

Consolidated Financial Results for the First Three Quarters of Fiscal Year Ending March 31, 2026 (Based on IFRS)

February 4, 2026
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 FYE2026 (April 1, 2025 – December 31, 2025)

(1) Operating results

(Percentages indicate year-on-year change)

	Revenue		Core operating income		Operating income		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
First three quarters of FYE2026	997,719	2.7	146,247	4.6	146,111	13.5	95,960	20.4	93,140	20.2	215,857	103.7
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)

(Reference) Income before income taxes

First three quarters of FYE2026: ¥130,015 million [15.2%]

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

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 FYE2026	215.18	—
First three quarters of FYE2025	178.99	—

(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 FYE2026 (December 31, 2025)	2,667,670	1,211,370	1,168,219	43.8
FYE2025 (March 31, 2025)	2,418,197	1,020,930	980,451	40.5

2. Dividends

	Annual Dividend				
	End of 1 st quarter (Yen)	End of 2 nd quarter (Yen)	End of 3 rd quarter (Yen)	Term end (Yen)	Total (Yen)
FYE2025	—	24.00	—	27.00	51.00
FYE2026	—	29.00	—		
FYE2026 (est.)				29.00	58.00

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

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

(Percentages indicate year-on-year change)

	Revenue		Core operating income		Operating income		Net income		Net income attributable to owners of the parent		Basic earnings per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(Yen)
Full term	1,330,000	1.7	196,000	3.6	194,300	17.1	127,000	24.6	123,500	25.0	285.31

Note: Revisions have been made to recently announced forecasts.

(Reference) Income before income taxes

FYE2026 full term: ¥172,500 million [18.7%]

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Four newly added companies: (Company Name) Coregas Pty Ltd, and other 3

(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, 2025	433,092,837 shares	As of Mar. 31, 2025	433,092,837 shares
2. Number of treasury stocks at the end of the period	As of Dec. 31, 2025	239,104 shares	As of Mar. 31, 2025	237,521 shares
3. Average number of shares during the period	As of Dec. 31, 2025	432,854,632 shares	As of Dec. 31, 2024	432,856,841 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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.”

- The Company is voluntarily obtaining review for the Japanese-language Condensed Consolidated Financial Statements from Ernst & Young ShinNihon LLC. and will plan to disclose Consolidated Financial Results for the First Three Quarters of FYE2026 (Based on IFRS) on February 10, 2026, with its Review report.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation Concerning Quarterly Business Results (General Overview)

The business environment for our group for the first three quarters of the fiscal year under review (from April 1, 2025 to December 31, 2025) remained difficult, marked by continued challenges across key markets and geographies.

Under these circumstances, Nippon Sanso Holdings Group (NSHD Group) shipment volumes of products declined year-on-year. As a group, the volume decline was partially offset with our continued focus on price management, including passing on cost increases to selling prices, and productivity improvement initiatives across each region. As a result, business performance for the first three quarters under review was as follows: revenue on a consolidated basis increased by 2.7% year-on-year to ¥997,719 million, core operating income increased by 4.6% to ¥146,247 million. Operating income increased by 13.5% to ¥146,111 million, and net income attributable to owners of the parent increased by 20.2% to ¥93,140 million.

Year-on-year, foreign exchange rate fluctuations had a mixed impact: the Japanese yen appreciated against the US dollar from ¥153.03 to ¥149.30 (a change of -¥3.73, or -2.4%), while it depreciated against the Euro from ¥165.09 to ¥172.93 (+¥7.84, or +4.7%). As a result, overall revenue and core operating income were positively affected by approximately ¥3.7 billion and ¥1.0 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, price management continued, with a primary focus on carbon dioxide, packaged gases, and electronic material gases. However, shipment volumes of gases, including air separation gases and LP gas, declined, resulting in lower sales. Within the equipment and installation business, both the industrial gas-related and the electronics-related business achieved higher sales. Segment income increased, supported by the positive impact of price management and stronger equipment and installation sales.

As a result, in the Japan segment, revenue decreased by 0.1% year-on-year to ¥295,374 million and segment income increased by 14.1% to ¥39,126 million.

(ii) United States

In the industrial gas-related business, although sales increased primarily due to price management excluding the impact of foreign exchange, shipment volumes of products remained soft. In the equipment and installation business, both the industrial gas-related and electronics-related businesses recorded a sales decline. Segment income decreased despite the positive contributions from price management and productivity improvement initiatives, mainly due to increased costs and lower product volume shipments.

As a result, in the United States segment, revenue decreased by 1.8% year-on-year to ¥265,268 million and segment income decreased by 12.1% to ¥37,075 million.

(iii) Europe

In the industrial gas-related business, shipment volumes of gases, including air separation gases, decreased. However, sales increased due to the positive impact of foreign exchange and price management. In the equipment and installation business, sales increased, supported by contributions from the Italian plant engineering company acquired in the previous fiscal year. Segment income rose despite the impact of reduced gas shipment volumes, driven by the benefits of price management and productivity improvement initiatives.

As a result, in the Europe segment, revenue increased by 3.8% year-on-year to ¥258,232 million and segment income increased by 8.4% to ¥51,279 million.

(iv) Asia & Oceania

In the industrial gas-related business, sales increased due to contributions from the Australian LP gas sales business acquired in the previous fiscal year and the industrial gas business in the Oceania region acquired in the current fiscal year. In the electronics-related business, equipment and installation performed steadily, resulting in increased sales. Segment income rose due to higher revenue.

As a result, in the Asia & Oceania segment, revenue increased by 16.9% year-on-year to ¥154,060 million and segment income increased by 15.7% to ¥14,875 million.

(v) Thermos

In Japan, sales increased, driven by strong demand for sports bottles primarily in the first half amid the intense summer heat and the successful launch of new products featuring functional and stylish designs. Conversely, sales decreased in Korea. Segment income increased due to higher sales in Japan and continuous cost reduction efforts.

As a result, in the Thermos segment, revenue increased by 0.9% year-on-year to ¥24,754 million and segment income increased by 10.8% to ¥4,840 million.

(2) Overview of Financial Position for the Quarter

Total assets amounted to ¥2,667,670 million as of the end of the third quarter of the consolidated accounting period, an increase of ¥249,472 million compared with the end of the previous fiscal year. Foreign exchange rates resulted in an increase in total assets of approximately ¥192.1 billion. This mainly reflected foreign exchange rate changes, such as the JPY depreciation of ¥7.04 against the USD and the JPY depreciation of ¥22.25 against the EUR compared with the end of the previous fiscal year.

[Assets]

Total current assets were ¥577,810 million, an increase of ¥12,033 million compared with the end of the previous fiscal year. This was mainly due to the impact of foreign exchange rates. When comparing the underlying amounts excluding foreign exchange effects, cash and cash equivalents and other current assets mainly decreased.

Total non-current assets were ¥2,089,860 million, an increase of ¥237,439 million compared with the end of the previous fiscal year. This was mainly due to the impact of foreign exchange rates. When comparing the underlying amounts excluding foreign exchange effects, property, plant and equipment and goodwill mainly increased.

[Liabilities]

Total current liabilities were ¥485,406 million, an increase of ¥90,120 million compared with the end of the previous fiscal year. This was mainly due to increases in bonds and borrowings and other current liabilities.

Total non-current liabilities were ¥970,893 million, a decrease of ¥31,088 million compared with the end of the previous fiscal year. This was mainly due to decreases in bonds and borrowings and increases in deferred tax liabilities.

[Equity]

Total equity increased by ¥190,439 million compared with the end of the previous fiscal year to ¥1,211,370 million, mainly due to increases from recording net income attributable to owners of the parent, decreases from dividend payments of retained earnings, and increases in exchange differences on translation of foreign operations.

The ratio of equity attributable to owners of the parent stood at 43.8%, up 3.3 percentage points compared with the end of the previous fiscal year.

(Cash flow analysis)

[Cash flow from operating activities]

Net cash provided by operating activities increased 16.5% year on year to ¥181,280 million. The main factors were income before income taxes, depreciation and amortization expenses, and corporate income tax payment or refund, among others.

[Cash flow from investing activities]

Net cash used in investing activities increased 22.0% year on year to ¥150,017 million. The main use of cash was for property, plant and equipment expenditures and acquisitions.

[Cash flow from financing activities]

Net cash used in financing activities increased 42.2% year on year to ¥53,256 million. The main factors were repayment of long-term borrowings, proceeds from long-term borrowings, and payment of dividends.

As a result of the Company's operating, investing, and financing activities, the balance of cash and cash equivalents as of the end of the third quarter, after accounting for the effects of exchange differences, came to ¥132,916 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, 2026. For details, please refer to the "Notice Regarding Earnings Forecast Revisions" released today (February 4, 2026).

2. Quarterly Condensed Consolidated Financial Statements and Main Notes

(1) Quarterly Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	144,528	132,916
Trade receivables	263,080	279,984
Inventories	99,509	114,109
Other financial assets	14,588	22,032
Other current assets	42,148	28,766
Subtotal	563,854	577,810
Assets possessed for a sales purpose	1,921	–
Total current assets	<u>565,776</u>	<u>577,810</u>
Non-current assets		
Property, plant and equipment	899,306	1,012,923
Goodwill	575,289	669,721
Intangible assets	240,967	269,488
Investments accounted for using the equity method	61,171	65,915
Other financial assets	58,482	55,011
Retirement benefit asset	5,201	5,332
Other non-current assets	8,427	7,902
Deferred tax assets	3,574	3,565
Total non-current assets	<u>1,852,421</u>	<u>2,089,860</u>
Total assets	<u>2,418,197</u>	<u>2,667,670</u>

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	133,822	132,110
Bonds and borrowings	92,630	175,278
Corporate income taxes payable	14,070	14,666
Other financial liabilities	93,378	96,544
Allowance	296	353
Other current liabilities	61,088	66,452
Total current liabilities	<hr/> 395,285	<hr/> 485,406
Non-current liabilities		
Bonds and borrowings	757,936	703,119
Other financial liabilities	44,703	48,842
Retirement benefit liabilities	15,337	17,354
Allowance	5,304	6,010
Other non-current liabilities	19,293	19,556
Deferred tax liabilities	159,405	176,009
Total non-current liabilities	<hr/> 1,001,982	<hr/> 970,893
Total liabilities	<hr/> 1,397,267	<hr/> 1,456,300
Equity		
Share capital	37,344	37,344
Capital surplus	39,803	41,049
Treasury stock	(260)	(269)
Retained earnings	709,068	785,282
Other components of equity	194,495	304,812
Total equity attributable to owners of the parent	<hr/> 980,451	<hr/> 1,168,219
Non-controlling interests	40,478	43,150
Total equity	<hr/> 1,020,930	<hr/> 1,211,370
Total liabilities and equity	<hr/> 2,418,197	<hr/> 2,667,670

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

	(Millions of yen)	
	Nine-months ended December 31, 2024	Nine-months ended December 31, 2025
Revenue	971,263	997,719
Cost of sales	(565,753)	(573,205)
Gross operating profit	405,509	424,513
 Selling, general and administrative expenses	 (268,890)	 (282,669)
Other operating income	3,169	4,009
Other operating expense	(14,658)	(3,191)
Share of profit of investments accounted for using the equity method	3,644	3,449
Operating income	128,774	146,111
 Finance income	 3,442	 2,320
Finance costs	(19,308)	(18,415)
Income before income taxes	112,908	130,015
 Corporate income taxes	 (33,175)	 (34,054)
Net income	 79,732	 95,960
 Net income attributable to:		
Owners of the parent	77,479	93,140
Non-controlling interests	2,253	2,820
 Net income per share		
Basic earnings per share (yen)	178.99	215.18

Quarterly Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine-months ended December 31, 2024	Nine-months ended December 31, 2025
Net income	79,732	95,960
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(965)	5,565
Remeasurements of defined benefit plans	11	(10)
Share of other comprehensive income of investments accounted for using the equity method	104	8
Total of items that will not be reclassified to profit or loss	(849)	5,563
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	26,550	113,739
Effective portion of net change in fair value of cash flow hedges	(207)	1,298
Share of other comprehensive income of investments accounted for using the equity method	738	(705)
Total of items that may be reclassified subsequently to profit or loss	27,081	114,332
Total other comprehensive income, net of tax	26,231	119,896
Comprehensive income	<u><u>105,964</u></u>	<u><u>215,857</u></u>
Comprehensive income attributable to:		
Owners of the parent	103,232	212,363
Non-controlling interests	2,732	3,493

(3) Quarterly Condensed Consolidated Statement of Changes in Equity

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

	Share capital	Capital surplus	Treasury stock	Retained earnings (Millions of yen)
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
Transfer from other components of equity to non-financial assets and others	—	—	—	—
Changes 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								
	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 the parent	Non-controlling interests	Total equity
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)	—	—	—
Transfer from other components of equity to non-financial assets and others	—	—	—	—	—	—	—	—
Changes 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

Nine-months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(Millions of yen)

	Share capital	Capital surplus	Treasury stock	Retained earnings
Balance at April 1, 2025	37,344	39,803	(260)	709,068
Net income	—	—	—	93,140
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	—	93,140
Purchase of treasury stock	—	—	(8)	—
Disposal of treasury stock	—	0	0	—
Dividends	—	—	—	(24,242)
Changes in ownership interest in subsidiaries	—	1,245	—	—
Business combinations or business divestitures	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	7,288
Transfer from other components of equity to non-financial assets and others	—	—	—	—
Changes in scope of consolidation	—	—	—	27
Other changes	—	—	—	—
Total transactions with owners	—	1,245	(8)	(16,926)
Balance at December 31, 2025	<u>37,344</u>	<u>41,049</u>	<u>(269)</u>	<u>785,282</u>

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 the parent	Non-controlling interests	Total equity
Balance at April 1, 2025	178,459	(69)	16,105	—	194,495	980,451	40,478	1,020,930
Net income	—	—	—	—	—	93,140	2,820	95,960
Other comprehensive income	112,427	1,301	5,505	(10)	119,223	119,223	673	119,896
Comprehensive income	112,427	1,301	5,505	(10)	119,223	212,363	3,493	215,857
Purchase of treasury stock	—	—	—	—	—	(8)	—	(8)
Disposal of treasury stock	—	—	—	—	—	0	—	0
Dividends	—	—	—	—	—	(24,242)	(2,454)	(26,697)
Changes in ownership interest in subsidiaries	—	—	—	—	—	1,245	(32)	1,213
Business combinations or business divestitures	—	—	—	—	—	—	(121)	(121)
Transfer from other components of equity to retained earnings	—	—	(7,299)	10	(7,288)	—	—	—
Transfer from other components of equity to non-financial assets and others	—	(1,618)	—	—	(1,618)	(1,618)	—	(1,618)
Changes in scope of consolidation	—	—	—	—	—	27	—	27
Other changes	—	—	—	—	—	—	1,787	1,787
Total transactions with owners	—	(1,618)	(7,299)	10	(8,906)	(24,596)	(821)	(25,418)
Balance at December 31, 2025	290,886	(386)	14,312	—	304,812	1,168,219	43,150	1,211,370

(4) Quarterly Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Nine-months ended December 31, 2024	Nine-months ended December 31, 2025
Cash flow from operating activities		
Income before income taxes	112,908	130,015
Depreciation and amortization	86,734	93,516
Impairment loss	10,803	—
Interest and dividends income	(3,126)	(2,320)
Interest expenses	19,247	17,138
Share of (profit) loss of investments accounted for using the equity method	(3,644)	(3,449)
Loss (gain) on sale and retirement of property, plant and equipment, and intangible assets	(211)	(19)
(Increase) decrease in trade receivables	22,189	1,137
(Increase) decrease in inventories	(8,225)	(6,166)
Increase (decrease) in trade payables	(10,688)	(10,822)
(Increase) decrease in retirement benefit asset	(493)	(305)
Increase (decrease) in retirement benefit liabilities	1,346	870
Other	(16,600)	9,077
Subtotal	210,240	228,671
Interest received	2,127	1,339
Dividends received	1,789	1,039
Interest paid	(22,349)	(19,216)
Corporate income tax refund (paid)	(36,248)	(30,552)
Cash flow from operating activities	155,559	181,280
Cash flow from investing activities		
Payments for purchase of property, plant and equipment	(116,637)	(78,479)
Proceeds from sale of property, plant and equipment	1,528	1,873
Payments for purchase of investment	(351)	(273)
Proceeds from sale and redemption of investments	1,290	12,241
Payments for acquisition of subsidiaries	(342)	(76,461)
Proceeds from sale of subsidiaries	67	168
Payments for acquisition of businesses	(5,645)	(929)
Other	(2,854)	(8,158)
Cash flow from investing activities	(122,945)	(150,017)

	(Millions of yen)	
	Nine-months ended December 31, 2024	Nine-months ended December 31, 2025
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	13,660	(13,117)
Net increase (decrease) in commercial papers	36,000	14,000
Proceeds from long-term borrowings	127,181	37,549
Payments for repayment of long-term borrowings	(162,408)	(50,886)
Payments for redemption of bonds	(20,000)	—
Payments for repayment of lease obligations	(9,861)	(11,800)
Payments for purchase of shares in subsidiaries not resulting in change in scope of consolidation	(325)	(2,613)
Dividends paid	(20,779)	(24,242)
Dividends paid to non-controlling interests	(1,012)	(2,454)
Other	103	308
Cash flow from financing activities	(37,443)	(53,256)
Impact of exchange rate changes on cash and cash equivalents		
Net increase (decrease) in cash and cash equivalents	2,361	10,298
Balance of cash and cash equivalents at beginning of fiscal year		
Balance of cash and cash equivalents at beginning of fiscal year	126,100	144,528
Increase in cash and cash equivalents resulting from merger	101	83
Balance of cash and cash equivalents at end of the quarter	123,734	132,916

(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, 2024 (from April 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts on the Consolidated Statement of Income
	Japan	United States	Europe	Asia & Oceania	Thermos	Total		
Revenue								
Revenue from external customers	295,791	270,154	248,892	13,818	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

Note: 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.

Nine-months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts on the Consolidated Statement of Income
	Japan	United States	Europe	Asia & Oceania	Thermos	Total		
Revenue								
Revenue from external customers	295,374	265,268	258,232	154,060	24,754	997,690	28	997,719
Revenue from inter-segment transactions and transfers	14,879	16,800	346	2,170	13	34,210	(34,210)	—
Total	310,253	282,069	258,579	156,230	24,767	1,031,901	(34,182)	997,719
Segment income (Note 2)	39,126	37,075	51,279	14,875	4,840	147,196	(949)	146,247

Notes: 1. The negative adjustment of (¥949) million for segment income is comprised of ¥128 million of intersegment eliminations and companywide expenses of (¥1,078) 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, 2024	Nine-months ended December 31, 2025
Segment income	139,794	146,247
Loss on liquidation of subsidiaries and associates	(238)	(220)
Impairment loss	(10,799)	—
Gain on sale of fixed assets	—	182
Brand reconstruction costs	—	(84)
Other	16	(13)
Operating income	128,774	146,111
Finance income	3,442	2,320
Finance costs	(19,308)	(18,415)
Income before income taxes	112,908	130,015

(Business combination)

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

(1) Overview of the business acquisition

① Name of the acquired company and the content of its business

Name of the acquired company: Coregas Pty Ltd, and three others

Business description: Industrial gas businesses in Australia and New Zealand under the umbrella of Wesfarmers

② Acquisition date

July 1, 2025

③ Main reasons for the business acquisition

Supagas, business subsidiary in Australia, operates a stable business supplying a wide range of industrial gases, primarily LPG. The acquired companies, Coregas Pty Ltd, Blacksmith Jacks Pty Ltd, and Coregas NZ Limited (collectively referred to as the "Coregas Group"), have an extensive sales network across Australia and New Zealand. They are engaged in the manufacture and sale of industrial gases, medical gases, specialty gases, and other industrial gases, as well as related services, in addition to welding-related businesses. Through the acquisition of Coregas Group, which has a different customer base and product portfolio than Supagas, NSHD will strive to create further value for its customers between its LPG business and industrial gas business, and enhance its presence in Australia and New Zealand.

④ Percentage of acquired voting equity interest

100.0%

⑤ Method of acquiring control of the acquired company

This is due to the acquisition of shares of the acquired company by our consolidated subsidiaries, including NSC (Australia) Pty Ltd, with cash as consideration.

(2) Fair value of acquisition consideration

(Millions of yen)

Acquisition date (July 1, 2025)	
Cash	71,521
Total acquisition amount	71,521
<hr/> <hr/>	

(3) Acquired assets, assumed liabilities, and goodwill

	(Millions of yen)
	Acquisition date
	(July 1, 2025)
Current assets	
Cash and cash equivalents	89
Trade receivables *1	3,741
Other	3,493
Non-current assets	
Property, plant and equipment *2	37,995
Intangible assets *2	11,289
Other	788
Acquired assets	<u>57,398</u>
Current liabilities	
Other financial liabilities	5,826
Other	2,072
Non-current liabilities	<u>5,748</u>
Assumed liabilities	<u>13,648</u>
Acquired assets and assumed liabilities (net amount)	<u>43,749</u>
Goodwill *3 *4	27,771

Because the accounting treatment for the business combination at the time of acquisition has not been completed, the above amount is a provisional fair value based on the best estimate at the present time, and if additional information regarding facts and circumstances existing as of the acquisition date is obtained and evaluated, the above amount may be adjusted within one year from the acquisition date.

Notes:

1. Fair value of acquired receivables, contractually unpaid amounts, and estimated uncollectible amounts
The fair value of the acquired claims and the contractually unrecovered amount are approximately the same. There are no outstanding contract receivables that are expected to be uncollectible.
2. Breakdown of tangible fixed assets and intangible assets
The breakdown of tangible fixed assets mainly consists of tools, instruments, and equipment worth ¥20,999 million. The composition of intangible assets mainly consists of intangible assets related to customers amounting to ¥10,663 million.
3. Goodwill
The main content of goodwill is the synergy effects and excess earning power expected to arise from the acquisition with existing businesses that individually do not meet the recognition criteria. Additionally, goodwill cannot be included as a deductible expense for tax purposes.
4. Basis adjustment
To hedge the foreign exchange risk related to investments in the acquired company, we executed a foreign exchange forward contract. The scheduled transaction in question is subject to hedge accounting as a cash flow hedge, and the fair value of the hedging instrument on the acquisition date of ¥1,618 million was adjusted as a basis adjustment to the initial recognition amount of goodwill arising from the business combination, resulting in a decrease of the same amount in the initial recognition amount of goodwill.

(4) Acquisition-related expenses

The acquisition-related expenses amount to ¥906 million and were recorded under “selling, general and administrative expenses”. Among these, the acquisition-related expenses incurred in the previous consolidated fiscal year were ¥410 million and ¥496 million were recorded as the acquisition-related expenses during this interim consolidated accounting period.

(5) Impact on the performance of the NSHD Group

The consolidated income statement of the NSHD Group includes revenue and current period profit of the acquired company amounting to ¥13,556 million and ¥787 million, respectively, incurred since the acquisition date.

Assuming that the business combination took place on April 1, 2025, the beginning of the current consolidated fiscal year, the Group's revenue and profit for the current term (pro forma information) would be ¥1,004,251 million and ¥96,055 million yen, respectively. Please note that the pro forma information has not been audited.

(Additional information)

(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 authorities including National Commission on Markets and Competition (Comisión Nacional de los Mercados y de la Competencia) for the acquisition of shares.