

Consolidated Financial Results for Fiscal Year Ending March 31, 2021 (Based on IFRS)

May 10, 2021

Company name: Nippon Sanso Holdings Corporation Stock exchange listing: Tokyo (1st section)
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Scheduled date to be held Ordinary General Meeting of Shareholders: June 18, 2021
Scheduled date to file Securities Report: June 21, 2021
Scheduled date to commence dividend payments: June 21, 2021
Supplementary materials on quarterly financial results: Yes
Quarterly results explanatory meeting: Yes (For institutional investors and analysts)

(Amounts less than ¥1 million are omitted)

1. Financial results for FYE2021 (April 1, 2020 – March 31, 2021)

(1) Operating results

(Percentages indicate year-on-year change)

	Revenue		Core operating income		Operating income		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
FYE2021	818,238	(3.8)	87,251	(3.4)	88,846	(5.4)	56,863	3.3	55,214	3.5	118,924	888.9
FYE2020	850,239	14.8	90,337	37.2	93,921	40.5	55,038	25.9	53,340	29.2	12,025	(59.6)

(Reference) Income before income taxes

FYE2021: ¥77,706 million [(1.8)%]

FYE2020: ¥79,133 million [27.5%]

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

	Basic earnings per share (Yen)	Diluted net income per share (Yen)	Return on equity attributable to owners of the parent (%)	Income before income taxes to total assets ratio (%)	Core operating income to revenue ratio (%)
FYE2021	127.59	–	12.0	4.3	10.7
FYE2020	123.26	–	13.1	4.5	10.6

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

FYE2021: ¥5,602 million FYE2020: ¥3,533 million

(2) Financial position

	Total assets (¥ million)	Total equity (¥ million)	Equity attributable to owners of the parent (¥ million)	Equity attributable to owners of the parent ratio (%)	Equity attributable to owners of the parent per share (yen)
FYE2021 (March 31, 2021)	1,836,294	543,900	513,164	27.9	1,185.82
FYE2020 (March 31, 2020)	1,751,732	440,693	409,344	23.4	945.91

(3) Consolidated cash flows

	Cash flows from operating activities (¥ million)	Cash flows from investing activities (¥ million)	Cash flows from financing activities (¥ million)	Balance of cash and cash equivalents at term-end (¥ million)
FYE2021	149,231	(59,686)	(103,159)	91,058
FYE2020	150,084	(62,629)	(46,242)	100,005

2. Dividends

	Annual Dividend					Total amount of dividends (¥ million)	Payout ratio (consolidated) (%)	Ratio of dividends to equity attributable to owners of the parent (consolidated) (%)
	End of 1 st quarter (Yen)	End of 2 nd quarter (Yen)	End of 3 rd quarter (Yen)	Term end (Yen)	Total (Yen)			
FYE2020	—	14.00	—	14.00	28.00	12,121	22.7	3.0
FYE2021	—	14.00	—	16.00	30.00	12,987	23.5	2.8
FYE2022 (est.)	—	16.00	—	16.00	32.00		23.8	

3. Forecasts for business operations for FYE2022 full term (April 1, 2021 – March 31, 2022)

(Percentages indicate year-on-year change)

	Revenue		Core operating income		Operating income		Net income		Net income attributable to owners of the parent		Basic earnings per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(Yen)
Full term	865,000	5.7	96,000	10.0	96,500	8.6	60,000	5.5	58,200	5.4	134.49

(Reference) Income before income taxes

FYE2022 full term: ¥ 86,000 million [10.7%]

* Notes

(1) Changes in significant subsidiaries during the period: None

(Transfer of specified subsidiaries resulting in changes in the scope of consolidation)

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

1. Changes in accounting policies required by IFRS: None

2. Changes in accounting policies other than 1.: None

3. Changes in accounting estimates: None

(3) Number of outstanding shares (common shares)

1. Number of outstanding shares at the end of the period (including treasury stock)	As of Mar. 31, 2021	433,092,837 shares	As of Mar. 31, 2020	433,092,837 shares
2. Number of treasury stocks at the end of the period	As of Mar. 31, 2021	342,332 shares	As of Mar. 31, 2020	339,139 shares
3. Average number of shares during the period	FYE2021	432,752,228 shares	FYE2020	432,755,426 shares

(Reference) Non-consolidated Business Results

1. Non-consolidated Business Results for FYE2021 full term (April 1, 2020 – March 31, 2021)

(1) Non-consolidated business results

(Percentages indicate year-on-year change)

	Sales		Operating revenue		Operating income		Ordinary income		Net income	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
FYE2021	96,363	(55.4)	4,677	—	8,754	(44.0)	9,032	(39.3)	8,558	(49.9)
FYE2020	216,006	0.6	—	—	15,636	(6.1)	15,019	(26.3)	17,066	(4.9)

	Net income per share (Yen)	Diluted net income per share(Yen)
FYE2021	19.77	—
FYE2020	39.42	—

(2) Non-consolidated financial position

	Total assets (¥ million)	Total equity (¥ million)	Equity attributable to owners of the parent ratio(%)	Net assets per share (¥ million)
FYE2021	990,088	266,436	26.9	615.45
FYE2020	1,137,024	267,929	23.6	618.90

(Reference) Shareholders' equity

FYE2021: ¥266,436 million FYE2020: ¥267,929 million

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

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

The forward-looking statements such as the forecasts of financial results stated in this document are based on the information currently available to the Company and certain assumptions that the Company judges as rational. The Company is under no obligation to guarantee their achievement. Actual financial results may vary significantly due to various reasons. For details on the assumptions of the forecasts and related matters, please see page 7, “(4) Future Outlook” in “1. Overview of Business Results.”

The Company plans to hold a briefing of results for institutional investors and analysts on Thursday, May 20, 2021.

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

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1. Overview of Business Results

(1) Overview of Business Results for the Fiscal Year Under Review

(General overview)

The Nippon Sanso Holdings Group's (NSHD Group) business environment in the first fiscal year under review (from April 1, 2020 to March 31, 2021) was as follows. In the first quarter (from April 1, 2020 to June 30, 2020), the global COVID-19 pandemic caused a significant economic downturn and decline in demand in the countries and regions in which the NSHD Group operates, and production activity in the manufacturing sector rapidly decreased. However, from the start of the second quarter (from July 1, 2020 to September 30, 2020), signs of overall recovery began to emerge. The trend in shipments of air separation gases (oxygen, nitrogen, and argon) has been gradually recovering from the third quarter (from October 1, 2020 to December 31, 2020), but in spite of the improved trends sequentially overall sales remain down as compared to previous fiscal year.

Against this backdrop, the NSHD Group achieved the following results for the fiscal year under review. Revenue on a consolidated basis decreased 3.8% year on year to ¥818,238 million, core operating income fell 3.4% to ¥87,251 million, operating income decreased 5.4% to ¥88,846 million, and net income attributable to owners of the parent increased 3.5% to ¥55,214 million.

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

(Overview of business performance by reportable segment)

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

Segment income represents core operating income.

① Gas Business in Japan

In the industrial gas-related business, revenue from air separation gases, decreased sharply year on year, primarily due to sluggish production activity in relevant industries. Meanwhile, in the electronics-related field, revenue increased in electronic materials gases. In equipment and installation, revenue rose substantially in the electronics-related field. However, there was a large year-on-year decline in revenue primarily in Installation of Air Separation Units and welding & cutting equipment for metal processing

As a result, in the Gas Business in Japan, revenue decreased 4.8% year on year to ¥338,938 million, while segment income increased 1.3% to ¥29,124 million.

② Gas Business in the United States

In the industrial-gas related business, revenue from air separation gases, decreased sharply year on year, primarily due to packaged and bulk gases. In the on-site business, revenue declined year on year due to the impact of lower demand from gas customers. In equipment and installation, electronics-related revenue increased, but revenue from welding and cutting equipment for metal processing decreased.

As a result, in the Gas Business in the United States, revenue decreased 4.5% year on year to ¥189,994 million and segment income increased 5.4% to ¥23,455 million.

③ Gas Business in Europe

Demand for packaged and bulk gases decreased sharply due to strong decline in production activity as a whole in the key regions of Iberia (Spain and Portugal), Germany, and Italy, but trended toward recovery from the third quarter. In the on-site business, a similar trend in demand occurred with suppliers. In equipment and installation, overall demand decreased in general.

As a result, in the Gas Business in Europe, revenue decreased 3.3% year on year to ¥160,035 million and segment income decreased 14.5% to ¥21,254 million.

④ Gas Business in Asia & Oceania

In the industrial gas-related business, revenue from air separation gases, decreased due to the impacts of government impose restrictions and the associated decline in production activity in the manufacturing sector. In LPG, unit sales prices fell due to lower contract prices in purchasing, but customer shipments in Australia were positive. In the electronics-related business, shipments were favorable for electronic materials gases in East Asia. In equipment and installation, demand decreased sharply, mainly reflecting a decrease in spot projects in Singapore, as well as the absence of an installation project in Taiwan, and lower demand for welding and cutting equipment for metal processing.

As a result, in the Gas Business in Asia & Oceania, revenue increased 0.7% year on year to ¥105,305 million and segment income decreased 4.6 % to ¥9,497 million.

⑤ Thermos Business

In the Thermos Business, revenue from motion products decreased sharply in Japan, as revenue was heavily impacted by the loss of sales opportunities associated with the leisure season. These sales opportunities were lost because of restrictions on outdoor activities and the voluntary suspension of business activities from Japanese government and municipalities. Meanwhile, sales volume of frying pans and tumblers increased substantially in connection with the widespread adoption of new lifestyles where consumers spend longer periods of time at home. Overseas, shipping volume increased while being influenced by business slowdowns in various regions.

As a result, in the Thermos Business, revenue decreased 4.6% year on year to ¥23,964 million, and segment income fell 27.6% to ¥5,229 million.

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

Total assets amounted to ¥1,836,294 million as of March 31, 2021, an increase of ¥84,562 million from March 31, 2020. Due to the impact of foreign exchange rates, total assets were stated approximately ¥90 billion higher than they otherwise would have been reported. This mainly reflected foreign exchange rate changes such as the yen's depreciation of ¥1.88 against the U.S. dollar and the yen's depreciation of ¥10.25 against the euro as of March 31, 2021, compared with the rates as of March 31, 2020.

[Assets]

Total current assets were ¥368,901 million, an increase of ¥1,599 million from March 31, 2020.

Total non-current assets were ¥1,467,393 million, an increase of ¥82,962 million from March 31, 2020, mainly due to increases in goodwill and other financial assets.

[Liabilities]

Total current liabilities were ¥326,019 million, a decrease of ¥5,883 million from March 31, 2020, due mainly to a decrease in bonds and borrowings.

Total non-current liabilities were ¥966,374 million, a decrease of ¥12,760 million from March 31, 2020, due mainly to a decrease in bonds and borrowings.

[Equity]

Total equity amounted to ¥543,900 million, an increase of ¥103,206 million from March 31, 2020. The main changes were an increase due to the recording of net income attributable to owners of the parent, a decrease in retained earnings paid as dividends, and an increase in exchange differences on translation of foreign operations.

The equity attributable to owners of the parent ratio stood at 27.9%, up 4.5 percentage points from the previous fiscal year-end.

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

(Cash flow from operating activities)

Net cash provided by operating activities amounted to ¥149,231 million. The main components were profit before income taxes, depreciation and amortization, and income taxes refund (paid).

(Cash flow from investing activities)

Net cash used in investing activities was ¥59,686 million. The main use of cash was for the purchase of property, plant and equipment

(Cash flow from financing activities)

Net cash used in financing activities was ¥103,159 million. The main uses of cash included repayments of long-term borrowings, a net increase in short-term borrowings and proceeds from long-term borrowings.

As a result of the Company's operating, investing and financing activities, the balance of cash and cash equivalents as of March 31, 2021 was ¥91,058 million, after accounting for the effects of exchange rates.

	As of Mar. 31, 2017	As of Mar 31, 2018	As of Mar. 31, 2019	As of Mar. 31, 2020	As of Mar. 31, 2021
Ratio of equity attributable to owners of the parent (%)	38.0	41.5	23.0	23.4	27.9
Ratio of equity attributable to owners of the parent on a market value basis (%)	61.0	74.9	41.2	39.6	49.6
Interest-bearing debt to cash flow (years)	4.8	3.9	10.2	6.7	6.4
Interest coverage ratio (times)	16.6	16.7	15.3	12.8	12.9

Notes: Ratio of equity attributable to owners of the parent: Equity attributable to owners of the parent / total assets

Ratio of equity attributable to owners of the parent on a market value basis: Market capitalization / total assets

Interest-bearing debt to cash flow: Interest-bearing debt / operating cash flow

Interest coverage ratio: Operating cash flow / interest payments

1. Each indicator is calculated based on consolidated financial data.
2. Market capitalization is calculated by multiplying the closing year-end share price by the number of shares outstanding at year-end.
3. Operating cash flow uses cash flow from operating activities on the Consolidated Statement of Cash Flows. Interest-bearing debt includes all debt on which interest is paid among liabilities recorded on the consolidated financial statements.

(4) Future Outlook

The consolidated earnings forecast for the fiscal year ending March 31, 2022 is as follows. The outlook for key regions in which the Company conducts business calls for continued economic recovery. Based on this improved economic outlook, the Company expects revenue to increase in its industrial gas-related, electronic materials gases, hard goods (welding and cutting equipment) and gas-related equipment businesses. Taking into account the sluggish performance in the first half of the fiscal year ended March 31, 2021, the Company forecasts a stronger start year on year in the first quarter of the fiscal year ending March 31, 2022. On the other hand, there are also growing adversities and concerns, and this situation is expected to continue for the time being. Under the uncertain macroeconomic environment created by the spread of COVID-19, the main concerns are a shortage of semiconductor chips, pressure brought about by a rise in overall price levels, increased prices for electricity and energy, a drop in demand for oxygen for medical use and transportation congestion at shipping ports. Amid this challenging environment, for the fiscal year ending March 31, 2022, the Company forecasts revenue of ¥865 billion, an increase of ¥46.7 billion (up 5.7%) compared to the previous fiscal year, and core operating income of ¥96 billion, an increase of ¥8.7 billion (up 10%).

	Revenue	Core operating income	Operating income	Net income	Net income attributable to owners of the parent
As of Mar. 31, 2022 (¥ billion)	865.0	96.0	96.5	60.0	58.2
As of Mar. 31, 2021 (¥ billion)	818.2	87.2	88.8	56.8	55.2
Change (%)	5.7	10.0	8.6	5.5	5.4

(5) Basic Policy on Profit Distribution and Dividends for FYE2021 and FYE2022

The Company's basic policy is to continuously maintain a stable dividend, while remaining mindful of the need to retain an internal reserve to enhance and strengthen the business structure. The Company will strive to return profits to shareholders through a dividend policy linked to consolidated business performance.

In accordance with this policy, the Company plans to set the year-end dividend for the fiscal year under review at ¥16 per share, an increase of ¥2 per share compared to the previous fiscal year. Therefore, the

Company plans to pay an annual dividend of ¥30 per share, including an interim dividend of ¥14 per share. For the fiscal year ending March 31, 2022, the Company plans to pay an annual dividend of ¥32 per share, including an interim dividend of ¥16 per share.

2. Basic Policy on Selection of Accounting Standards

From the fiscal year ended March 31, 2017, the NSHD Group has adopted International Financial Reporting Standards (IFRS) primarily for the purpose of improving the international comparability of financial statements in the capital markets and to unify accounting procedures within the NSHD Group.

3. Condensed consolidated financial statements and main notes
(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of Mar. 31, 2020	As of Mar 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	100,005	91,058
Trade receivables	179,243	182,077
Inventories	65,886	69,613
Other financial assets	7,147	6,710
Other current assets	15,020	19,441
Total current assets	367,302	368,901
Non-current assets:		
Plant, property and equipment:	655,195	685,733
Goodwill	419,290	455,036
Intangible assets	232,077	237,751
Investments accounted for using the equity method	32,065	32,295
Other financial assets	38,834	49,739
Retirement benefit asset	1,358	2,467
Other non-current assets	971	1,120
Deferred tax assets	4,637	3,249
Total non-current assets	1,384,430	1,467,393
Total assets	1,751,732	1,836,294

(Millions of yen)

	As of Mar. 31, 2020	As of Mar. 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade payables	93,885	96,093
Bonds and borrowings	154,980	131,721
Income taxes payable	8,331	11,022
Other financial liabilities	51,525	58,428
Allowance	375	469
Other current liabilities	22,805	28,284
Total current liabilities	331,903	326,019
Non-current liabilities:		
Bonds and borrowings	807,611	780,895
Other financial liabilities	29,171	29,453
Retirement benefit liabilities	12,952	14,037
Allowance	3,281	3,870
Other non-current liabilities	20,282	19,359
Deferred tax liabilities	105,835	118,757
Total non-current liabilities	979,135	966,374
Total liabilities	1,311,038	1,292,394
Equity		
Share capital	37,344	37,344
Capital surplus	56,387	55,901
Treasury stock	(268)	(273)
Retained earnings	379,322	422,838
Other components of equity	(63,441)	(2,646)
Total equity attributable to owners of parent	409,344	513,164
Non-controlling interests	31,349	30,736
Total equity	440,693	543,900
Total liabilities and equity	1,751,732	1,836,294

**(2) Condensed Consolidated Statement of Profit or Loss and
 Condensed Consolidated Statement of Comprehensive Income**

(Condensed Consolidated Statement of Profit or Loss)

(Millions of yen)

	Year ended Mar.31, 2020	Year ended Mar.31, 2021
Revenue	850,239	818,238
Cost of sales	(522,680)	(500,799)
Gross profit	327,559	317,439
Selling, general and administrative expenses	(242,129)	(233,276)
Other operating income	10,623	3,949
Other operating expense	(5,665)	(4,867)
Share of profit of investments accounted for using the equity method	3,533	5,602
Operating profit	93,921	88,846
Finance income	1,150	1,424
Finance costs	(15,938)	(12,564)
Income before income taxes	79,133	77,706
Income taxes	(24,095)	(20,842)
Profit	55,038	56,863
Profit attributable to:		
Owners of parent	53,340	55,214
Non-controlling interests	1,697	1,648
Net income per share		
Basic earnings per share (Yen)	123.26	127.59

(Condensed Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Year ended Mar.31, 2020	Year ended Mar. 31, 2021
Profit	55,038	56,863
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(4,061)	7,617
Remeasurements of defined benefit plans	(698)	710
Share of other comprehensive income of investments accounted for using the equity method	33	(31)
Total of items that will not be reclassified to profit or loss	(4,727)	8,296
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(36,897)	53,841
Effective portion of net change in fair value of cash flow hedges	59	56
Share of other comprehensive income of investments accounted for using the equity method	(1,446)	(133)
Total of items that may be reclassified subsequently to profit or loss	(38,284)	53,764
Total other comprehensive income	(43,012)	62,060
Comprehensive income	12,025	118,924
Comprehensive income attributable to:		
Owners of parent	10,996	116,598
Non-controlling interests	1,029	2,325

(3) Condensed Consolidated Statement of Changes in Equity

FYE2020 (April 1, 2019 to March 31, 2020)

	Share capital	Capital surplus	Treasury stock	(Millions of yen) Retained earnings
Balance at April 1, 2019	37,344	53,116	(261)	339,393
Net income	–	–	–	53,340
Other comprehensive income	–	–	–	–
Comprehensive income	–	–	–	53,340
Purchase of treasury stock	–	–	(7)	–
Disposal of treasury stock	–	0	0	–
Dividends	–	–	–	(11,688)
Changes in ownership interest in subsidiaries	–	(264)	–	–
Business combinations or business divestitures	–	3,535	–	–
Transfer from other components of equity to retained earnings	–	–	–	(1,893)
)Change in scope of consolidation	–	–	–	171
Other changes	–	–	–	(1)
Total transactions with owners	–	3,270	(7)	(13,411)
Balance at March 31, 2020	37,344	56,387	(268)	379,322

	Other components of equity					Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Effective portion of net change in fair value of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
Balance at April 1, 2019	(33,440)	(39)	10,488	–	(22,991)	406,602	29,251	435,854
Net income	–	–	–	–	–	53,340	1,697	55,038
Other comprehensive income	(37,730)	59	(3,983)	(689)	(42,343)	(42,343)	(668)	(43,012)
Comprehensive income	(37,730)	59	(3,983)	(689)	(42,343)	10,996	1,029	12,025
Purchase of treasury stock	–	–	–	–	–	(7)	–	(7)
Disposal of treasury stock	–	–	–	–	–	0	–	0
Dividends	–	–	–	–	–	(11,688)	(742)	(12,431)
Changes in ownership interest in subsidiaries	–	–	–	–	–	(264)	318	54
Business combinations or business divestitures	–	–	–	–	–	3,535	1,950	5,485
Transfer from other components of equity to retained earnings	–	–	1,203	689	1,893	–	–	–
Change in scope of consolidation	–	–	–	–	–	171	5	177
Other changes	–	–	–	–	–	(1)	(464)	(465)
Total transactions with owners	–	–	1,203	689	1,893	(8,255)	1,068	(7,186)
Balance at March 31, 2020	(71,170)	19	7,709	–	(63,441)	409,344	31,349	440,693

FYE2021 (April 1, 2020 to March 31, 2021)

	Share capital	Capital surplus	Treasury stock	(Millions of yen) Retained earnings
Balance at April 1, 2020	37,344	56,387	(268)	379,322
Net income	–	–	–	55,214
Other comprehensive income	–	–	–	–
Comprehensive income				55,214
Purchase of treasury stock	–	–	(5)	–
Disposal of treasury stock	–	0	0	–
Dividends	–	–	–	(12,121)
Changes in ownership interest in subsidiaries	–	(485)	–	–
Business combinations or business divestitures	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	588
Change in scope of consolidation	–	–	–	(166)
Other changes	–	–	–	–
Total transactions with owners	–	(485)	(5)	(11,699)
Balance at March 31, 2021	37,344	55,901	(273)	422,838

Other components of equity

	Exchange differences on translation of foreign operations	Effective portion of net change in fair value of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at April 1, 2020	(71,170)	19	7,709	–	(63,441)	409,344	31,349	440,693
Net income	–	–	–	–	–	55,214	1,648	56,863
Other comprehensive income	53,141	52	7,507	682	61,383	61,383	677	62,060
Comprehensive income	53,141	52	7,507	682	61,383	116,598	2,325	118,924
Purchase of treasury stock	–	–	–	–	–	(5)	–	(5)
Disposal of treasury stock	–	–	–	–	–	0	–	0
Dividends	–	–	–	–	–	(12,121)	(681)	(12,803)
Changes in ownership interest in subsidiaries	–	–	–	–	–	(485)	(2,787)	(3,273)
Business combinations or business divestitures	–	–	–	–	–	–	54	54
Transfer from other components of equity to retained earnings	–	–	93	(682)	(588)	–	–	–
Change in scope of consolidation	–	–	–	–	–	(166)	–	(166)
Other changes	–	–	–	–	–	–	476	476
Total transactions with owners	–	–	93	(682)	(588)	(12,778)	(2,939)	(15,717)
Balance at March 31, 2021	(18,029)	71	15,310	–	(2,646)	513,164	30,736	543,900

(4) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Year ended Mar.31, 2020	Year ended Mar. 31, 2021
Cash flow from operating activities		
Income before income taxes	79,133	77,706
Depreciation and amortization	83,798	86,380
Impairment losses	1,948	2,022
Interest and dividends income	(1,150)	(821)
Interest expenses	13,895	12,554
Share of (profit) loss of investments accounted for using the equity method	(3,533)	(5,602)
Loss (gain) on sales and retirement of property, plant and equipment, and intangible assets	(6,479)	(295)
(Increase) decrease in trade receivables	14,209	2,248
(Increase) decrease in inventories	(844)	(766)
Increase (decrease) in trade payables	(10,195)	(938)
(Increase) decrease in retirement benefit asset	(416)	(394)
Increase (decrease) in retirement benefit liabilities	689	764
Other	7,019	(529)
Subtotal	178,073	172,328
Interest receive	244	195
Dividends received	4,912	6,117
Interest paid	(11,738)	(11,548)
Income taxes refund (paid)	(21,407)	(17,860)
Net cash provided by operating activities	150,084	149,231
Cash flow from investing activities		
Purchase of property, plant and equipment	(72,810)	(60,075)
Proceeds from sale of property, plant and equipment	8,409	1,434
Purchase of investment	(535)	(633)
Proceeds from sales and redemption of investments	3,023	252
Payments for acquisition of subsidiaries	(15)	(119)
Proceeds from sales of subsidiaries	1,586	-
Payments for acquisition of businesses	(182)	(608)
Other	(2,105)	64
Net cash used in investing activities	(62,629)	(59,686)

NIPPON SANSO Holdings Corporation (Ticker : 4091.T)
Consolidated Financial Performance for FYE2021 full-term

	Year ended Mar. 31, 2020	Year ended Mar. 31, 2021
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	(414,640)	(22,924)
Net increase (decrease) in commercial papers	8,000	(3,000)
Proceeds from long-term borrowings	393,994	58,106
Repayment of long-term borrowings	(62,148)	(101,049)
Proceeds from issuance of bonds	49,736	-
Repayments for redemption of bonds	-	(10,000)
Repayments of lease obligations	(8,646)	(8,688)
Purchases of investments in subsidiaries not resulting in change in scope of consolidation	(55)	(2,834)
Dividends paid	(11,688)	(12,121)
Dividends paid to non-controlling interests	(742)	(681)
Other	(51)	34
Net cash used in financing activities	(46,242)	(103,159)
Effect of exchange rate changes on cash and cash equivalents	(1,096)	4,543
Net increase (decrease) in cash and cash equivalents	40,116	(9,070)
Balance of cash and cash equivalents at beginning of fiscal year	59,620	100,005
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	268	105
Increase in cash and cash equivalents resulting from merger	-	19
Balance of cash and cash equivalents at term-end	100,005	91,058

(5) Notes to the Condensed Consolidated Financial Statements

(Note regarding going concern assumption)

Not applicable.

(Segment information)

1) Outline of reportable segments

The NSHD Group's reportable segments are components of the NSHD Group about which separate financial information is available and which are evaluated regularly by the Board of Directors in deciding how to allocate management resources and in assessing performance. No grouping of operating segments has been carried out for reporting purposes.

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

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

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

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

2) Figures of revenue and income (loss) by reportable segment

FYE2020 (April 1, 2019 – Marc 31, 2020)

(¥ million)

	Reportable segment					Total	Adjustments (Note 1)	Amounts on the Consolidated Statements of Income
	Gas Business in Japan	Gas Business in the United States	Gas Business in Europe	Gas Business in Asia & Oceania	Thermos Business			
Revenue								
Revenue to external customers	356,145	198,869	165,564	104,541	25,118	850,239	—	850,239
Revenue from inter-segment transactions and transfers	10,272	17,480	166	3,088	24	31,032	(31,032)	—
Total	366,418	216,350	165,731	107,629	25,143	881,272	(31,032)	850,239
Segment income (Note 2)	28,737	22,263	24,854	9,952	7,224	93,032	(2,695)	90,337
Other items								
Depreciation and amortization	18,924	28,749	27,732	6,732	1,226	83,365	433	83,798
Impairment loss	38	—	—	—	—	38	—	38
Share of profit (loss) of investments accounted for using equity method	280	(123)	(23)	63	3,372	3,569	(0)	3,569

- Notes: 1. The (¥2,695) million negative adjustment for segment income is comprised of (¥853) million of intersegment eliminations and companywide expenses of (¥1,841) million that were not allocated to any particular reportable segment. These companywide expenses related principally to basic research expenses that were not allocated to a particular reportable segment.
 2. Segment income represents core operating income, which is calculated as operating income excluding certain gains or losses attributable to non-recurring factors (non-recurring items).

FYE2021 (April 1, 2020 – March 31, 2021)

(¥ million)

	Reportable segment					Total	Adjustments (Note 1)	Amounts on the Consolidated Statements of Income
	Gas Business in Japan	Gas Business in the United States	Gas Business in Europe	Gas Business in Asia & Oceania	Thermos Business			
Revenue								
Revenue to external customers	338,938	189,994	160,035	105,305	23,964	818,238	—	818,238
Revenue from inter-segment transactions and transfers	10,683	18,182	42	3,088	25	32,022	(32,022)	—
Total	349,621	208,177	160,077	108,393	23,989	850,260	(32,022)	818,238
Segment income (Note 2)	29,124	23,455	21,254	9,497	5,229	88,561	(1,309)	87,251
Other items								
Depreciation and amortization	19,094	29,106	28,962	7,498	1,328	85,990	390	86,380
Impairment loss	155	—	—	765	—	921	—	921
Share of profit (loss) of investments accounted for using equity method	192	348	(11)	(48)	2,360	2,842	0	2,842

- Notes: 1. The (¥1,309) million negative adjustment for segment income is comprised of (¥50) million of intersegment eliminations and companywide expenses of (¥1,258) million that were not allocated to any particular reportable segment. These companywide expenses related principally to basic research expenses that were not allocated to a particular reportable segment.
2. Segment income represents core operating income, which is calculated as operating income excluding certain gains or losses attributable to non-recurring factors (non-recurring items).

Reconciliation of segment income with income before income taxes is shown in the table below.

	(¥ million)	
	FYE2020 (April 1, 2019 to March 31, 2020)	FYE2021 (April 1, 2020 to March 31, 2021)
Segment income	90,337	87,251
Gain on sales of noncurrent assets	6,490	—
Share of loss of investments accounted for using the equity method	(35)	2,759
Impairment loss	(1,910)	(1,100)
Other	(960)	(64)
Operating income	93,921	88,846
Financial revenue	1,150	1,424
Financial expenses	(15,938)	(12,564)
Income before income taxes	79,133	77,706

(Per-Share Information)

Basic earnings per share and the basis for share appraisal are as follows.

	FYE2020 (April 1, 2019 to March 31, 2020)	FYE2021 (April 1, 2020 to March 31, 2021)
Net income attributable to owners of the parent (¥ million)	53,340	55,214
Average number of shares (thousand shares)	432,755	432,752
Weighted average number of shares (¥)	123.26	127.59

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

(Significant Subsequent Events)

Not applicable.