis.

# 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)*

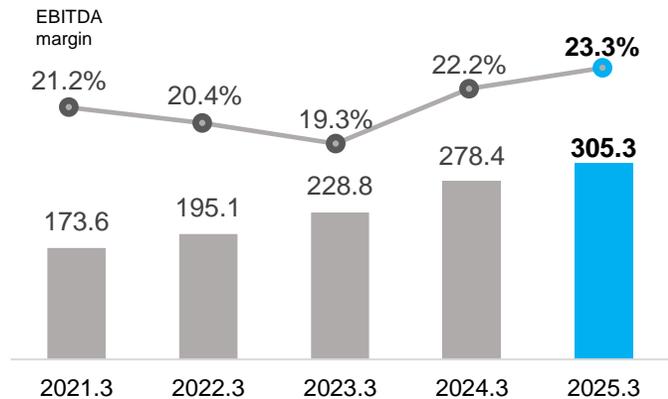
$$= \frac{\text{NOPAT (Net Operating Profit After Tax)}}{(\text{Interest-bearing debt} + \text{Total equity attributable to owners of parent}) *}$$

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

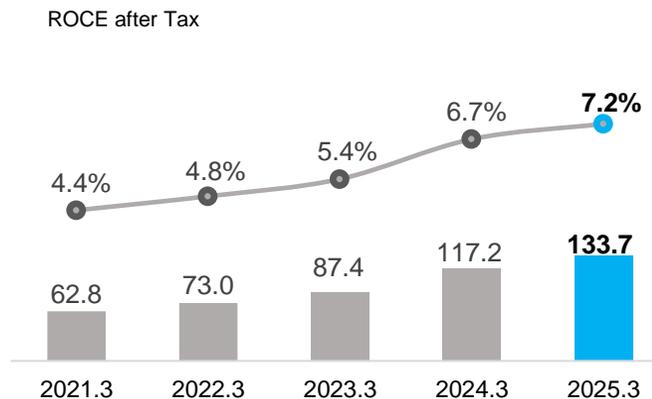
**Indicator based on profitability and investment efficiency**

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.

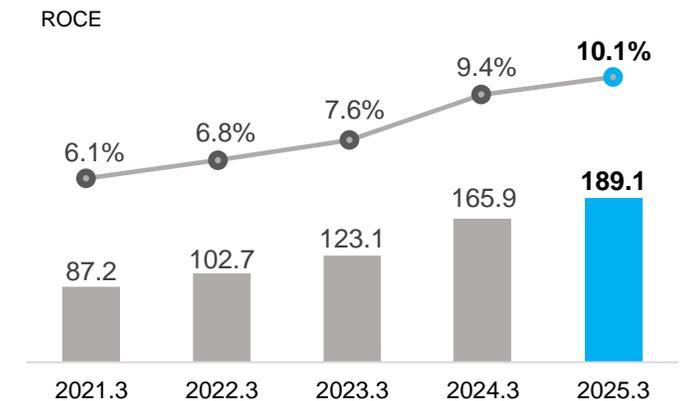
### EBITDA margin and EBITDA (¥ bn.)



### ROCE after Tax and NOPAT (¥ bn.)

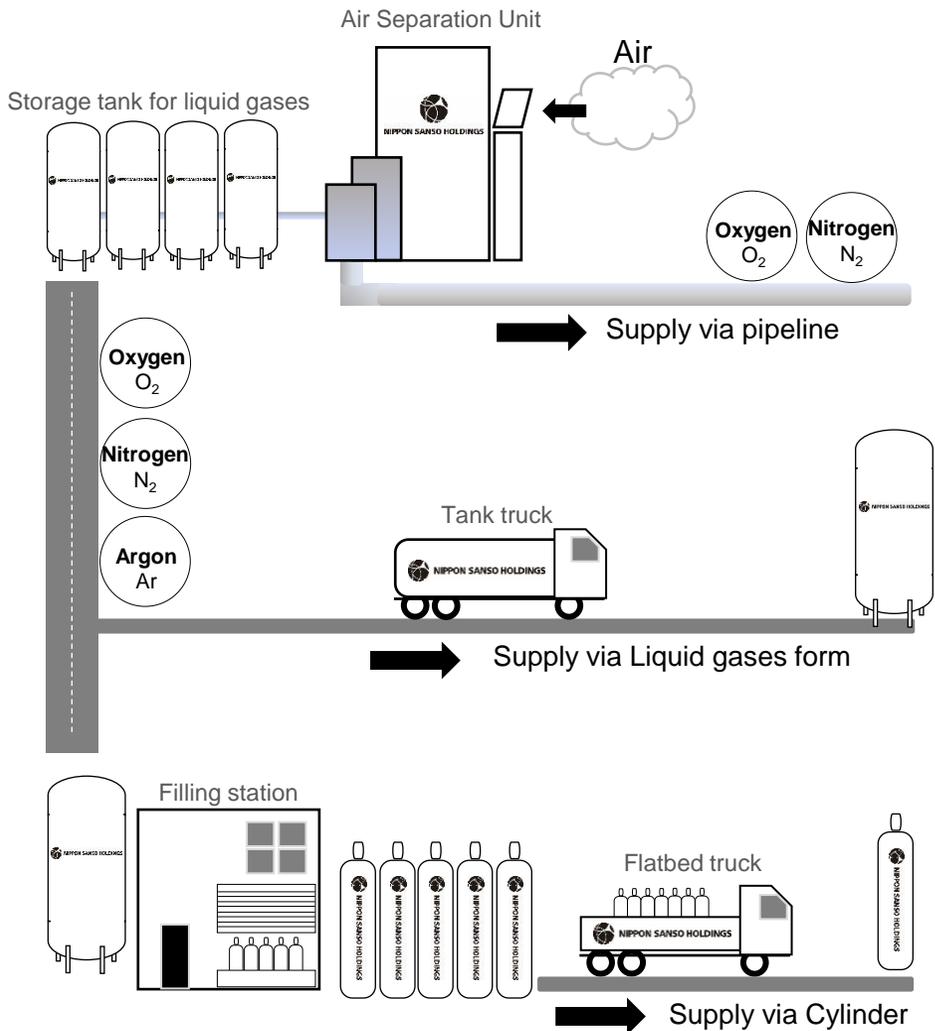


### (Reference) ROCE and Core OI (¥ bn.)



# 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 machinery	Pharmaceutical Medical	Glass/Paper
LCP	Photovoltaics	Food/beverage
		Semiconductor

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)

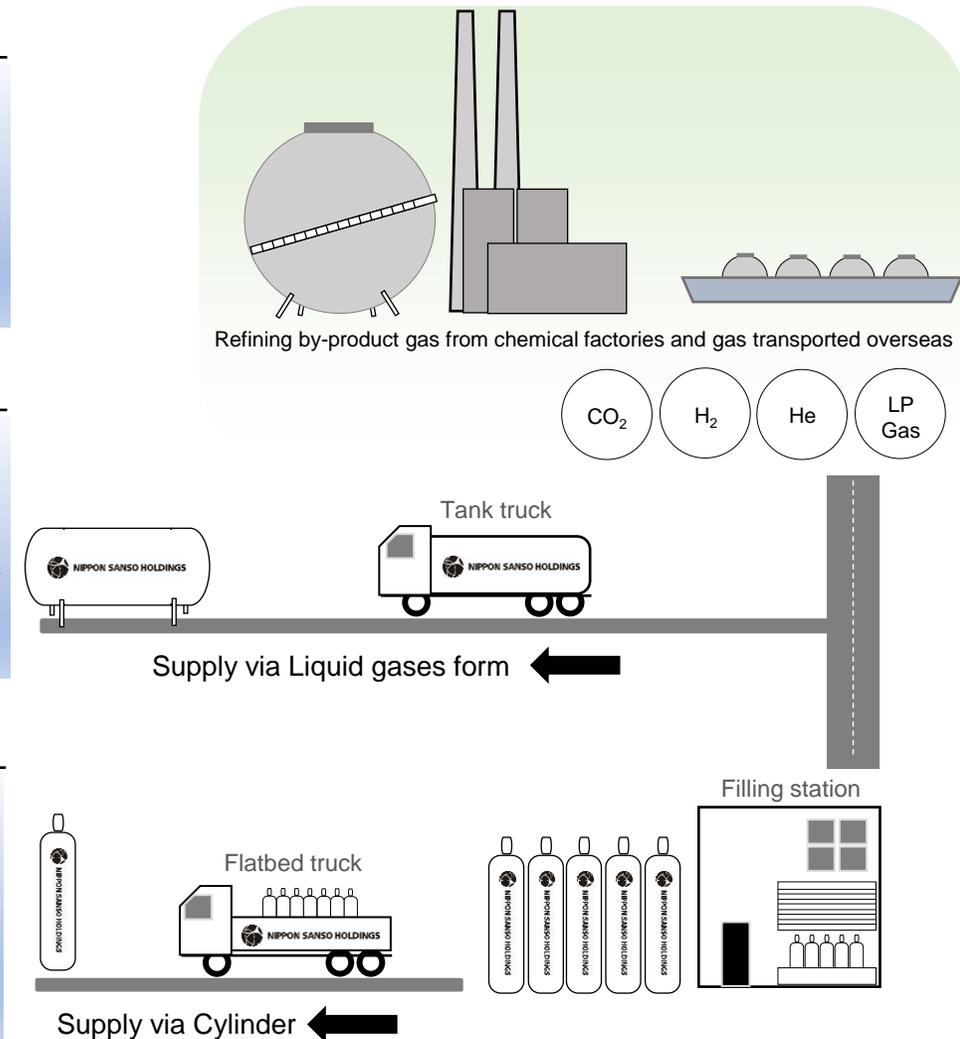
## Packaged

Major supply destination (Sector)

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

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

## Other Gases



# THERMOS



## For further information, please contact:

---

### Public Relations for media

Public Relations

Tel : +81 (0)3-5788-8513

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

### Investor Relations for investors

Investor Relations

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

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

### Upcoming IR events

Annual Shareholder meeting

June 18, 2025

Q1 FYE2026 Earnings Call

July 31, 2025

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

**NIPPON SANSO Holdings Corporation (Ticker:4091.T)**

Headquarters : 1-3-26 Koyama Shinagawa-ku, Tokyo 142-0062, Japan

# Important Notice

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# The Gas Professionals



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