



NIPPON SANZO HOLDINGS

FYE2024 Full-term Earnings Presentation

(Fiscal year ended March 31, 2024)

May 22, 2024
Tokyo, Japan

The Gas Professionals

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

● Financial information

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

Notes

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

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

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

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

<Forex rates>

		Average Forex rates									(Reference) Currency sensitivity as rough indication		
		FYE2023				FYE2024				FYE2025	Impact of devaluation by 1 JPY (Full-term basis)		
Unit : JPY Currency	Q1 (Apr.-Jun.)	1st Half (Apr.-Sep.)	9M (Apr.-Dec.)	Full-term (Apr.-Mar.)	Q1 (Apr.-Jun.)	1st Half (Apr.-Sep.)	9M (Apr.-Dec.)	Full-term (Apr.-Mar.)	Full-term Assumption (Apr.-Mar.)	Unit : ¥ bn.	Revenue	Core Operating Income	
USD	131.25	135.30	136.85	136.00	139.63	142.61	143.78	145.31	145.31	USD	+2.4	+0.35	
EUR	138.75	139.14	140.83	141.62	151.89	154.81	156.24	157.72	157.72	EUR	+1.9	+0.35	
SGD	94.97	97.12	98.61	99.05	103.66	105.79	106.90	108.03	108.03				
AUD	92.52	93.51	93.16	92.67	91.94	93.44	94.47	95.32	95.32				
CNY	19.71	19.91	19.81	19.71	19.67	19.87	20.01	20.20	20.20				

● Presentation of overall business performance and segment performance

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

Agenda

1. FYE2024 Overview

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

2. FYE2025 Business Plan

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

3. Financial Profile

4. Q&A Session



President CEO
Toshihiko Hamada



Senior Executive Officer,
CFO
Alan Draper

Opening remarks



President CEO
Toshihiko Hamada

Our philosophy and vision

Group Philosophy

Proactive. Innovative. Collaborative.
Making life better through gas technology.

The Gas Professionals

Group Vision

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

Implement the “Five focused fields”

Our MTP; Medium-Term management Plan

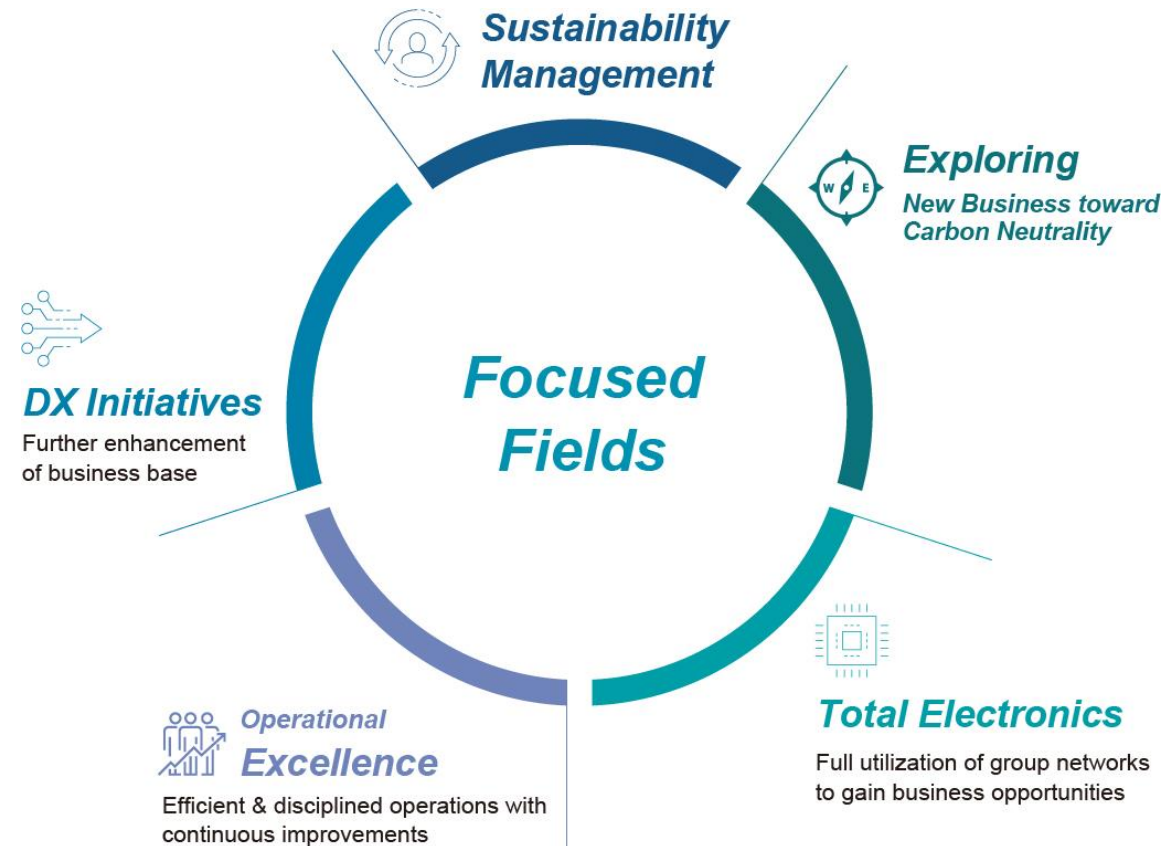
NS Vision 2026 : Enabling the Future Slogan

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

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

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

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



Toward the final fiscal year in NS Vision 2026

■ : KPIs (Key Performance Indicators) in FYE2024 actual that exceeded the planned figure for the final fiscal year



Revenue
JPY 975.0-1,000.0
Billion*

Core Operating Income
JPY 125.0-135.0
Billion*

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

Adjusted net D/E Ratio
≤0.7

ROCE after Tax
≥6%

Environment

Reduction rate of GHG emissions (Base year: FYE2019)

18% :FYE2026 32% :FYE2031

GHG reduced emissions through environmental product offer

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

Safety Management

Lost Time Injury Rate

≤1.6
FYE2026

HR

Rate of female employees

≥22% :FYE2026
25% :FYE2031

Compliance

Rate of receiving compliance training

100%
FYE2026

Rate of female management posts

≥18% :FYE2026
22% :FYE2031



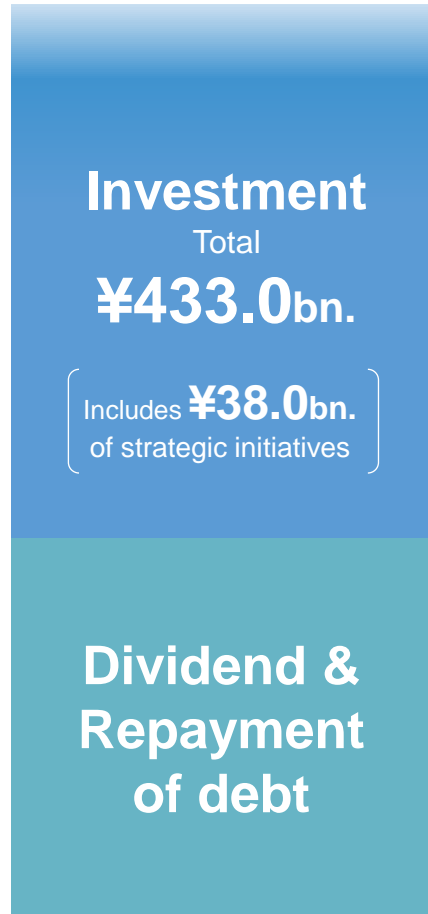
* Due to the uncertainty in the global economy, revenue and core operating income are shown in range. The assumed exchange rates at the time the plan was formulated were USD ¥115 and EUR ¥125.

Approach for Capital Allocation in NS Vision 2026

IN

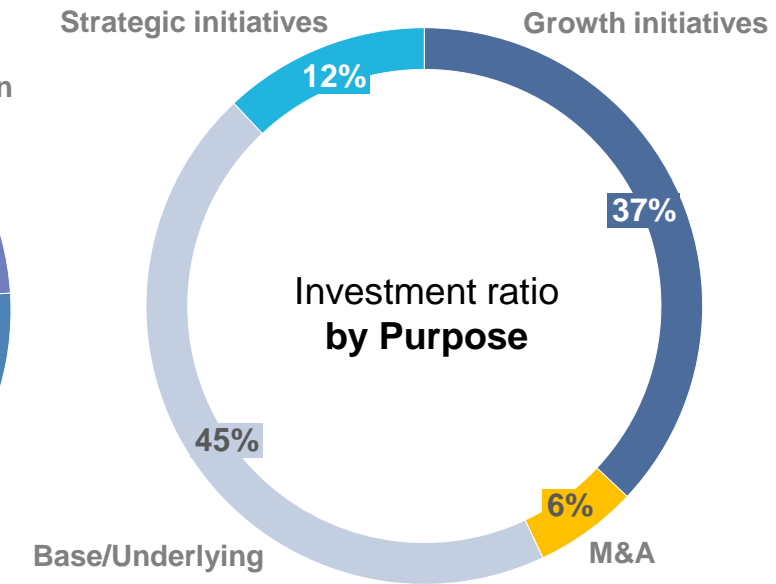
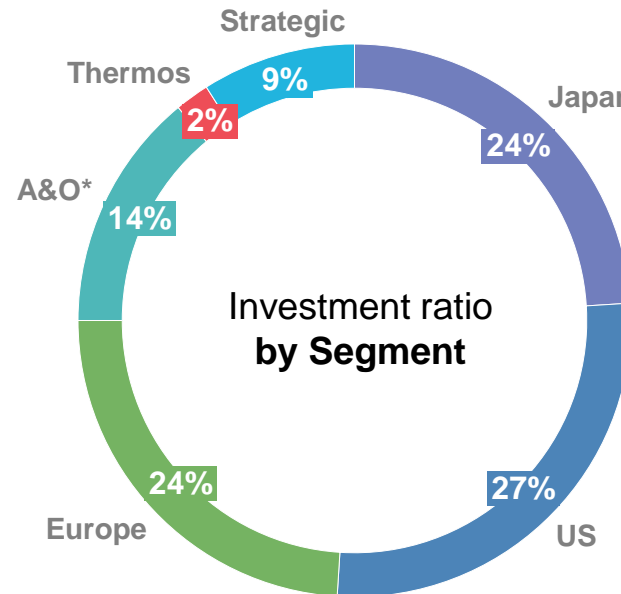


OUT



➤ **Strategic Investment for**

- **CN:** Carbon Neutral related initiatives
- **DX:** Digital Transformation initiatives



(Reference) Investment / revenue % by Segment

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

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

Implement the Eight Non-financial programs

- 1 **CNP I** : Carbon Neutral Program I
- 2 **CNP II** : Carbon Neutral Program II
- 3 **ZWP**: Zero Waste Program
- 4 **SWP**: Sustainable Water Program
- 5 **SFP**: Safety First Program
- 6 **QRP**: Quality Reliability Program
- 7 **TDP**: Talent Diversity Program
- 8 **CPP**: Compliance Penetration Program

**FYE2026
Target**

Environment

<Environment>

- Reduction rate of GHG emissions
(Base year: FYE2019^{*1}) 18%
down
- GHG reduced contribution
exceeds GHG emission (Scope 1+2) X>Y
- Breakdown information
(Unit: Thousands of tonnes CO₂e)
 - X: Lower customer GHG emissions through
environmental product offerings and applications
 - Y: NSHD Group GHG emission (Scope 1+2)

Social

<Safety Management>

- Lost Time Injury Rate ≤1.6

<HR>

- Rate of female employees ≥22%
- Rate of female management posts ≥18%

Governance

<Compliance>

- Rate of receiving compliance training^{*2} 100%

*1 The figure for the volume of GHG emissions for FYE2019, which is the reference value, calculates the actual GHG emissions in FYE2019 plus the following:

1) estimated emissions of the European business in FYE2019 and 2) estimated emissions of the U.S. HyCO business in FYE2019.

*2 We began data collection in the FYE2023.

1. **FYE2024
Overview**

2. FYE2025
Business Plan

3. Financial Profile

4. Q&A Session

1. FYE2024 Overview

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



President CEO
Toshihiko Hamada

Summary: Progress toward Financial targets

Price management & Productivity initiatives



Although the shipment volume of Air separation gases (Oxygen, Nitrogen, Argon) decreased, price revisions were flexibly implemented against the backdrop of general price hikes and rising costs such as labor and logistics expenses.



Expand and globalize productivity initiatives to improve organizational efficiency and reduce cost structure.

- In FYE2024, Revenue growth; +0.7%, and Core OI growth; +27.0% (YoY basis excluding FX impact), COI margin improved by 280 bps. Basic earnings per share was ¥244.66, up 44.9% from the previous fiscal year.

Advance financial soundness



Invest in projects with strong economic returns, continue debt reduction, and maintain reliable and stable dividend payments.

- Adjusted net D/E ratio improved by 7 bps (YoY basis), and the annual dividend per share increased by ¥4 or 15.8% (planned, YoY basis).



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

- In January 2024, we refinanced ¥100 bn. of Hybrid bonds to Clean Debt. Focus on cash management and improved working capital.

Capital efficiency & Cost of capital



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

- ROCE (NOPAT basis) improved by 130 bps (YoY basis).



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

Summary of Consolidated financial results (FYE2024 Full-term)

	FYE2023 Full-term	FYE2024 Full-term	YoY		% Change exc. FX
			Difference	% Change	
(Unit: ¥ bn.)					
Revenue	1,186.6	1,255.0	+68.4	+5.8%	+0.7%
Core operating income	123.1	165.9	+42.8	+34.8%	+27.0%
Core OI margin	10.4%	13.2%			
Non-recurring profit and loss	-3.5	6.0	+9.5		
Operating income (IFRS)	119.5	172.0	+52.5	+43.9%	
OI margin	10.1%	13.7%			
EBITDA margin	19.3%	22.2%			
Finance costs	-14.0	-21.3	-7.3		
Income before income taxes	105.5	150.7	+45.2	+42.9%	
Income tax expenses	29.5	41.3	+11.8		
Net income	75.9	109.3	+33.4	+44.0%	
(Attribution of net income)					
Net income attributable to owners of the parent	73.0	105.9	+32.9	+44.9%	
NI margin	6.2%	8.4%			
Net income attributable to non-controlling interests	2.8	3.4	+0.6		
Forex (Unit: JPY)	USD	136.00	145.31		
(average rate during the period)	EUR	141.62	157.72		
	AUD	92.67	95.32		



1. FYE2024
Overview

2. **FYE2025
Business Plan**

3. Financial Profile

4. Q&A Session

2. FYE2025 Business Plan

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



President CEO
Toshihiko Hamada

Summary: Assumptions of the business plan (Basic concept)

We implement the "Five focused fields" strategy while properly responding to the business environment to achieve the targets in NS Vision 2026.

Nimblely get a start on customer trends

- ☐ Aim for growth more than local GDP
 - In the FYE2025, Planned revenue growth; +3.6%, and Core OI growth; +6.6% (YoY basis excluding FX impact)
- ☐ Expect and capture demand for gas and equipment in the electronics industry (logic, memory, sensors)
- ☐ Focus on firm demand from resilient markets (food & beverage, healthcare, etc.)

Continue steady operation

- ☐ Continue productivity initiatives and be prepared to quickly respond to changes in the business environment
- ☐ Set appropriate prices for the value of the products and reliability of services
- ☐ Continue business operations with extra focus on Cash flow and Capital efficiency

Explore future growth drivers

- ☐ Seize business opportunities in our technological fields that contribute to the realization of a Carbon Neutral society
- ☐ Improve customer stickiness through collaborative efforts with customers including the introduction of new applications

Summary of Consolidated financial forecast

	FYE2024	FYE2025	YoY	
	Full-term	Full-term forecast	Difference	% Change
(Unit: ¥ bn.)		(Announced on May 13, 2024)		
Revenue	1,255.0	1,300.0	+45.0	+3.6%
Core operating income	165.9	177.0	+11.1	+6.6%
Core OI margin	13.2%	13.6%		
Non-recurring profit and loss	6.0	0.0	-6.0	
Operating income (IFRS)	172.0	177.0	+5.0	+2.9%
OI margin	13.7%	13.6%		
EBITDA margin	22.2%	22.4%		
Finance costs	-21.3	-23.0	-1.7	
Income before income taxes	150.7	154.0	+3.3	+2.2%
Income tax expenses	41.3	46.0	+4.7	
Net income	109.3	108.0	-1.3	-1.2%
(Attribution of net income)				
Net income attributable to owners of the parent	105.9	105.0	-0.9	-0.9%
NI margin	8.4%	8.1%		
Net income attributable to non-controlling interests	3.4	3.0	-0.4	
Forex (Unit: JPY)				
USD	145.31	145.31		
(average rate during the period)				
EUR	157.72	157.72		
AUD	95.32	95.32		

Japan : Enhance earning power

What we need to accomplish

(Toward the final fiscal year in NS Vision 2026)

- 1. Strengthen Core Businesses earning power & profitability**
Increase profitability by streamlining and optimizing the business foundation.
- 2. Growth exploration and expansion**
Develop business areas through new materials for compound semiconductor manufacturing processes, Stable isotopes, Biotechnology, and Additive manufacturing.

Segment strategy

Growth

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

Business Transformation

- Review underperforming business portfolio

Surrounding environment

(Our perspective as of the beginning of FYE2025)

- Risks**

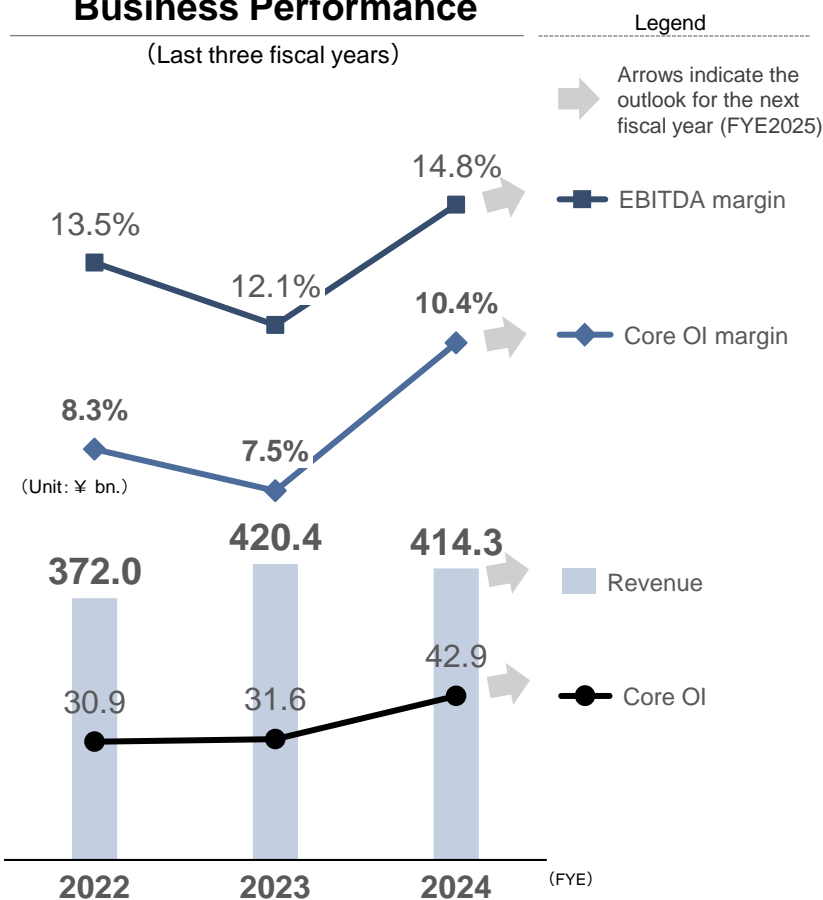
 - Industrial gases market size trends
 - Increase in overall prices, labor and logistics costs
 - Supply chain shortages or delays

Opportunities

 - Equipment & construction projects in the Electronics market
 - Demand for specialty gases for next-generation semiconductors
 - New demand for Carbon Neutrality

Business Performance

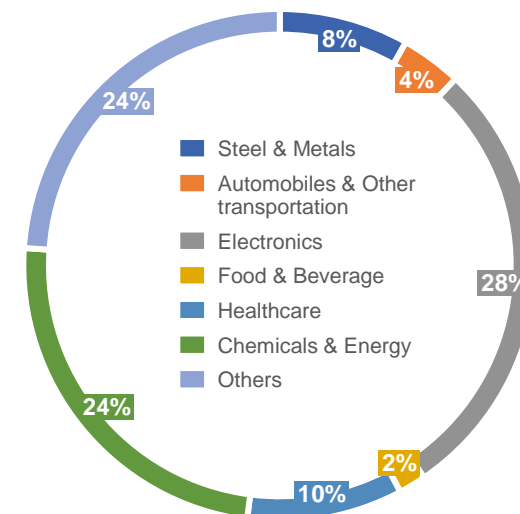
(Last three fiscal years)



● Revenue decreased in FYE2024 due to the conversion from a consolidated on-site subsidiary to a joint operation entity and the deconsolidation of a subsidiary responsible for residential-use LP gas business. Excluding this activity, revenue in FYE2025 is expected to be positive as indicated by the arrow.

Revenue composition by industry

(FYE2024 actual: Cumulative period basis)



Japan : Initiatives by focused field

NS Vision 2026 : Five focused fields

Ongoing and/or FYE2025 Initiatives

Sustainability Management

- Established the D&I Promotion Office in Japan with the aim of fostering an improved corporate culture.
- “The Technical Academy” established in Japan to promote education & training programs related to safety management

Exploring New Business toward Carbon Neutrality

- “The Carbon Neutrality related business project” established to promote sales & marketing activities
- Promote Oxy-fuel combustion (including hydrogen combustion and ammonia combustion) technology and CO₂ gas recovery, purification, and effective utilization technology

Total Electronics

- Supply rare gases reliably (Neon, Xenon, Krypton)
- Pursue new projects linked with customers' investment plans
- Promote Research & Development on new materials

Operational Excellence

- Optimize manufacturing facility and plant operations
- Price management (Promote pricing activities)
- Continue to implement and share best practices across the NSHD group

DX Initiatives

- Accelerate remote operation of manufacturing facilities utilizing digital technologies to improve productivity
- Increased productivity through the use of digital tools, such as the expansion of web-based ordering and the digitization of invoices

United States : Aim for powerful growth

What we need to accomplish

(Toward the final fiscal year in NS Vision 2026)

1. Lead industry safety, quality, and profit growth
2. Increased focus on the food processing, fabrication, and semiconductor markets
3. Enhance sustainability programs that support profit growth and create increased shareholder value

Segment strategy

Growth

- Organic Growth through enhanced cross-selling efforts in targeted markets
- Expansion of onsite generator installations
- Pursue targeted M&A

Surrounding environment

(Our perspective as of the beginning of FYE2025)

Risks

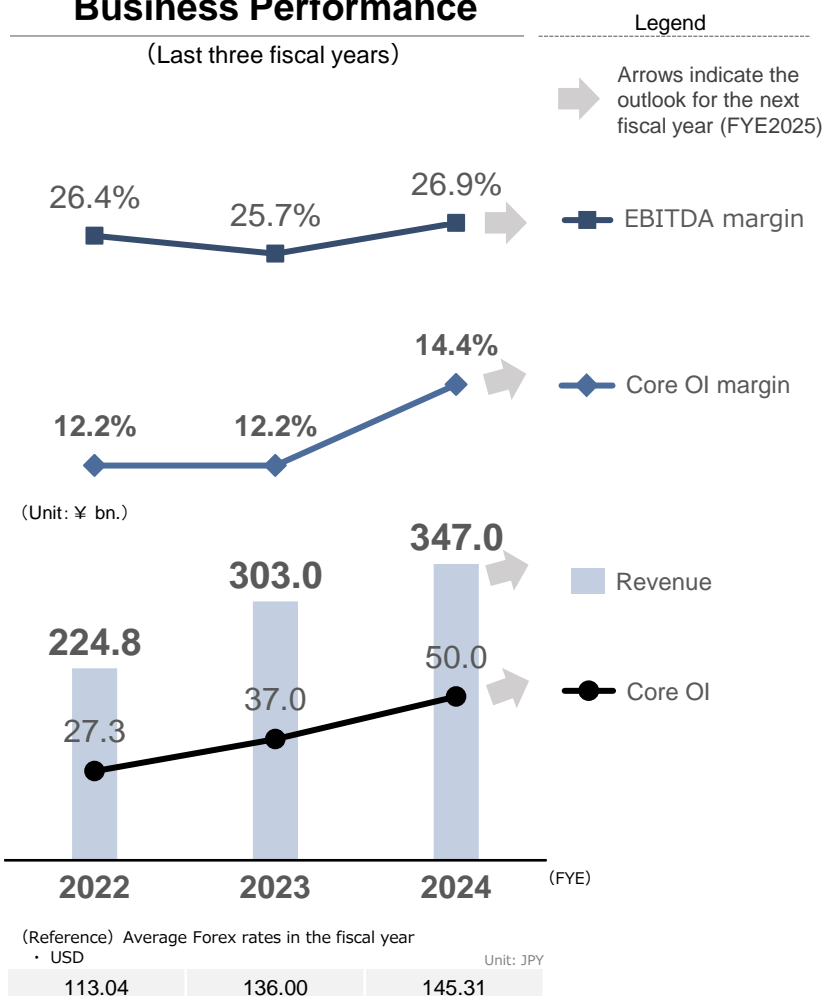
- Political and economic policy uncertainty (U.S. presidential election)
- Increase in production power & transportation costs
- Staffing challenges related to low unemployment

Opportunities

- Growth in manufacturing and resilient markets (food & beverage, healthcare)
- Semiconductor opportunities related to US CHIP Act
- Inflation Reduction Act and related Carbon Neutrality related opportunities

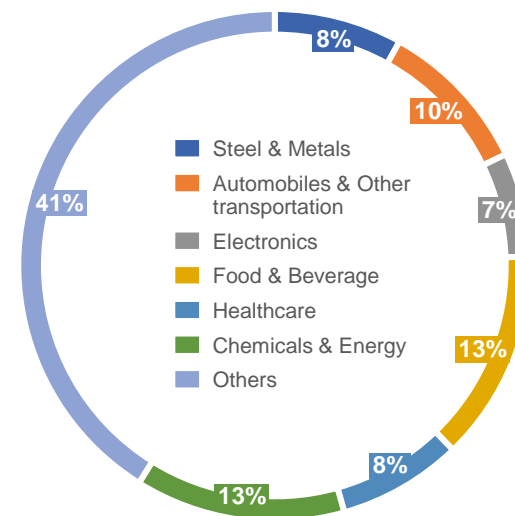
Business Performance

(Last three fiscal years)



Revenue composition by industry

(FYE2024 actual: Cumulative period basis)



United States : Initiatives by focused field

NS Vision 2026 : Five focused fields

Ongoing and/or FYE2025 Initiatives

Sustainability Management

- Improve employee safety awareness and reduce lost time injuries
- Focus on implementing GHG reduction programs to offset emissions from new facilities and identify and implement gas applications to enable our customers to reduce their GHG emissions.

Exploring New Business toward Carbon Neutrality

- Integration of large-scale oxygen plants into sequestration technology chain
- Pursue green hydrogen production opportunities

Total Electronics

- Expand production capacity of strategic semiconductor process gases
- Continue improvement of capabilities to supply sub-assemblies to major semiconductor equipment manufacturers

Operational Excellence

- Achieve enhanced cost savings through “**The Right Way**” program
- Offset cost increases and achieve profit improvement through price management
- Continue to implement and share best practices across the NSHD group

DX Initiatives

- Implement an Advanced Cylinder Management System
- Implement digital terminals for on-site managers for immediate sharing of information and standardization of operations
- Improve operational efficiency by utilizing and analyzing plant operation data

Europe : Further enhance efficiency

What we need to accomplish

(Toward the final fiscal year in NS Vision 2026)

1. Focus on human resources excellence
2. Reinforce governance
3. Optimize base business
4. Accelerated Operational Excellence
5. Higher growth compared to peers

Segment strategy

Growth

- Follow up CN and H₂ opportunities
- Partner with our customers to help in CN
- Expand geographical footprint & M&A

Optimize Base Business

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

Surrounding environment

(Our perspective as of the beginning of FYE2025)

Risks

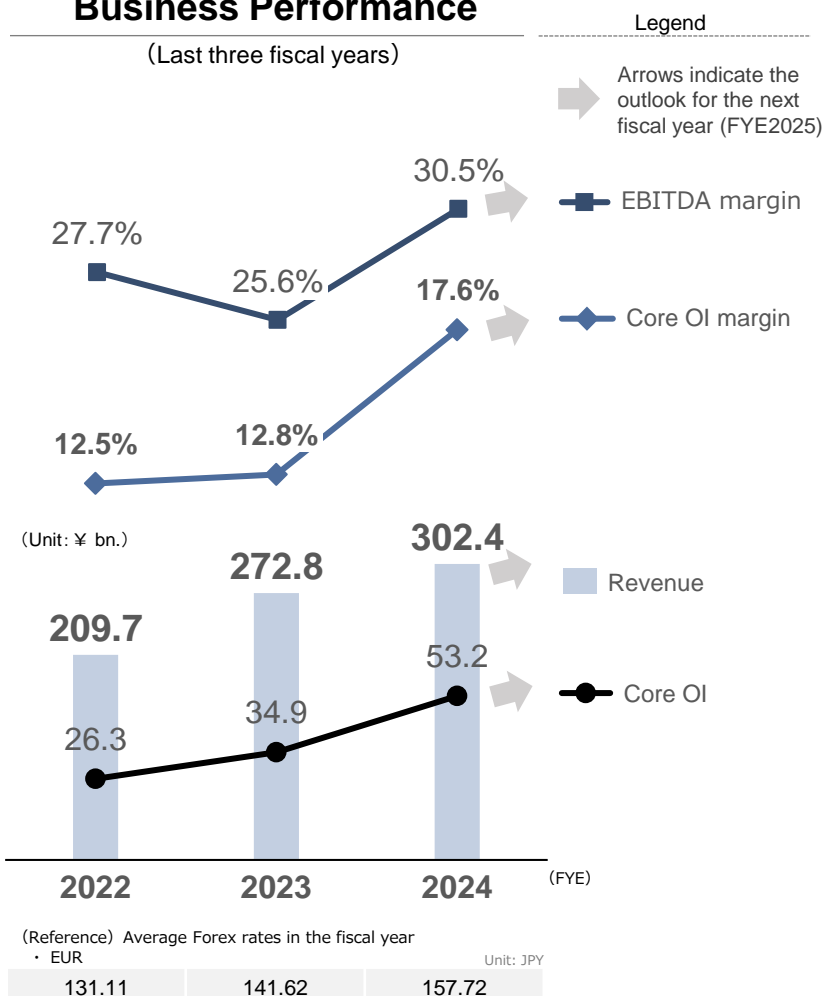
- Economic trends in the European region
- Further CN regulations from EU and local authorities
- Supply chain disruption due to geopolitical risks, etc.

Opportunities

- Gradual recovery of the European economy
- Business development & new business opportunities
- Government subsidized investments related to CN

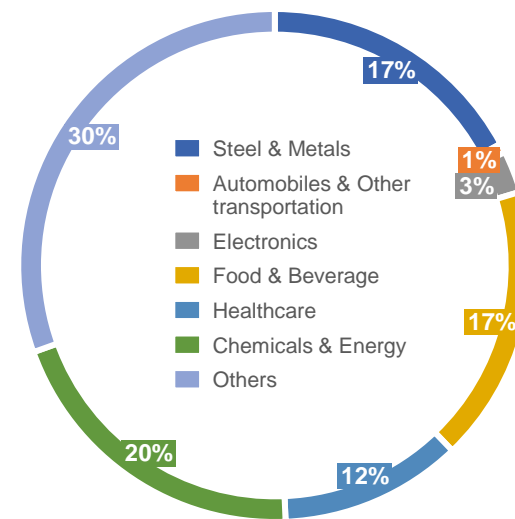
Business Performance

(Last three fiscal years)



Revenue composition by industry

(FYE2024 actual: Cumulative period basis)



Europe : Initiatives by focused field

NS Vision 2026 : Five focused fields

Ongoing and/or FYE2025 Initiatives

Sustainability Management

- Continue to implement our strategy to attract and retain Excellent people
- Continue to strengthen our “Women's Sponsorship Program”
- Continue to raise awareness of Environmental, Safety, and Quality-related matters

Exploring New Business toward Carbon Neutrality

- Further strengthen our Oxy-fuel combustion technology
- Pursue biomethane projects
- Follow up the Green Hydrogen development in Europe and gain experience by participating in selected projects

Total Electronics

- Strengthen sales of semiconductor specialty gases
- Identify and strongly go after business opportunities amidst the European expansion of the electronics industry

Operational Excellence

- Achieve enhanced cost savings through the “**Productivity**” program
- Maintain robust price management across markets and products
- Continue to implement and share best practices across the NSHD group

DX Initiatives

- Further utilize and expand DX platforms in plant automation & maintenance, logistics, productivity
- Proactively and strongly follow up and understand the AI opportunities and threats
- Proactively utilize Digital marketing techniques and tools

Asia & Oceania : Make evolution a habit

What we need to accomplish

(Toward the final fiscal year in NS Vision 2026)

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

Segment strategy

Growth

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

Management

- Launch new management structure

Surrounding environment

(Our perspective as of the beginning of FYE2025)

Risks

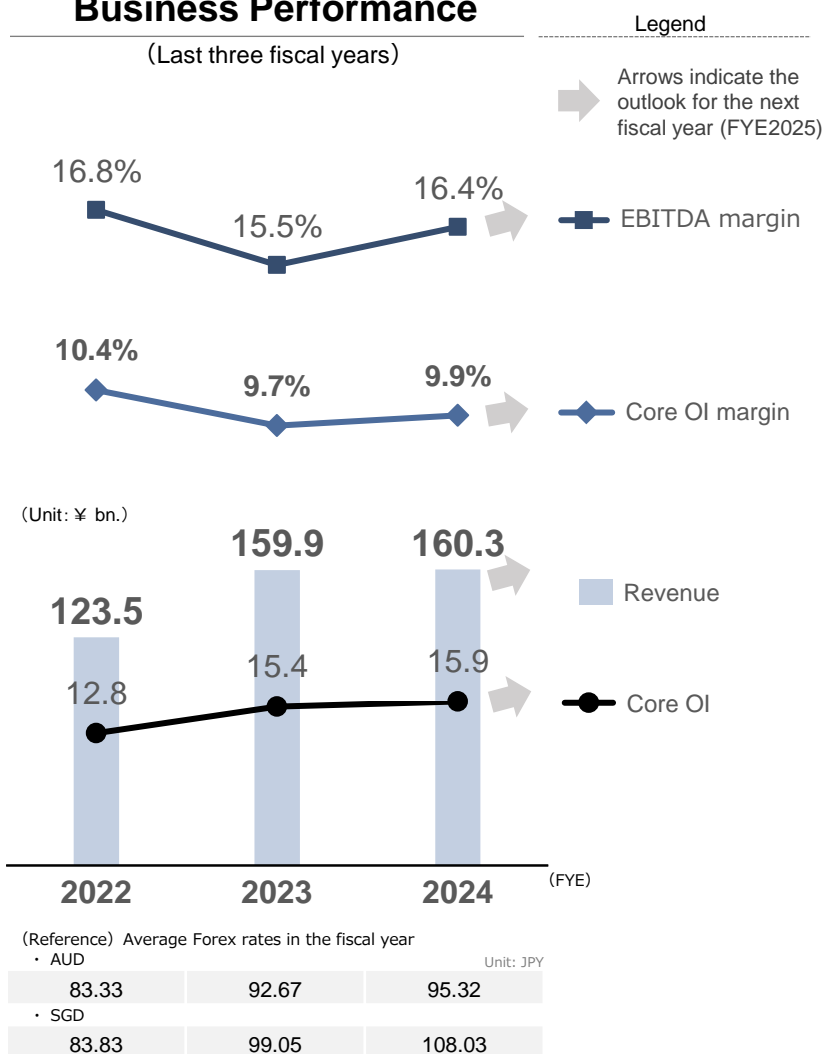
- Inflation and increased costs for labor, logistics, etc.
- Changes in government political and economic policies
- Supply chain disruption due to geopolitical risks, etc.

Opportunities

- Continuing firm demand in the emerging markets
- Growth in resilient markets (food & beverage, healthcare)
- Increase in demand for specialty gases in the semiconductor industry

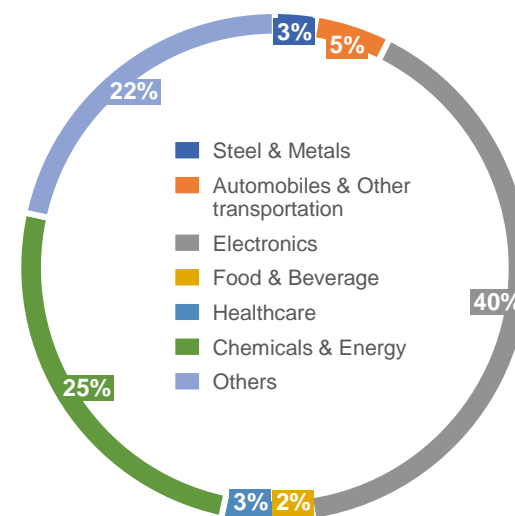
Business Performance

(Last three fiscal years)



Revenue composition by industry

(FYE2024 actual: Cumulative period basis)



Asia & Oceania : Initiatives by focused field

NS Vision 2026 : Five focused fields

Ongoing and/or FYE2025 Initiatives

Sustainability Management

- Operate steadily sub-segment management structure to strengthen governance
- (1)**SEA&I**: Southeast Asia and India (2)**EAE**: East Asia Electronics (3)**CIG**: China Industrial Gases (4)**OIG**: Oceania Industrial Gases
- Established Regional CSOs (Regional Chief Sustainability Officers)

Exploring New Business toward Carbon Neutrality

- Focus on areas where we have applications to reduce customers' environmental impact by utilizing our core technologies, such as Oxy-fuel combustion (for steel, aluminum, and glass) and Argon welding

Total Electronics

- Strengthen the capability of the Electronics business through collaboration between sub-segment **EAE** and Japan (especially gas we manufacture, equipment and installation, etc.)
- Strengthen our own advantage to win high-purity nitrogen on-site projects

Operational Excellence

- Advance operations in terms of both Price management and Cost control
- Continue to implement and share best practices across the NSHD group

DX Initiatives

- Promote work saving and cost reduction by automating operations
- DX promotion for supply chain visualization of specialty gases
- Cybersecurity response (including enhancement of the IT security level)

Thermos : Captivate users with our attractive products

What we need to accomplish

(Toward the final fiscal year in NS Vision 2026)

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

Segment strategy

Growth

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

Surrounding environment

(Our perspective as of the beginning of FYE2025)

Risks

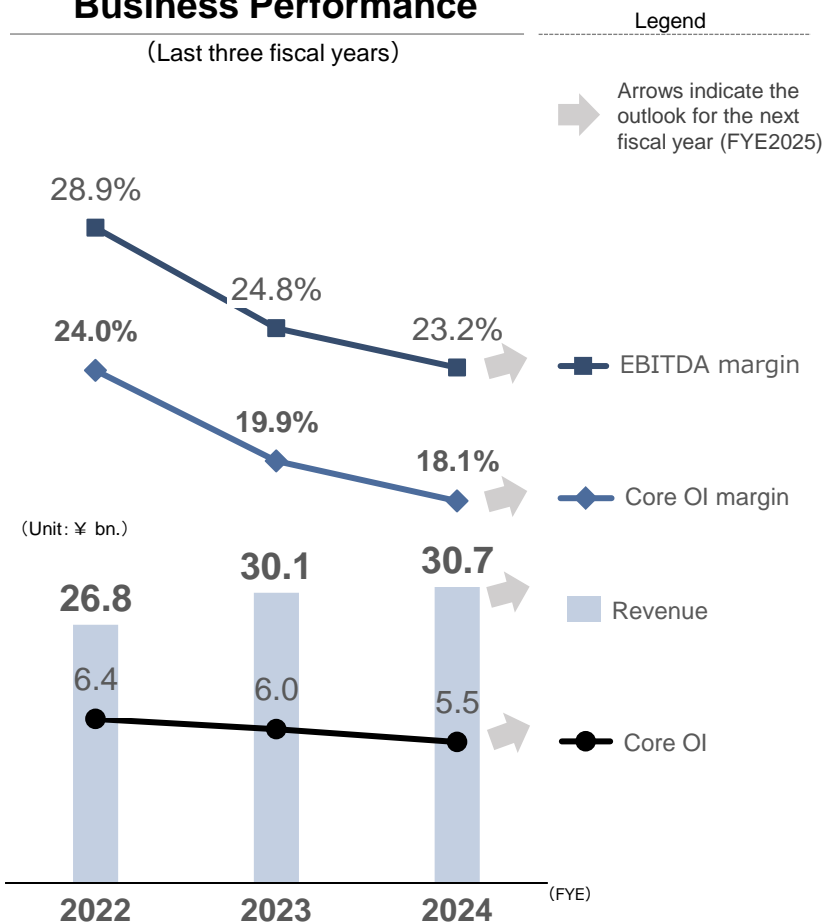
- Rising raw material and purchase costs due to inflation, weak JPY, etc.
- Rising labor costs at overseas plants and distribution costs in Japan
- Competition from inexpensive no-brand/private-label products

Opportunities

- Demand increase for portable containers due to price increases for beverages in disposable containers such as cans and PET bottles
- Inbound demand from Foreign visitors to Japan
- Increasing attention and interest in sustainable products due to growing awareness on environmental issues

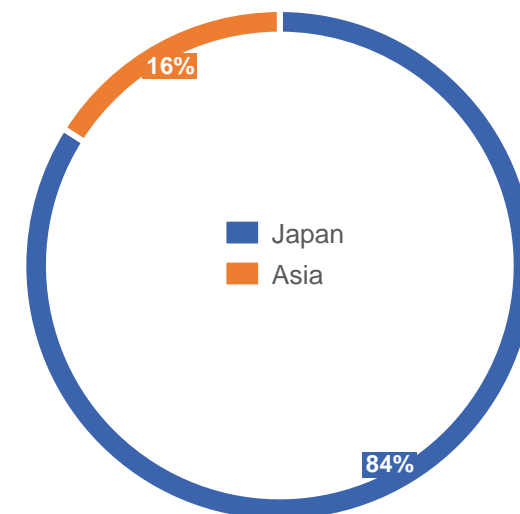
Business Performance

(Last three fiscal years)



Revenue composition by industry

(FYE2024 actual: Cumulative period basis)



Thermos : Initiatives by focused field

NS Vision 2026 : Five focused fields

Ongoing and/or FYE2025 Initiatives

Sustainability Management

- Promote sustainable beverage containers to contribute to waste reduction
- Started collection service of used bottles at company stores for recycling
- Employee safety training and improvement of the work environment
- Active promotion of HR diversity (hiring people with disabilities, training female managers, etc.)

Exploring New Business toward Carbon Neutrality

- Reduction of energy consumption through production optimization

Operational Excellence

- Reduce procurement cost for raw material
- Streamline production processes

DX Initiatives

- Expand E-commerce business in growing markets
- Improve efficiency and sophistication through the use of Web EDI (Electronic Data Interchange)

1. FYE2024
Overview

2. FYE2025
Business Plan

3. Financial Profile

4. Q&A Session

3. Financial Profile

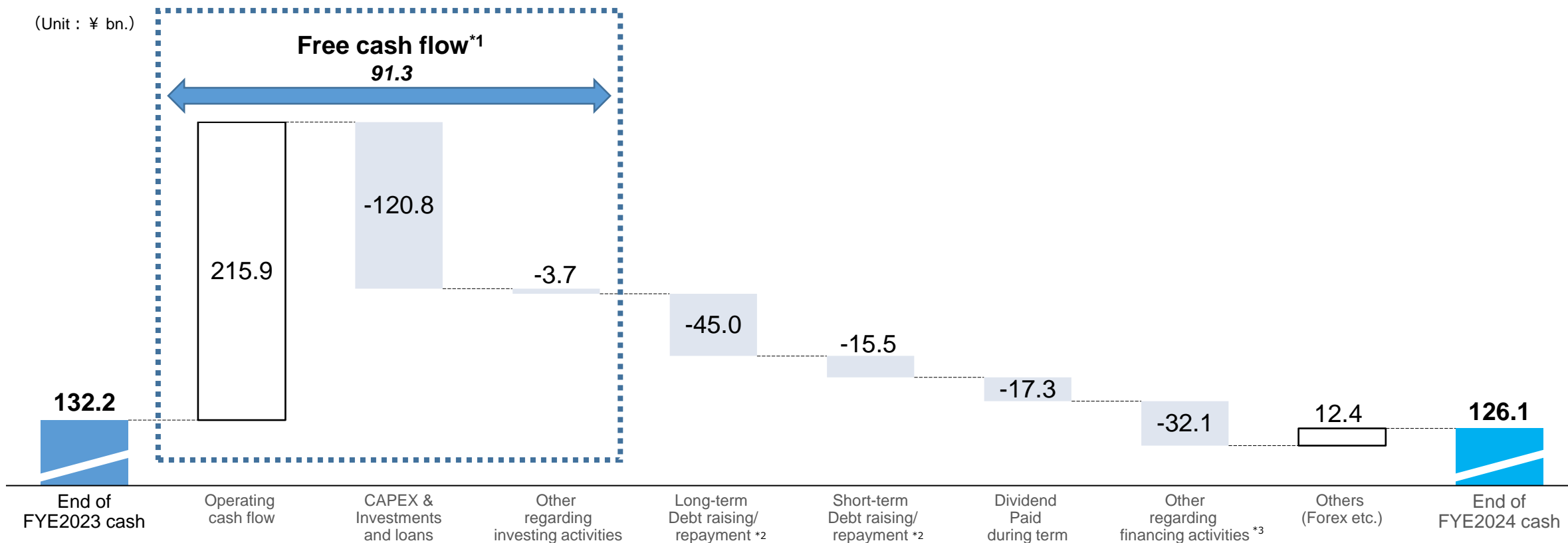


Senior Executive Officer,
CFO

Alan Draper

Cash flows for FYE2024 Full-term

Solid operating cash flows enable a balanced capital allocation



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

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

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

Financial management

Basic Concept

- Capital allocation in accordance with the strategies and goals of NS Vision 2026.
- Prioritize capital projects based on economic / financial returns, risk profile, strategic customer / end markets
- Fast, nimble, and proactive responsiveness to business opportunities and customer inquiries.



Financial soundness

Leverage Reduction

— Reduction of financial expenses

FYE2024 Actual

Adjusted net D/E Ratio
(End of FYE2024)

0.74

FYE2025 Forecast

Budget
Adjusted net D/E Ratio
(End of FYE2025)

0.67

- Fortifying the capital structure
- Refinanced ¥100bn. Hybrid debt with clean debt during FYE2024



Capital and investments

Investment for Growth driver

— Deliver growth, enhanced profitability, and global efficiency

CAPEX and investment
(Cash basis: ¥ bn.)

118.3

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

166.6

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



Shareholder Returns

Stable & business performance-linked

— Aiming to achieve shareholders' and investors' expectations

Annual dividend [Planned]
(¥)

44

Budget
annual dividend
(¥)

48

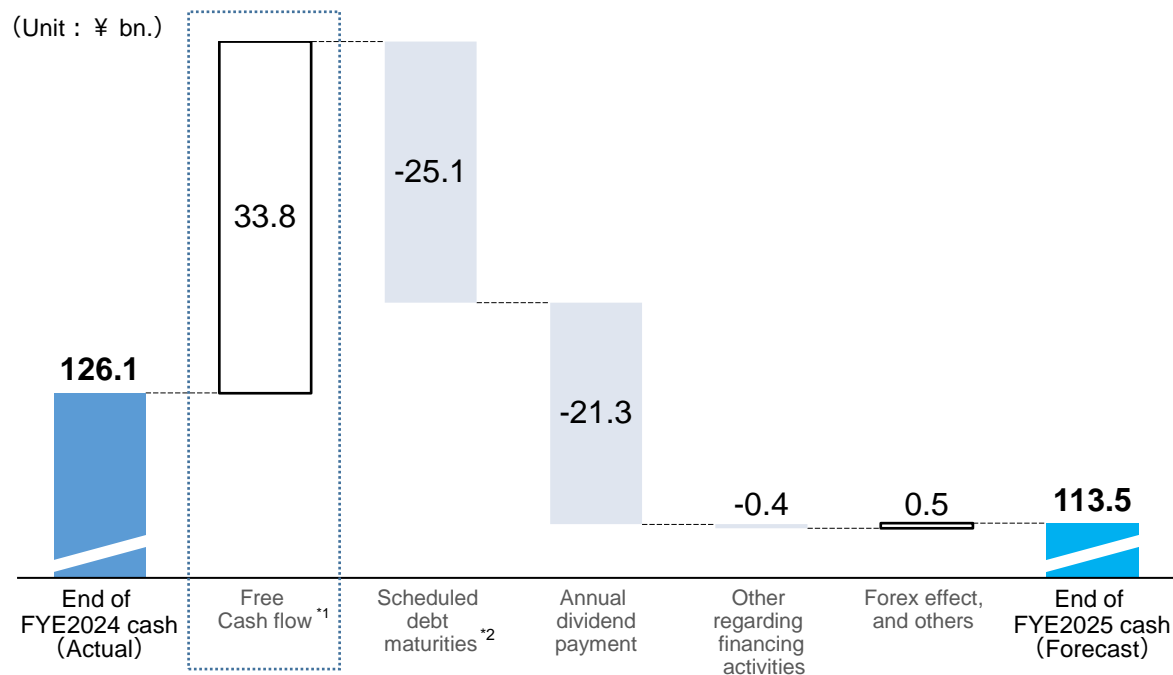
- 10 consecutive years of increasing dividend (subject to shareholder approval at AGM*)

*AGM: Annual General Shareholders' Meeting

Cash flow and shareholder returns

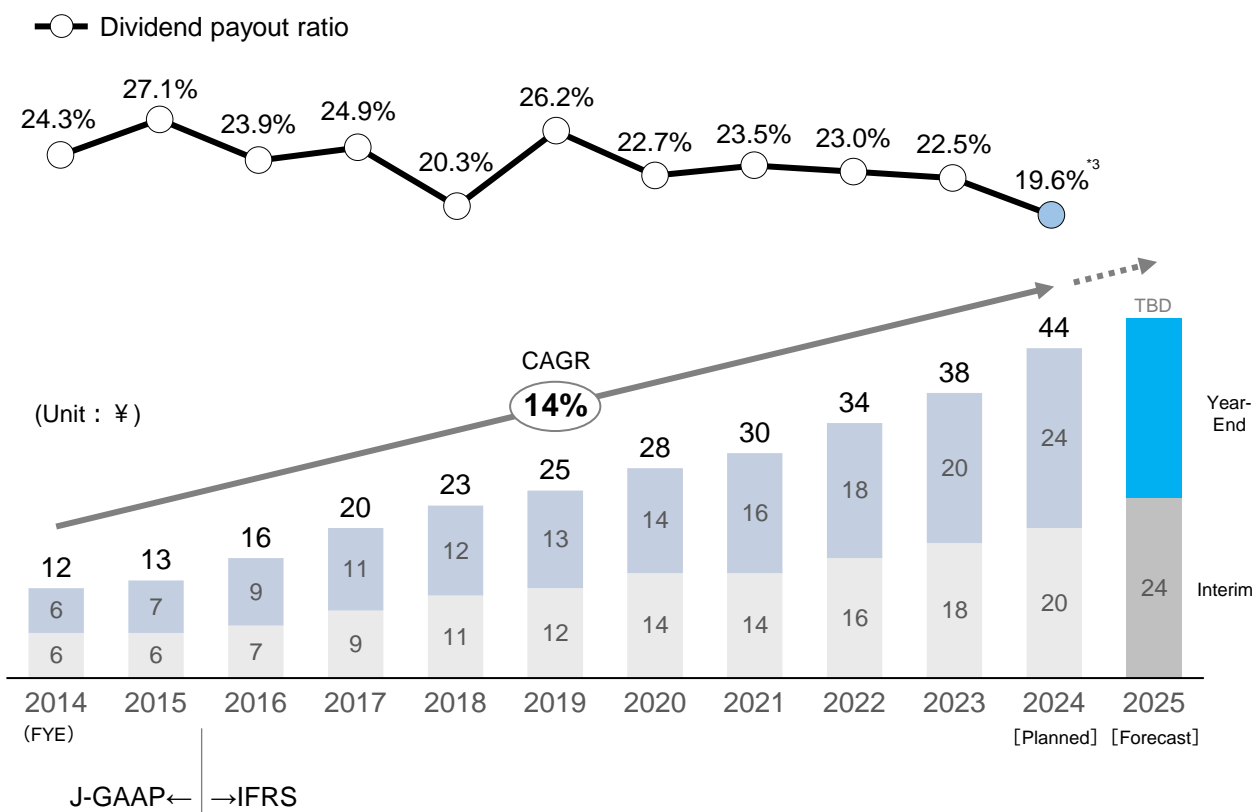
Cash flow forecast FYE2025

Financial Soundness and Solid Shareholder Returns



Dividend Growth Trend

Stable and reliable dividend growth



*1 Free cash flow : Cash flows from operating activities + (Announced) Divesture Proceeds – CAPEX.

*2 Scheduled debt maturities : Indicates cash paid (including Repayments of lease obligations)

*3 Excluding 4Q FYE2024 non-cash, non-recurring accounting gain of ¥8.8bn.

Initiatives to Improve Capital Efficiency

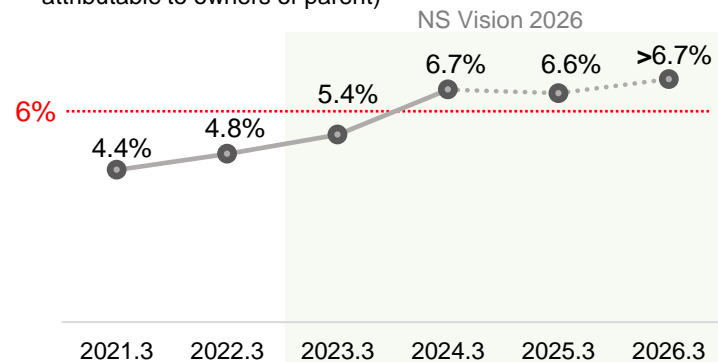
Capital investment is essential to growth
Focus on capital efficiency

ROCE* after Tax Performance

Formula

NOPAT (Net Operating Profit After Tax)

Capital employed (Interest-bearing debt + Total equity attributable to owners of parent)



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

Recognition of Current Status and Roadmap to Improvement



Current Status

- Improvement as a result of quality & quantity of earnings and selective investments
- Maintain the course of steady improvement



Roadmap

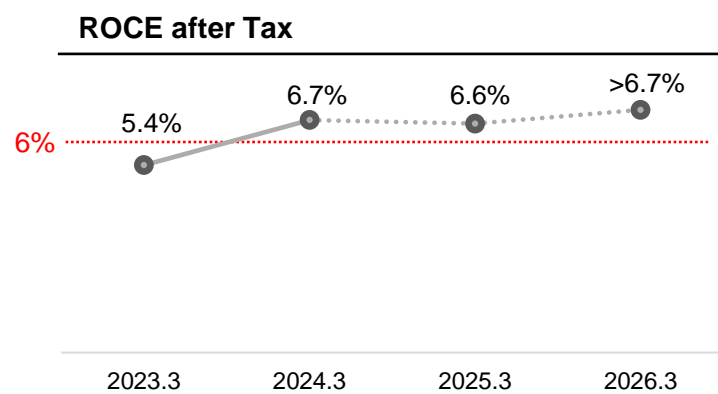
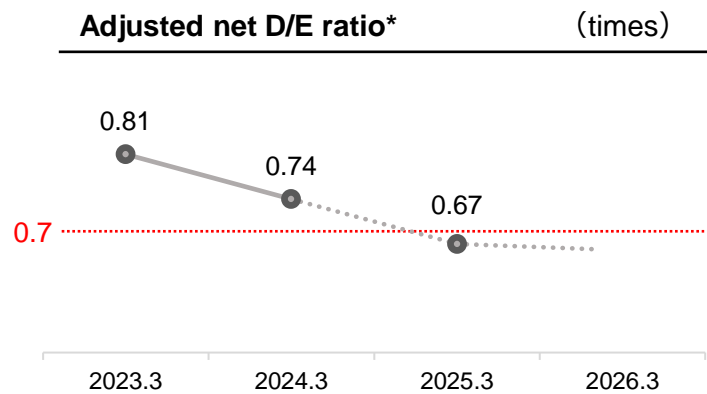
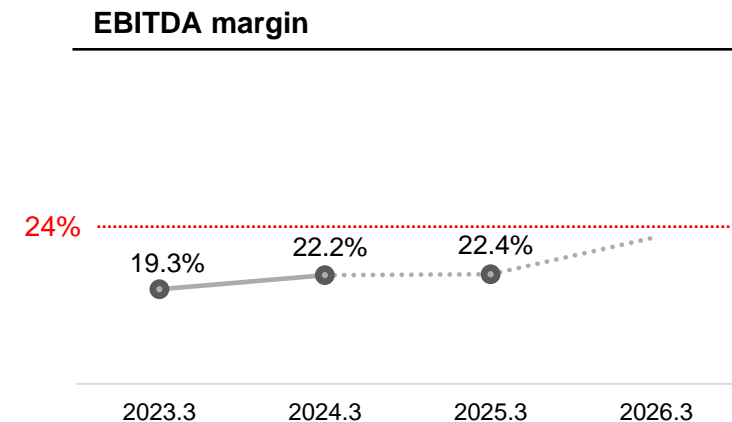
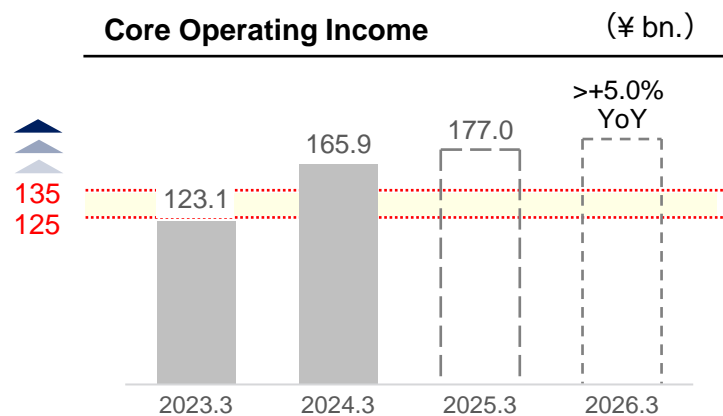
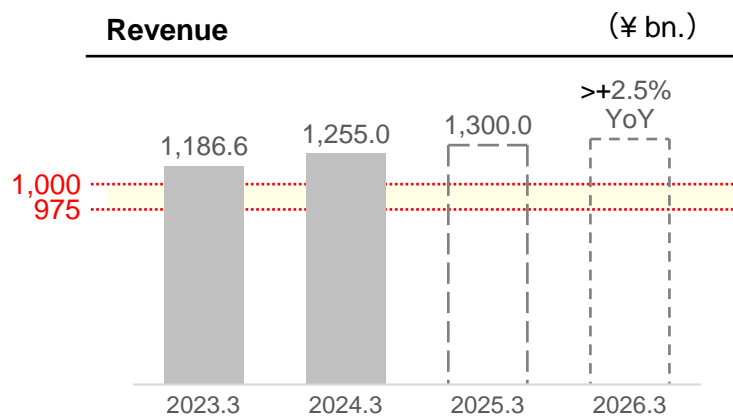
Maximize NOPAT and optimize Capital employed

- Enhancing financial soundness
- Operational excellence paving the path through productivity and globalization
- Disciplined price management

*ROCE: In NS Vision 2026, we set **ROCE after Tax** as one of our financial KPIs in which the denominator of ROCE has been modified from core operating income to NOPAT.

NS Vision 2026 Financial KPI Progress

Maintain pressure to either exceed targets already achieved or to reach targets not yet met



Medium-term Management plan
NS Vision 2026 planned figure
 (Targets set in Apr 2022, with planned figures for FYE2026)
 Exchange Assumption **USD** : ¥115
EUR : ¥125

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

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

Closing remarks



President CEO
Toshihiko Hamada

The Gas Professionals

Q&A Session



President CEO
Toshihiko Hamada



Member of the Board,
Representative Director
and President of Taiyo
Nippon Sanso Corporation
Kenji Nagata



Member of the Board,
Chairman and CEO,
Matheson Tri-Gas, Inc
Thomas Scott Kallman



Member of the Board,
Chairman and President,
Nippon Gases
Euro-Holding S.L.U.
Eduardo Gil Elejoste



Senior Executive Officer,
CFO
Alan Draper



Senior Executive Officer,
Group Corporate Planning
Office
Tsutomu Moroishi



Representative Director
and President of
Thermos K.K.
Yuji Kataoka



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

Appendix

Corporate Information

(As of March 31, 2024)

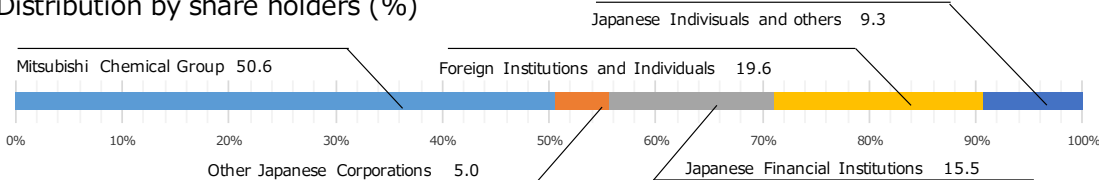
Company Name	Nippon Sanso Holdings Corporation
Founded	October 30, 1910
Headquarters	1-3-26 Koyama Shinagawa-ku, Tokyo 142-0062, Japan
TEL	81-3-5788-8500
	President CEO
Representative	Toshihiko Hamada
Common stock	37.3 billion yen

Stock information

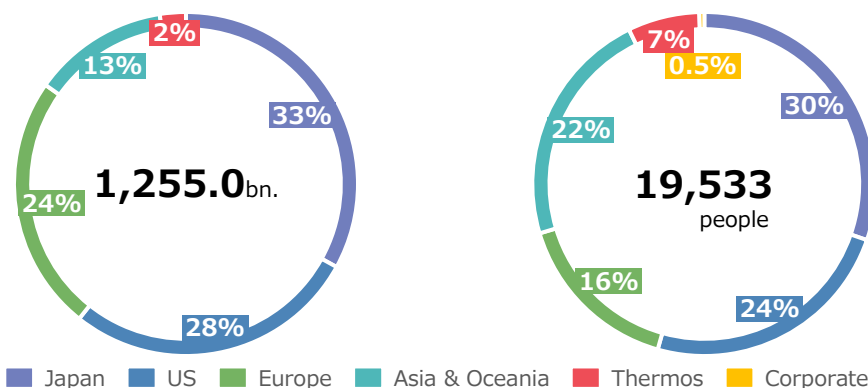
(As of March 31, 2024)

Number of shares	433,092,837
Number of shareholders	14,449
Listed stock exchanges	Tokyo Stock Exchange Prime Market
Ticker	4091.T

Distribution by share holders (%)



Revenue / Employee personnel by Segment (As of March 31, 2024)



■ Japan ■ US ■ Europe ■ Asia & Oceania ■ Thermos ■ Corporate

Corporate Philosophy

Group Philosophy

Proactive. Innovative. Collaborative.

Making life better through gas technology.

The Gas Professionals

Group Vision

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

Main Core business

Industrial Gas business



Electronics business



Thermos business



FYE2025 Financial Forecast (IFRS)

Revenue	¥1,300.0 bn.	Net income attributable to owners of the parent	¥105.0 bn.
Operating income	¥177.0 bn.	EPS	¥242.57

Our Medium-term management plan Summary

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

Overview

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

Financial target

(Final fiscal year in the plan: FYE2026)

Revenue	¥975.0-1,000.0 bn.
Core Operating Income	¥125.0-135.0 bn.
EBITDA margin	Group: ≥24 % Japan, the U.S., EU, A&O, Thermos: ≥17-33%
Adjusted net D/E ratio	≤0.7 times
ROCE after Tax	≥6 %

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

Non-Financial target

<Environment>

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

GHG reduced emissions through environmental product offer
 FYE2026: Lower GHG emissions through environmental product offerings and applications
 > NSHD Group GHG emission

<Safety Management>

Lost Time Injury Rate	FYE2026:	≤1.6
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<Compliance>

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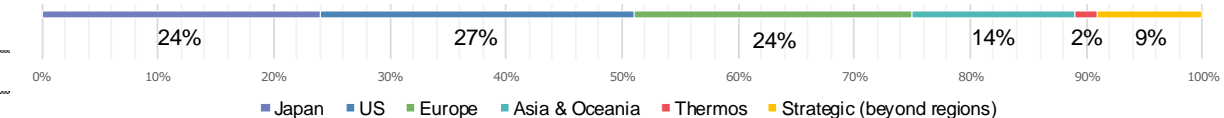
<HR>

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

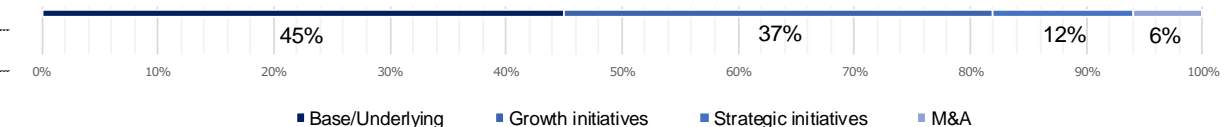
Capital allocation

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

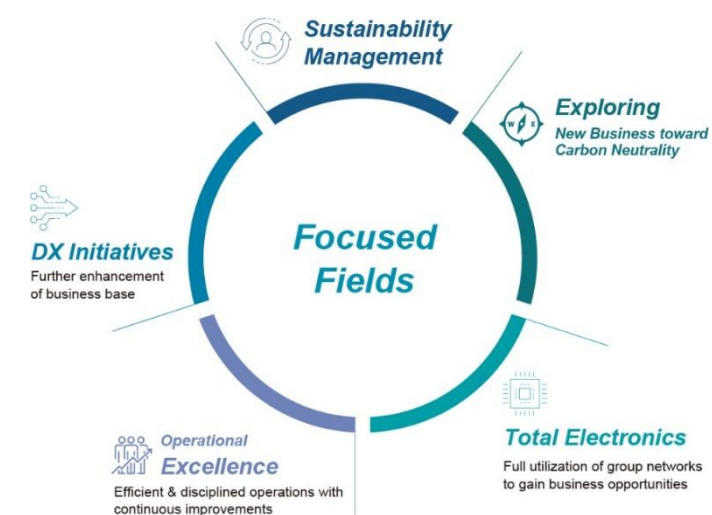
Composition ratio by Business



Composition ratio by Initiative



Focused fields



Free cash flow and Debt situation

(Unit : ¥ bn.)	FYE2023	FYE2024	YoY		FYE2025	Budget's YoY	
	Full-term	Full-term	Difference	% change	Full-term forecast	Difference	% change
Income before income taxes	105.5	150.7	+45.2	+42.9%	154.0	+3.3	+2.2%
Depreciation and amortization	105.7	112.4	+6.7		114.6	+2.2	
Changes in working capital	-22.2	-20.6	+1.6		8.1	+28.7	
Others	-1.0	-26.5	-25.5		-69.4	-42.9	
Cash flows from operating activities	187.9	215.9	+28.0	+14.9%	207.3	-8.6	-4.0%
Capital expenditures	-91.8	-118.3	-26.5		-166.6	-48.3	
Investments and loans	-2.9	-2.5	+0.4		—	—	
Others (asset sales, etc.)	-3.3	-3.7	-0.4		-6.8	-3.1	
Cash flows from investing activities	-98.0	-124.6	-26.6	+27.1%	-173.4	-48.8	+39.2%
Free cash flow	89.8	91.3	+1.5	+1.6%	33.8	-57.5	-63.0%
(Debt situation)							
Net interest-bearing liabilities	809.5	810.8	+1.3		799.9	-10.9	
(Of which, hybrid financing amount)	250.0	150.0	-100.0		150.0	—	
Adjusted net D/E ratio	0.81	0.74	-0.07		0.67	-0.07	



Debt/Equity Performance (FYE2024)

Net D/E ratio

(General net D/E ratio)

0.89

(YoY basis: 23 bps improvement)

Adjusted net D/E ratio

0.74

(YoY basis: 7 bps improvement)

Financial management net D/E ratio

(Our internal financial discipline indicator)

0.88

(YoY basis: 2 bps up)

Forecast at the End of FYE2025

(March 31, 2025)

0.67

$$\frac{\text{Net interest-bearing debt}}{\text{Total equity attributable to owners of parent}}$$

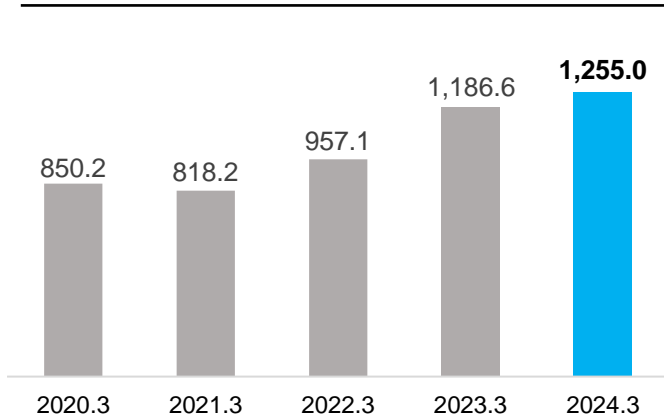
$$\frac{\text{Net interest-bearing debt} - \text{Equity-type debt}^*}{\text{Total equity attributable to owners of parent} + \text{Equity-type debt}^*}$$

$$\frac{\text{Net interest-bearing debt} - \text{Lease obligations} - \text{Equity-type debt}^*}{\text{Total equity attributable to owners of parent} - \text{Other components of equity} + \text{Equity-type debt}^*}$$

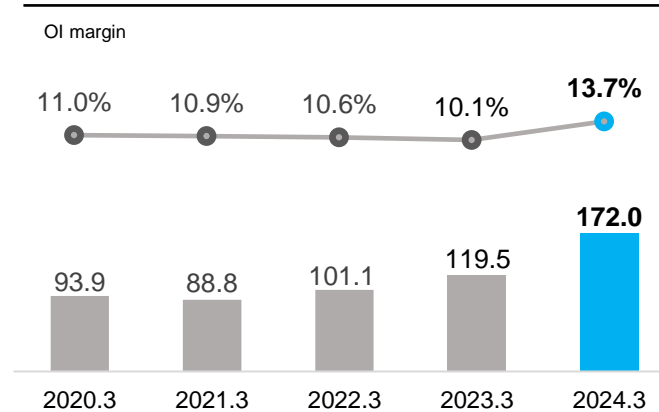
* Equity-type debt : Our internal name of amount which is 50% of the amount raised through hybrid financing is accepted as "capital" by rating agencies.

Business performance over the past five years

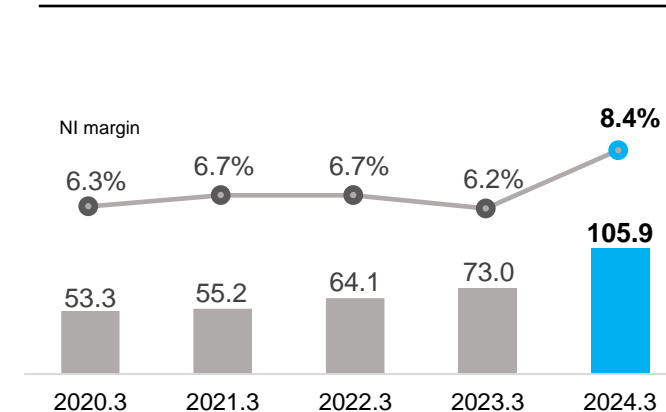
Revenue (¥ bn.)



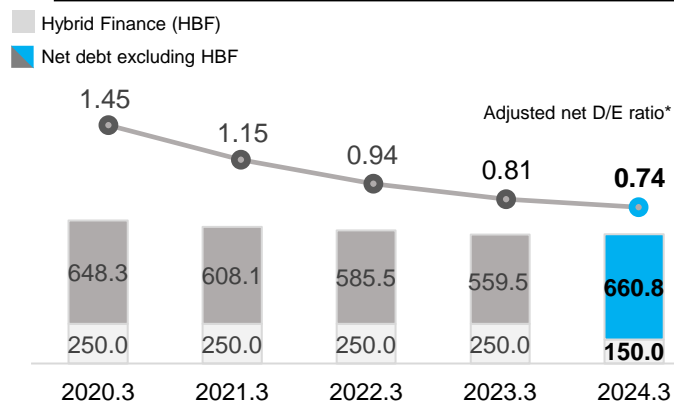
Operating income (IFRS) (¥ bn.)



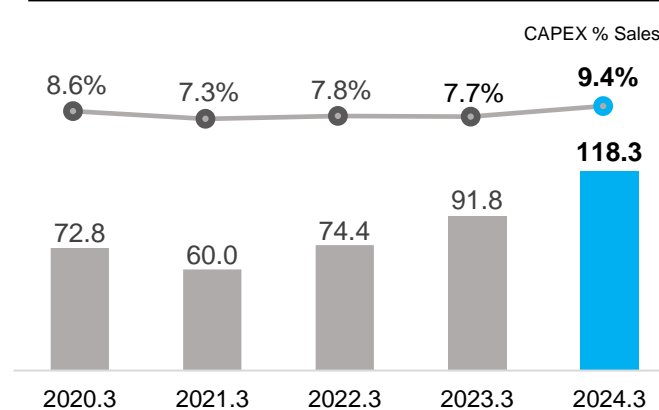
Profit attributable to owners of the parent (¥ bn.)



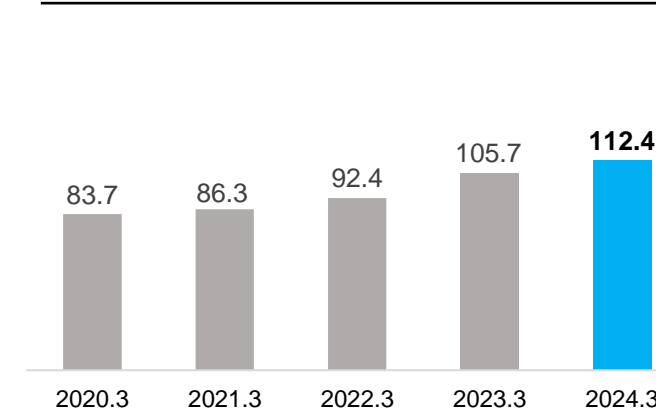
Net interest-bearing debts (¥ bn.)



Capital expenditures (¥ bn.)



Depreciation and amortization (¥ bn.)



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

*It's recorded on a cash basis.

Glossary: EBITDA margin / ROCE after Tax

EBITDA

(Earnings Before Interest Taxes Depreciation and Amortization)

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

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

ROCE after Tax

(Return On Capital Employed after Tax)

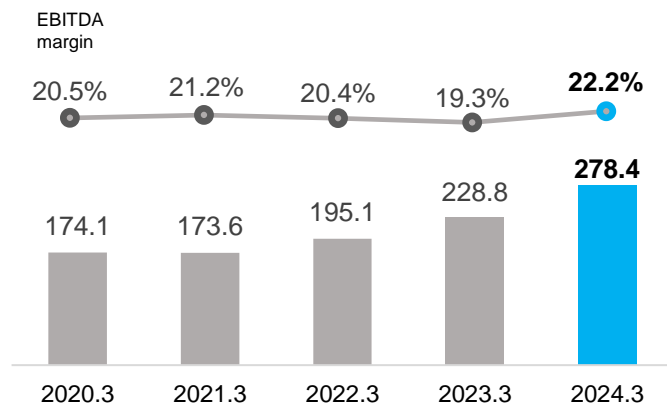
$$= \frac{\text{NOPAT (Net Operating Profit After Tax)}}{(\text{Interest-bearing debt} + \text{Total equity attributable to owners of parent}) *}$$

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

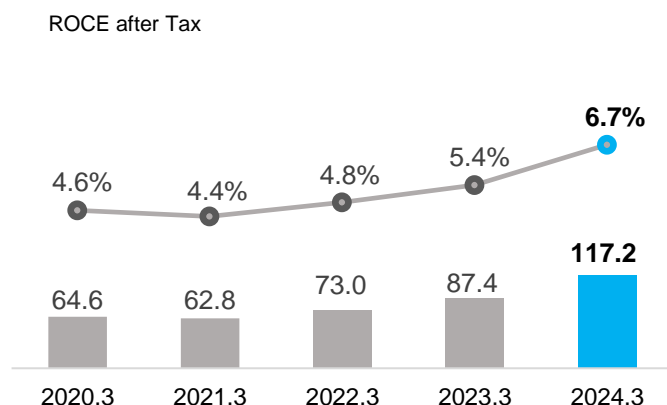
Indicator based on profitability and investment efficiency

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

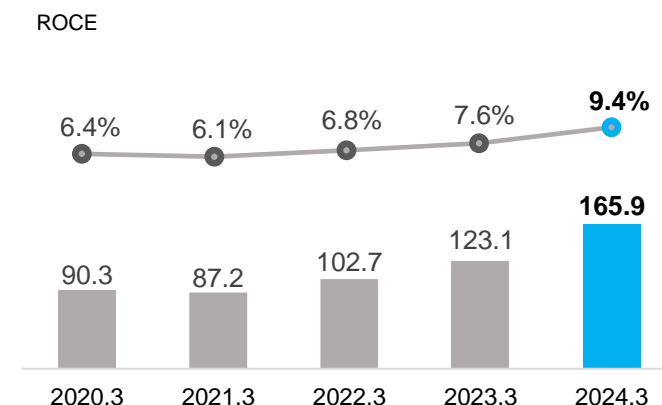
EBITDA margin and EBITDA (¥ bn.)



ROCE after Tax and NOPAT (¥ bn.)

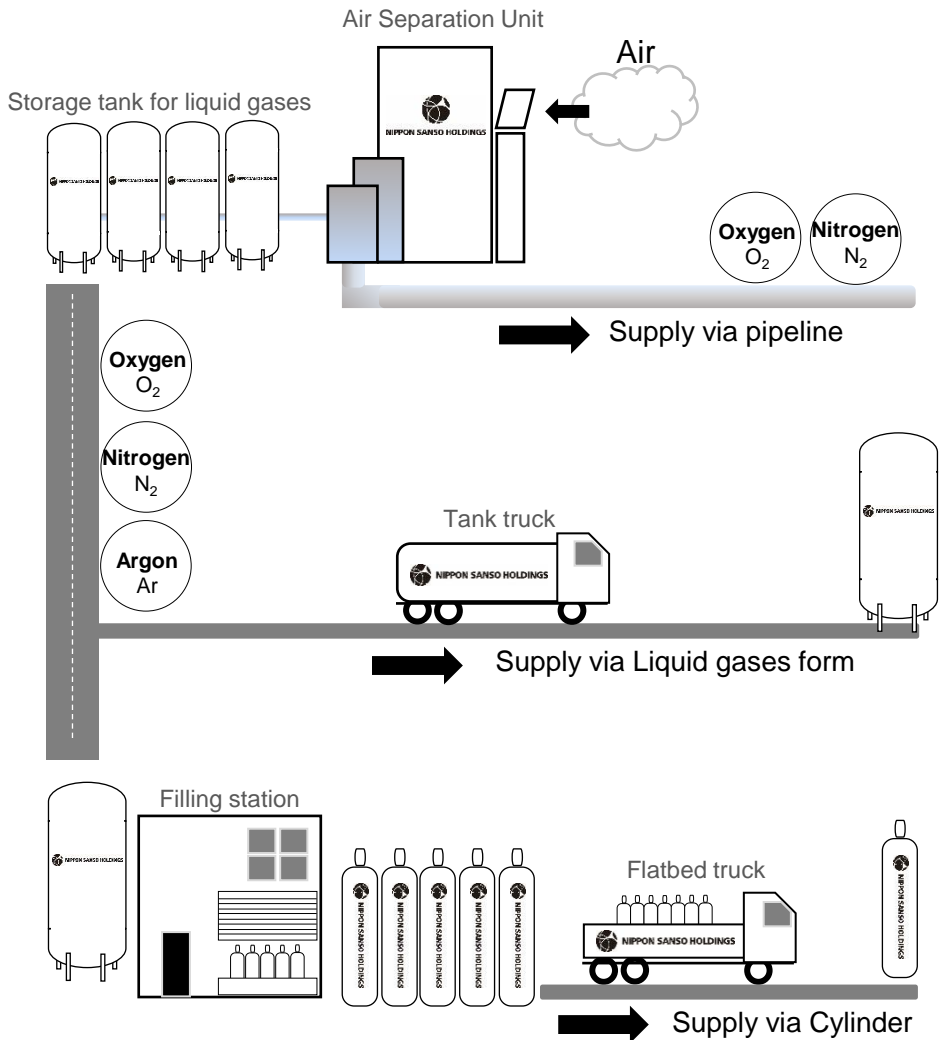


(Reference) ROCE and Core OI (¥ bn.)



Industrial gas supply system

Air Separation Gases



On-site

Major supply destination (Sector)

Steel Petrochemical Refinery

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

Bulk

Major supply destination (Sector)

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

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

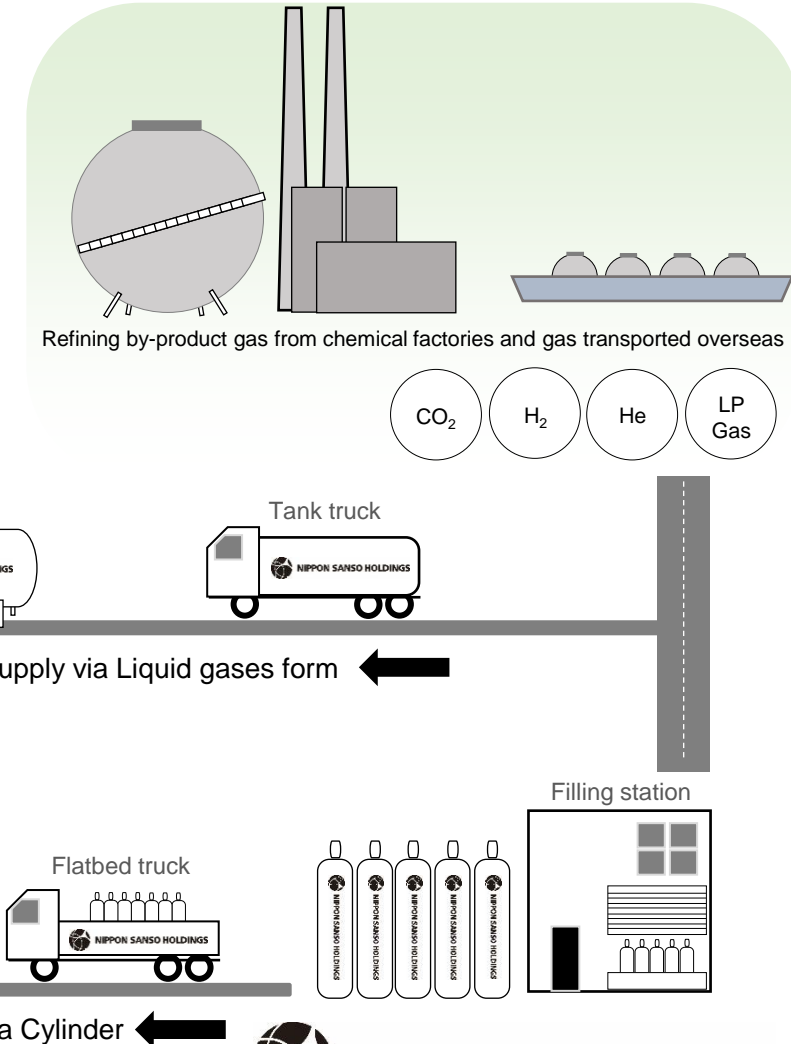
Packaged

Major supply destination (Sector)

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

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

Other Gases





THERMOS

For further information, please contact:

Public Relations for media

Public Relations,

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

E-mail : Nshd.info@nipponsanso-hd.co.jp

Investor Relations for investors

Investor Relations,

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

E-mail : Nshd.ir@nipponsanso-hd.co.jp

Upcoming IR events

Annual Shareholder meeting

June 19, 2024

Q1 FYE2025 Earnings Call

July 30, 2024

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

NIPPON SANSO Holdings Corporation
(Ticker:4091.T)

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



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NIPPON SANZO HOLDINGS

The Gas Professionals

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