

## Consolidated Financial Results for the First Three Quarters of Fiscal Year Ending March 31, 2025 (Based on IFRS)

February 5, 2025  
Stock exchange listing: Tokyo (Prime)

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Scheduled date to commence dividend payments: -  
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 the first three quarters of FYE2025 (April 1, 2024 – December 31, 2024)

#### (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)	%
First three quarters of FYE2025	971,263	4.6	139,794	12.1	128,774	3.7	79,732	4.8	77,479	5.6	105,964	(27.5)
First three quarters of FYE2024	928,656	6.4	124,702	42.5	124,201	47.2	76,063	39.8	73,394	40.1	146,162	80.2

(Reference) Income before income taxes

First three quarters of FYE2025: ¥112,908 million [4.3%]

First three quarters of FYE2024: ¥108,245 million [44.8%]

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)
First three quarters of FYE2025	178.99	—
First three quarters of FYE2024	169.56	—

#### (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 (%)
First three quarters of FYE2025 (December 31, 2024)	2,473,623	1,037,772	997,041	40.3
FYE2024 (March 31, 2024)	2,409,083	946,112	914,481	38.0

## 2. Dividends

	Annual Dividend				
	End of 1 <sup>st</sup> quarter (Yen)	End of 2 <sup>nd</sup> quarter (Yen)	End of 3 <sup>rd</sup> quarter (Yen)	Term end (Yen)	Total (Yen)
FYE2024	—	20.00	—	24.00	44.00
FYE2025	—	24.00	—		
FYE2025 (est.)			—	24.00	48.00

Note: No revisions have been made to recently announced forecasts.

## 3. Forecasts for business operations for FYE2025 full term (April 1, 2024 – March 31, 2025)

(Percentages indicate year-on-year change)

	Revenue		Core operating income		Operating income		Net income		Net income attributable to owners of the parent		Basic earnings per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(Yen)
Full term	1,300,000	3.6	185,000	11.4	178,000	3.5	110,000	0.6	107,000	1.0	247.20

Note: Revisions have been made to recently announced forecasts.

(Reference) Income before income taxes

FYE2025 full term: ¥156,500 million [3.8%]

### \* Notes

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

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

1. Changes in accounting policies required by IFRS: None

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

3. Changes in accounting estimates: None

(3) Number of outstanding shares (common shares)

1. Number of outstanding shares at the end of the period (including treasury stock)	As of Dec. 31, 2024	433,092,837 shares	As of Mar. 31, 2024	433,092,837 shares
2. Number of treasury stocks at the end of the period	As of Dec. 31, 2024	237,098 shares	As of Mar. 31, 2024	235,014 shares
3. Average number of shares during the period	As of Dec. 31, 2024	432,856,841 shares	As of Dec. 31, 2023	432,859,414 shares

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (Voluntary)

\* The English-language quarterly financial statements have not been reviewed by certified public accountants or an audit firm.

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

- The forward-looking statements such as the forecasts of financial result stated in this document are based on the information currently available on the Company and certain assumptions that the Company judges as rational. The Company is under no obligation to guarantee their achievement. Actual financial results may vary significantly due to various reasons. For details on the assumptions of the forecasts and related matters, please see page 7, “(3) Explanation Concerning Predictive Information such as Consolidated Business Forecasts” in “1. Qualitative Information on Quarterly Financial Results.”

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation Concerning Business Results

#### (General Overview)

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

Shipment volumes slightly decreased despite a slight increase in shipment volumes of air separation gases (oxygen, nitrogen, and argon).

Furthermore, price management has been successful in passing costs through to our customers and our robust productivity projects continue to yield positive financial results. These factors enabled the NSHD Group to achieve the following results for the first three quarters under review.

Revenue on a consolidated basis increased by 4.6% year-on-year to ¥971,263 million, core operating income increased by 12.1% to ¥139,794 million, operating income increased by 3.7% to ¥128,774 million, and net income attributable to owners of the parent increased by 5.6% to ¥77,479 million.

As for the impact of foreign exchange rates year-on-year, JPY depreciated against the USD from ¥143.78 to ¥153.03 (+¥9.25, or +6.4%), against the EUR from ¥156.24 to ¥165.09 (+¥8.85, or +5.7%). As a result, overall revenue and core operating income were favorably impacted by approximately ¥36.3 billion and ¥5.6 billion respectively.

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

#### (Overview of business performance by reportable segment)

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

Segment income represents core operating income.

##### (i) Japan

In the industrial gas-related business, shipment volumes of air separation gases decreased and those of carbon dioxide gas remained flat year-on-year. In addition, revenue of electronic material gases increased. In equipment and installation, both industrial gas-related and electronics-related businesses posted higher revenues, mainly due to medium and large sized projects which are accounted for on a percentage-of-completion basis. Meanwhile, there was a decrease in revenue due to two transactions which occurred last fiscal year: the conversion of a consolidated on-site subsidiary to a joint operation entity and the deconsolidation of a subsidiary responsible for resident-use LP gas.

As a result, in the Japan segment, revenue decreased by 3.2% year-on-year to ¥295,791 million and segment income increased by 3.0% to ¥34,278 million.

##### (ii) United States

In the industrial gas-related business, revenue increased due to a slight increase in shipment volumes of air separation gases and price management. In equipment and installation, sales conditions of industrial gas-related and electronics-related equipment were soft.

As a result, in the United States segment, revenue increased by 5.0% year-on-year to ¥270,154 million and segment income increased by 17.6% to ¥42,172 million.

##### (iii) Europe

In the industrial gas-related business, revenue increased due to higher shipment volumes of air separation gases and price management, despite soft carbon dioxide gas sales. Equipment and installation revenue increased with positive performance in both industrial gas-related and medical-related equipment.

As a result, in the Europe segment, revenue increased by 11.5% year-on-year to ¥248,892 million and segment income increased by 19.3% to ¥47,287 million.

(iv) Asia & Oceania

In the industrial gas-related business, air separation gases shipment volumes were positive. In LP gas, of which a large portion of sales is in the Australia region, sales volumes were solid, thereby increasing revenue. In the electronics-related business, revenue increased for both gases and equipment.

As a result, in the Asia & Oceania segment, revenue increased by 10.3% year-on-year to ¥ 131,818 million and segment income increased by 1.5% to ¥ 12,857 million.

(v) Thermos

In Japan, sales from portable vacuum-insulated mugs were firm, and revenue increased due in part to the launch of new products with functional and stylish designs. Overseas, sales performance was soft. Segment income was affected by increased manufacturing costs due to the continued JPY depreciation, despite cost reduction efforts.

As a result, in the Thermos segment, revenue increased by 5.9% year-on-year to ¥ 24,535 million and segment income increased by 0.7% to ¥ 4,367 million.

(2) Overview of Financial Position

As of the end of the Q3 consolidated accounting period, total assets amounted to ¥ 2,473,623 million, an increase of ¥64,540 million from March 31, 2024. Foreign exchange rates resulted in an increase in total assets of approximately ¥45.6 billion, due to the JPY depreciation of ¥6.77 against the USD and ¥1.68 against the EUR as of December 31, 2024, compared with the rates as of March 31, 2024.

[Assets]

Total current assets were ¥554,218 million, a decrease of ¥13,983 million from March 31, 2024. This was mainly due to decreases in trade receivables and other financial assets.

Total non-current assets were ¥1,919,405 million, an increase of ¥78,523 million from March 31, 2024. This was mainly due to increases in property, plant and equipment and goodwill.

[Liabilities]

Total current liabilities were ¥453,737 million, a decrease of ¥44,282 million from March 31, 2024. This was mainly due to decreases in other financial liabilities and trade payables.

Total non-current liabilities were ¥982,113 million, an increase of ¥17,162 million from March 31, 2024. This was mainly due to the depreciation of JPY. Excluding the impact of foreign exchange rates, the main changes were increases in other financial liabilities and bonds and borrowings.

[Equity]

Total equity amounted to ¥1,037,772 million, an increase of ¥91,659 million from March 31, 2024. The main factors were increases due to the recording of net income attributable to owners of the parent, decreases due to dividends from retained earnings, and increases in translation adjustments of overseas business activities.

The ratio of equity attributable to owners of the parent stood at 40.3%, up 2.3 percentage points from the previous fiscal year-end.

(Cash flow analysis)

[Cash flow from operating activities]

Net cash provided by operating activities increased 18.6% year on year to ¥155,559 million. The main components were income before income taxes, depreciation and amortization expenses, and corporate income tax refund (paid).

[Cash flow from investing activities]

Net cash used in investing activities increased 46.9% year on year to ¥122,945 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 amounted to ¥37,443 million (compared to net cash provided of ¥19,677 million in the same period of the previous year). The main factors were payments for repayment of long-term borrowings, proceeds from long-term borrowings, and net increase (decrease) in commercial papers.

As a result of the Company's operating, investing, and financing activities, after accounting for the factors such as foreign currency translation adjustments, the balance of cash and cash equivalents at the end of the third quarter came to ¥123,734 million.

(3) Explanation Concerning Predictive Information such as Consolidated Business Forecasts

The Company has revised its forecasts for business operations for the full term of the fiscal year ending March 31, 2025. For details, please refer to the "Notice Regarding Earnings Forecast Revisions" released today (February 5, 2025).

## 2. Quarterly Condensed Consolidated Financial Statements and Main Notes

### (1) Quarterly Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and cash equivalents	126,100	123,734
Trade receivables	282,199	263,989
Inventories	100,460	110,238
Other financial assets	27,216	13,592
Other current assets	27,847	39,378
Subtotal	563,825	550,933
Assets possessed for a sales purpose	4,376	3,285
Total current assets	568,201	554,218
Non-current assets		
Property, plant and equipment	877,400	932,558
Goodwill	575,809	593,972
Intangible assets	252,348	250,452
Investments accounted for using the equity method	54,673	58,755
Other financial assets	63,436	66,397
Retirement benefit asset	4,712	4,726
Other non-current assets	9,133	8,964
Deferred tax assets	3,367	3,578
Total non-current assets	1,840,881	1,919,405
Total assets	2,409,083	2,473,623



(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Current liabilities		
Trade payables	136,027	127,129
Bonds and borrowings	166,219	164,354
Corporate income taxes payable	14,169	11,319
Other financial liabilities	121,402	88,089
Allowance	1,095	630
Other current liabilities	59,105	62,214
Total current liabilities	498,019	453,737
Non-current liabilities		
Bonds and borrowings	724,039	731,691
Other financial liabilities	39,488	44,064
Retirement benefit liabilities	15,352	16,377
Allowance	5,019	5,341
Other non-current liabilities	20,656	21,349
Deferred tax liabilities	160,395	163,289
Total non-current liabilities	964,951	982,113
Total liabilities	1,462,970	1,435,851
<b>Equity</b>		
Share capital	37,344	37,344
Capital surplus	39,233	39,430
Treasury stock	(242)	(258)
Retained earnings	627,544	685,239
Other components of equity	210,601	235,285
Total equity attributable to owners of the parent	914,481	997,041
Non-controlling interests	31,630	40,730
Total equity	946,112	1,037,772
Total liabilities and equity	2,409,083	2,473,623

(2) Quarterly Condensed Consolidated Statement of Profit or Loss and Quarterly Condensed Consolidated Statement of Comprehensive Income  
Condensed Consolidated Statement of Profit or Loss  
(Consolidated Cumulative Third Quarter)

(Millions of yen)

	Nine-months ended December 31, 2023	Nine-months ended December 31, 2024
Revenue	928,656	971,263
Cost of sales	(551,642)	(565,753)
Gross operating profit	377,014	405,509
Selling, general and administrative expenses	(254,973)	(268,890)
Other operating income	2,800	3,169
Other operating expense	(3,072)	(14,658)
Share of profit of investments accounted for using the equity method	2,432	3,644
Operating income	124,201	128,774
Finance income	3,381	3,442
Finance costs	(19,337)	(19,308)
Income before income taxes	108,245	112,908
Corporate income taxes	(32,181)	(33,175)
Net income	76,063	79,732
Net income attributable to:		
Owners of the parent	73,394	77,479
Non-controlling interests	2,668	2,253
Net income per share		
Basic earnings per share (yen)	169.56	178.99

Condensed Consolidated Statement of Comprehensive Income  
(Consolidated Cumulative Third Period)

(Millions of yen)

	Nine-months ended December 31, 2023	Nine-months ended December 31, 2024
Net income	76,063	79,732
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	5,531	(965)
Remeasurements of defined benefit plans	(2)	11
Share of other comprehensive income of investments accounted for using the equity method	64	104
Total of items that will not be reclassified to profit or loss	5,593	(849)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	62,521	26,550
Effective portion of net change in fair value of cash flow hedges	491	(207)
Share of other comprehensive income of investments accounted for using the equity method	1,492	738
Total of items that may be reclassified subsequently to profit or loss	64,504	27,081
Total other comprehensive income, net of tax	70,098	26,231
Comprehensive income	146,162	105,964
Comprehensive income attributable to:		
Owners of the parent	142,994	103,232
Non-controlling interests	3,168	2,732

## (3) Quarterly Condensed Consolidated Statement of Changes in Equity

Nine-months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(Millions of yen)

	Share capital	Capital surplus	Treasury stock	Retained earnings
Balance at April 1, 2023	37,344	51,610	(233)	537,867
Net income	—	—	—	73,394
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	—	73,394
Purchase of treasury stock	—	—	(5)	—
Disposal of treasury stock	—	—	—	—
Dividends	—	—	—	(17,316)
Changes in ownership interest in subsidiaries	—	(11,016)	—	—
Business combinations or business divestitures	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	229
Change in scope of consolidation	—	—	—	(16)
Other changes	—	—	—	—
Total transactions with owners	—	(11,016)	(5)	(17,102)
Balance at December 31, 2023	37,344	40,594	(239)	594,159

	Other components of equity				Total	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Effective portion of net change in fair value of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans				
Balance at April 1, 2023	81,172	(284)	16,836	—	97,724	724,314	33,682	757,996
Net income	—	—	—	—	—	73,394	2,668	76,063
Other comprehensive income	63,558	487	5,555	(2)	69,599	69,599	499	70,098
Comprehensive income	63,558	487	5,555	(2)	69,599	142,994	3,168	146,162
Purchase of treasury stock	—	—	—	—	—	(5)	—	(5)
Disposal of treasury stock	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	(17,316)	(820)	(18,136)
Changes in ownership interest in subsidiaries	—	—	—	—	—	(11,016)	(5,260)	(16,276)
Business combinations or business divestitures	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(231)	2	(229)	—	—	—
Change in scope of consolidation	—	—	—	—	—	(16)	—	(16)
Other changes	—	—	—	—	—	—	(133)	(133)
Total transactions with owners	—	—	(231)	2	(229)	(28,354)	(6,213)	(34,568)
Balance at December 31, 2023	144,730	202	22,159	—	167,093	838,953	30,636	869,590

Nine-months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(Millions of yen)

	Share capital	Capital surplus	Treasury stock	Retained earnings
Balance at April 1, 2024	37,344	39,233	(242)	627,544
Net income	—	—	—	77,479
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	—	77,479
Purchase of treasury stock	—	—	(16)	—
Disposal of treasury stock	—	0	0	—
Dividends	—	—	—	(20,779)
Changes in ownership interest in subsidiaries	—	196	—	—
Business combinations or business divestitures	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	1,068
Change in scope of consolidation	—	—	—	(73)
Other changes	—	—	—	—
Total transactions with owners	—	196	(16)	(19,783)
Balance at December 31, 2024	37,344	39,430	(258)	685,239

	Other components of equity				Total	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Effective portion of net change in fair value of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans				
Balance at April 1, 2024	188,017	291	22,292	—	210,601	914,481	31,630	946,112
Net income	—	—	—	—	—	77,479	2,253	79,732
Other comprehensive income	26,810	(204)	(864)	11	25,753	25,753	478	26,231
Comprehensive income	26,810	(204)	(864)	11	25,753	103,232	2,732	105,964
Purchase of treasury stock	—	—	—	—	—	(16)	—	(16)
Disposal of treasury stock	—	—	—	—	—	0	—	0
Dividends	—	—	—	—	—	(20,779)	(1,012)	(21,791)
Changes in ownership interest in subsidiaries	—	—	—	—	—	196	(719)	(523)
Business combinations or business divestitures	—	—	—	—	—	—	8,101	8,101
Transfer from other components of equity to retained earnings	—	—	(1,057)	(11)	(1,068)	—	—	—
Change in scope of consolidation	—	—	—	—	—	(73)	—	(73)
Other changes	—	—	—	—	—	—	(1)	(1)
Total transactions with owners	—	—	(1,057)	(11)	(1,068)	(20,672)	6,368	(14,304)
Balance at December 31, 2024	214,827	86	20,371	—	235,285	997,041	40,730	1,037,772

## (4) Quarterly Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Nine-months ended December 31, 2023	Nine-months ended December 31, 2024
<b>Cash flow from operating activities</b>		
Income before income taxes	108,245	112,908
Depreciation and amortization	83,049	86,734
Impairment loss	–	10,803
Interest and dividends income	(2,727)	(3,126)
Interest expenses	19,273	19,247
Share of (profit) loss of investments accounted for using the equity method	(2,432)	(3,644)
Loss (gain) on sale and retirement of property, plant and equipment, and intangible assets	408	(211)
(Increase) decrease in trade receivables	(15,595)	22,189
(Increase) decrease in inventories	(7,752)	(8,225)
Increase (decrease) in trade payables	(10,059)	(10,688)
(Increase) decrease in retirement benefit asset	(393)	(493)
Increase (decrease) in retirement benefit liabilities	735	1,346
Other	2,445	(16,600)
Subtotal	175,195	210,240
Interest received	1,893	2,127
Dividends received	4,116	1,789
Interest paid	(19,448)	(22,349)
Corporate income tax refund (paid)	(30,599)	(36,248)
Cash flow from operating activities	131,157	155,559
<b>Cash flow from investing activities</b>		
Payments for purchase of property, plant and equipment	(80,123)	(116,637)
Proceeds from sale of property, plant and equipment	933	1,528
Payments for purchase of investment	(178)	(351)
Proceeds from sale and redemption of investments	755	1,290
Payments for acquisition of subsidiaries	–	(342)
Proceeds from sale of subsidiaries	154	67
Payments for acquisition of businesses	(2,326)	(5,645)
Other	(2,904)	(2,854)
Cash flow from investing activities	(83,689)	(122,945)

(Millions of yen)

	Nine-months ended December 31, 2023	Nine-months ended December 31, 2024
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	(1,398)	13,660
Net increase (decrease) in commercial papers	(1,000)	36,000
Proceeds from long-term borrowings	45,542	127,181
Payments for repayment of long-term borrowings	(78,915)	(162,408)
Proceeds from issuance of bonds	99,532	—
Payments for redemption of bonds	—	(20,000)
Payments for repayment of lease obligations	(10,036)	(9,861)
Payments for purchase of shares in subsidiaries not resulting in change in scope of consolidation	(16,174)	(325)
Dividends paid	(17,316)	(20,779)
Dividends paid to non-controlling interests	(820)	(1,012)
Other	264	103
Cash flow from financing activities	19,677	(37,443)
Impact of exchange rate changes on cash and cash equivalents	7,739	2,361
Net increase (decrease) in cash and cash equivalents	74,886	(2,468)
Balance of cash and cash equivalents at beginning of fiscal year	132,217	126,100
Increase (decrease) in cash and cash equivalents resulting from transfer to assets possessed for a sales purpose	(2,738)	—
Increase in cash and cash equivalents in relation to merger	—	101
Balance of cash and cash equivalents at end of quarter	204,365	123,734

(5) Notes to the Quarterly Condensed Consolidated Financial Statements

(Applicable financial reporting framework)

On Quarterly Condensed Consolidated Financial Statements of the Group (Quarterly Condensed Consolidated Statement of Financial Position, Quarterly Condensed Consolidated Statement of Profit or Loss, Quarterly Condensed Consolidated Statement of Comprehensive Income, Quarterly Condensed Consolidated Statement of Changes in Equity, Quarterly Condensed Consolidated Statement of Cash Flows and Notes to the Quarterly Condensed Consolidated Financial Statements), parts of the disclosure items and notes required by IAS 34 “Interim Financial Reporting” are omitted.

(Notes regarding going concern assumption)

Not applicable.

(Segment information)

(1) Outline of reportable segments

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

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

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

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

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



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

Nine-months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts on the Consolidate d Statement of Income
	Japan	United States	Europe	Asia & Oceania	Thermos	Total		
Revenue								
Revenue from external customers	305,554	257,198	223,169	119,503	23,163	928,589	67	928,656
Revenue from inter-segment transactions and transfers	10,632	17,739	312	2,357	12	31,054	(31,054)	—
Total	316,186	274,937	223,481	121,860	23,176	959,643	(30,986)	928,656
Segment income (Note 2)	33,265	35,874	39,622	12,662	4,337	125,762	(1,060)	124,702

Note: 1. The negative adjustment of (¥1,060) million for segment income is comprised of ¥47 million of intersegment eliminations and companywide expenses of (¥1,107) million that were not allocated to any particular reportable segment. These companywide expenses consist mainly of Group administration expenses at the Company that are not attributable to reportable segments.

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

Nine-months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts on the Consolidate d Statement of Income
	Japan	United States	Europe	Asia & Oceania	Thermos	Total		
Revenue								
Revenue from external customers	295,791	270,154	248,892	131,818	24,535	971,193	70	971,263
Revenue from inter-segment transactions and transfers	12,473	19,515	291	2,697	12	34,990	(34,990)	—
Total	308,265	289,670	249,184	134,515	24,548	1,006,183	(34,919)	971,263
Segment income (Note 2)	34,278	42,172	47,287	12,857	4,367	140,964	(1,169)	139,794

Notes: 1. The negative adjustment of (¥1,169) million for segment income is comprised of (¥25) million of intersegment eliminations and companywide expenses of (¥1,144) million that were not allocated to any particular reportable segment. These companywide expenses consist mainly of Group administration expenses at the Company that are not attributable to reportable segments.

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

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

(Millions of yen)

	Nine-months ended December 31, 2023	Nine-months ended December 31, 2024
Segment income	124,702	139,794
Loss on liquidation of subsidiaries and associates	—	(238)
Impairment loss	—	(10,799)
Other	(500)	16
Operating income	124,201	128,774
Finance income	3,381	3,442
Finance costs	(19,337)	(19,308)
Income before income taxes	108,245	112,908

(Impairment loss)

The NSHD Group groups its cash-generating units into the smallest units that are generally independent and generate cash inflows. For idle assets, the NSHD Group determines the recognition of impairment losses by individual asset.

No impairment loss was recognized in the previous consolidated accounting period.

In the current consolidated accounting period, impairment losses of ¥10,803 million were recognized. The impairment loss is included in “Other operating expense” in “Quarterly Condensed Consolidated Statement of Profit or Loss and Quarterly Condensed Consolidated Statement of Comprehensive Income”.

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

From April 1, 2023 to December 31, 2023

Not applicable

From April 1, 2024 to December 31, 2024

(Millions of yen)

Item	Place	Type	Segment	Impairment loss
Hydrogen production plant	Alabama, U.S.	Construction in progress	United States	10,799

Breakdown of Impairment Losses

- Hydrogen production plant (¥10,799 million)

The book value of a hydrogen production facility under construction in the U.S. was reduced to its recoverable amount due to the decision to discontinue the construction plan. The recoverable amount was estimated using fair value less disposal costs based on valuation techniques such as discounted future cash flows, and the fair value hierarchy was classified as Level 3. For the discount rate, 10.3% was used.

(Additional information)

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

The NSHD has reached an agreement with Wesfarmers Limited (hereinafter "Wesfarmers") through NSC (Australia) Pty Ltd, its business subsidiary in Australia in December 2024 to acquire Coregas Pty Ltd, Blacksmith Jacks Pty Ltd, and Coregas NZ (hereinafter called “Coregas Group”), which is currently owned by Wesfarmers and handles industrial gas businesses in Australia and New Zealand.

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

completed after obtaining the approval.

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

In December 2024, Nippon Gases (headquarters: Madrid, Spain), the business subsidiary company in Europe, has reached an agreement with Corporación Químico-Farmacéutica Esteve (CQFE) and Teijin Holdings Europe BV (Teijin) to acquire all of the shares of Esteve Teijin Healthcare (ETH).

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