



NIPPON SANSO HOLDINGS

Q2 FYE2023 Consolidated Financial Results Earnings Announcement

(Six months ended September, 2022)

November 1, 2022
Tokyo (Japan)

The Gas Professionals

Important Notice

For the purpose of this notice, “presentation” means this document, any oral presentation, any question and answer session and any written or oral material discussed or distributed by NIPPON SANSO Holdings Corporation (“NSHD”) regarding this presentation. This presentation (including any oral briefing and any question-and-answer in connection with it) is not intended to, and does not constitute, represent or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, exchange, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction. No shares or other securities are being offered to the public by means of this presentation. This presentation is being given (together with any further information which may be provided to the recipient) on the condition that it is for use by the recipient) on the condition that it is for use be the recipient for information purposes only (and not for the evaluation of any investment, acquisition, disposal or any other transaction). Any failure to comply with these restriction may constitute a violation of applicable securities laws. The companies in which NSHD directly and indirectly owns investments are separate entities. In this presentation, “NSHD” is sometimes used for convenience where references are made to NSHD and its subsidiaries in general. Likewise, the words “the Company”, “we”, “us” and “our” are also used to refer to subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

● Forward-Looking Statements

This presentation and any materials distributed in connection with this presentation may contain forward-looking statements, beliefs or opinions regarding NSHD’s future business, future position and results of operations, including estimates, forecasts, targets and plans for NSHD. Without limitation, forward-looking statements often include words such as “targets”, “plans”, “believes”, “hopes”, “continues”, “expects”, “aims”, “intends”, “ensures”, “will”, “may”, “should”, “would”, “could”, “anticipates”, “estimates”, “projects” or similar expressions or the negative thereof. These forward-looking statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those expressed or implied by the forward-looking statements: the economic circumstances surrounding NSHD’s global business, including general economic conditions here and abroad; competitive pressures and developments; changes to applicable laws and regulations; the success of or failure of product development programs; decisions of regulatory authorities and the timing thereof; fluctuations in interest and currency exchanges rates; claims or concerns regarding the safety or efficacy of marketed products or product candidates; the impact of health crises, like the novel COVID-19 pandemic, on NSHD and its customers and suppliers, including foreign governments in countries in which NSHD operates, or on other facets of its business; the timing and impact of PMI (post-merger integration) efforts with acquired companies; the ability to divest assets that are not core to NSHD’s operations and the timing of any such divestment(s); and other factors identified in NSHD’s most recent annual Consolidated Financial Statements on Japanese Securities relevant acts and exchange commission, available on NSHD’s website. NSHD does not undertake to update any of the forward-looking statements contained in this presentation or any other forward-looking statements it may make, except as required by law or stock exchange rule. Past performance is not an indicator of future results and the results or statements of NSHD in this presentation may not be indicative of, and are not an estimate, forecast, guarantee or projection of NSHD’s future results.

● Certain Non-IFRS Financial Measures

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

● Financial information

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

Notes

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

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

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

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

<Forex rates>

		Average Forex rates								(Reference) Currency sensitivity as rough indication			
		FYE2022				FYE2023				FYE2023 (Updated)	FYE2023 (Previous)	Impact of devaluation by 1 JPY (Full-term basis)	
Unit : JPY Currency	1Q (Apr.-Jun.)	1st Half (Apr.-Sep.)	9M (Apr.-Dec.)	Full-term (Apr.-Mar.)	1Q (Apr.-Jun.)	1st Half (Apr.-Sep.)	9M (Apr.-Dec.)	Full-term (Apr.-Mar.)	Full-term Assumption (Apr.-Mar.)	Full-term Assumption (Apr.-Mar.)	Unit : ¥ bn. Currency	Revenue	Core Operating Income
USD	109.76	110.10	111.45	113.04	131.25	135.30			138	115	USD	+2.0	+0.25
EUR	132.44	131.16	130.96	131.11	138.75	139.14			140	125	EUR	+1.6	+0.2
SGD	82.41	82.01	82.77	83.83	94.97	97.12			97.1	82.7			
AUD	84.15	82.33	82.69	83.33	92.52	93.51			93.5	82.2			
CNY	17.06	17.07	17.35	17.65	19.71	19.91			19.9	17			

- **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.

Contents

1. Strategic overview
2. Financial Profile
3. Q2 FYE2023 Business performance
 - 1. Q2 Quarter Period performance
 - 2. First half Cumulative performance
4. FYE2023 Full-term Forecast

Appendix

1. Strategic overview

Our Medium-term Management plan:

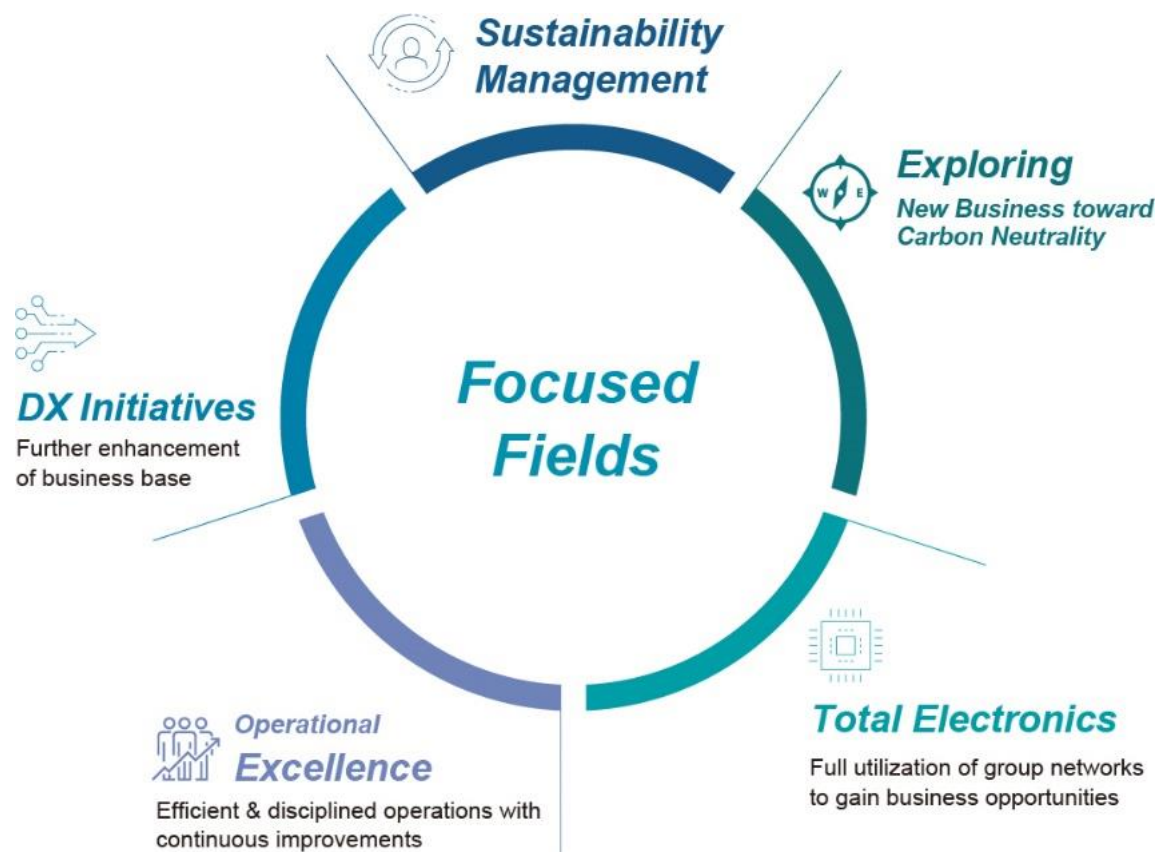
NS Vision 2026 | Enabling the Future

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.



Non-financial KPI target in NS Vision 2026

		FYE2026 Target
Environment	<Environment>	
	<ul style="list-style-type: none"> ● Reduction rate of GHG emissions (Base year: FYE2019*1) 	18% down
	<ul style="list-style-type: none"> ● GHG reduced contribution exceeds GHG emission (Scope 1+2) 	X > Y
	· Breakdown information (Unit: Thousands of tonnes CO ₂ e) <ul style="list-style-type: none"> X: Lower customer GHG emissions through environmental product offerings and applications Y: NSHD Group GHG emission (Scope 1+2) 	
Social	<Safety Management>	
	<ul style="list-style-type: none"> ● Lost Time Injury Rate 	≤ 1.6
	<HR>	
	<ul style="list-style-type: none"> ● Rate of female employees 	≥ 22%
	<ul style="list-style-type: none"> ● Rate of female management posts 	≥ 18%
Governance	<Compliance>	
	<ul style="list-style-type: none"> ● Rate of receiving compliance training *2 	100%

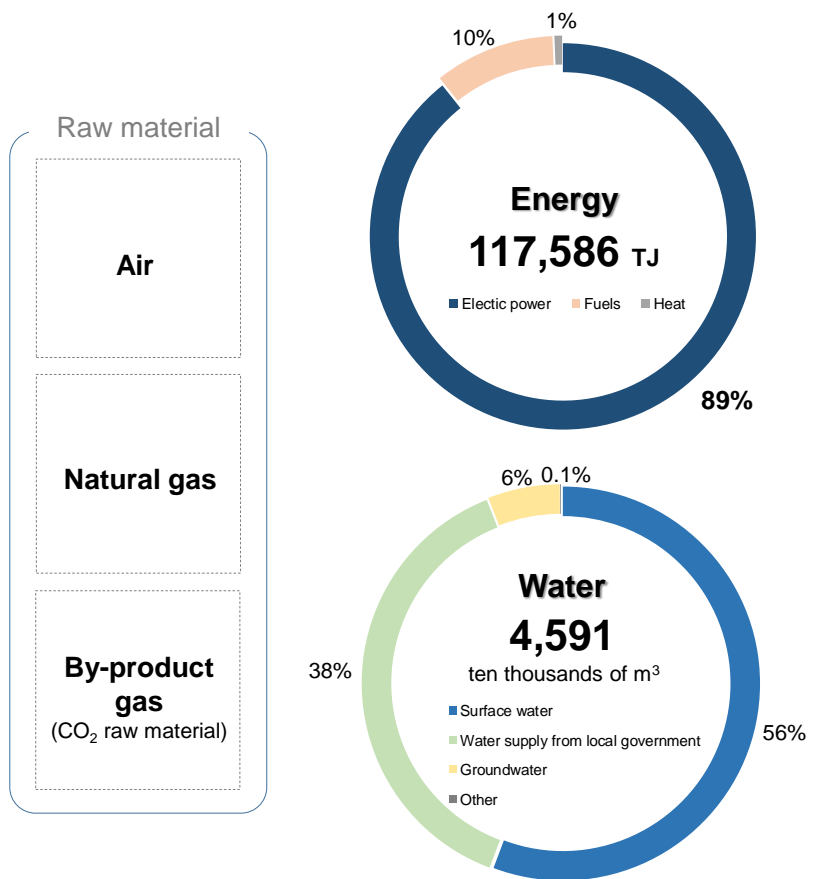
*1 The figure for the volume of GHG emissions for FYE2019, which is the reference value, calculate the actual GHG emissions in FYE2019 plus the following:
1) estimated emissions of the Gas Business in Europe in FYE2019 and 2) estimated emissions of the U.S. HyCO business in FYE2019.

*2 We plan to begin data collection from the current fiscal year; FYE2023.

Material balance & Environmental contribution

Input

Energy and resource inputs in business activities

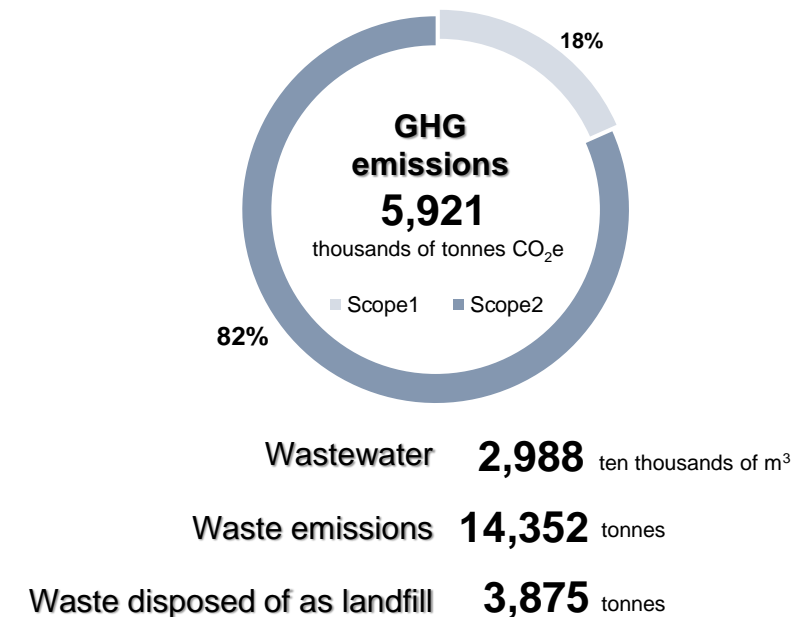


Business activities

- Air separation
- HyCO business
- Liquid CO₂ business
- Distribution

Output

Environmentally hazardous substances generated by business activities



GHG emission reduction contribution

	Total	6,865	thousands of tonnes CO ₂ e
Products & services	3,176		thousands of tonnes CO ₂ e
Industrial gases	3,689		thousands of tonnes CO ₂ e

(Note) For details on the reporting data, please refer to P116, "Sustainability Data" in our Integrated report 2022.

Summary : Progress toward Financial targets

We will continue to work, develop, and refine our business strategies to ensure achievement of performance targets identified in the final year of the NS Vision 2026.

Uncertain business environment continues



Uncertain economic environment: sharp fluctuations in FX rates; significant price fluctuations in crude oil, liquefied natural gas, and electricity; supply chain disruptions; and decades high inflation levels, etc.



Business confidence in each region is expected to get worse moderately in general compared to our previous forecast.

- In the FYE2023, underlying revenue growth excluding currency effect, pass through, and surcharge up, will be low-single-digit growth, and OI growth to be 2.1% excluding currency effect (Y/Y basis).

Perseverance to feasible price revisions



Proactive and persistent price management to ensure increases in electricity / energy costs, which is a major industrial gas cost driver, are passed through and surcharge to the customer.



Promote valuable service, reliable supply, appropriate scale, and utility of our products to existing customers, new customers, and potential customers.



Pursuit cost reduction constantly, productivity improvement, and providing useful applications or technologies that foster close and sticky customer relationships.

Ongoing search for business opportunities



Seize business carbon neutral-related opportunities around the world.

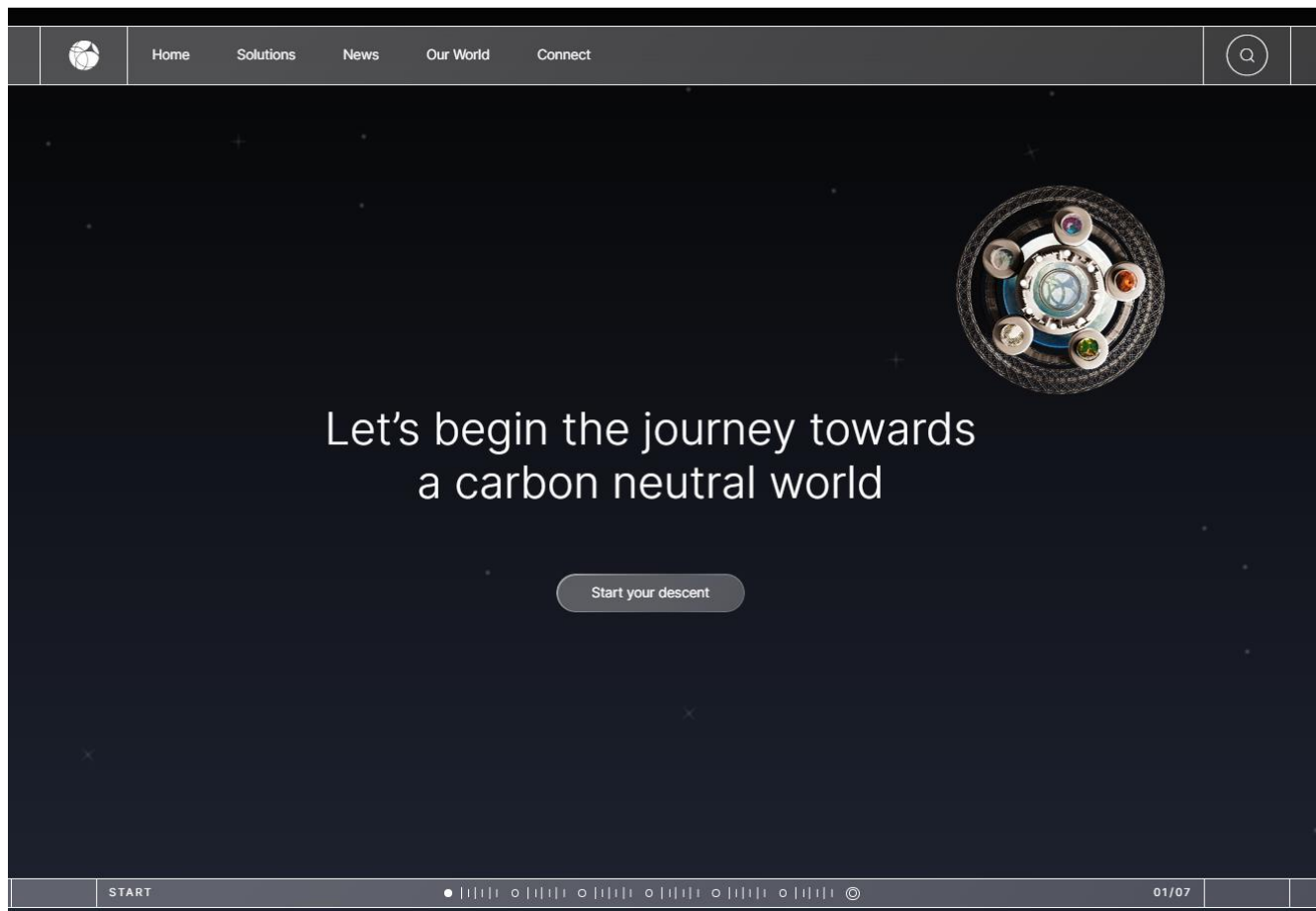


Focus our management resources to continue to build and grow business relationships with existing and potential customers.

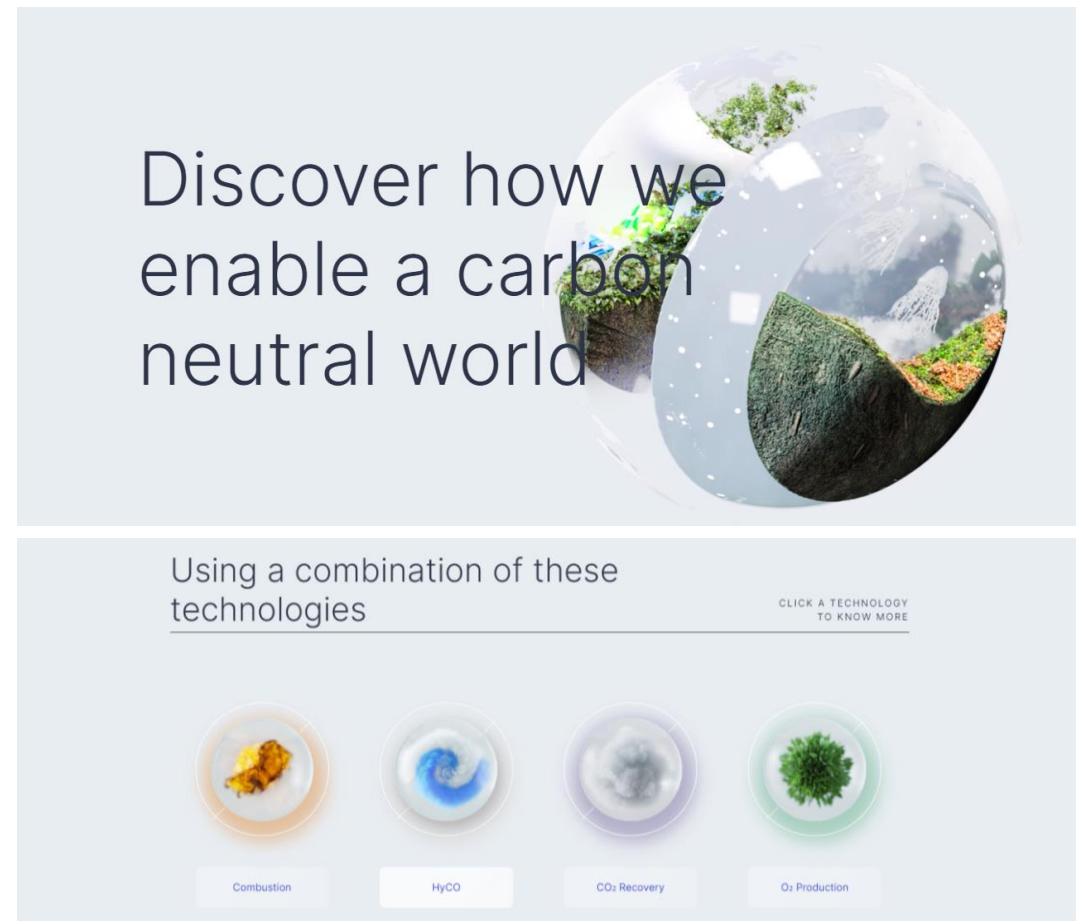
- From the FYE2023 onward, we will increase the production and manufacturing capacity of electronic material gases as well as implement the Total Electronics strategy across the Group.

Communication platform for collaboration with partners

We are committed to sustainability and we aspire to build business avenues across the entire spectrum of the any industry, especially manufacturing industry.



Please jump to the access webpage link. > <https://www.carbonneutralworld.com/>

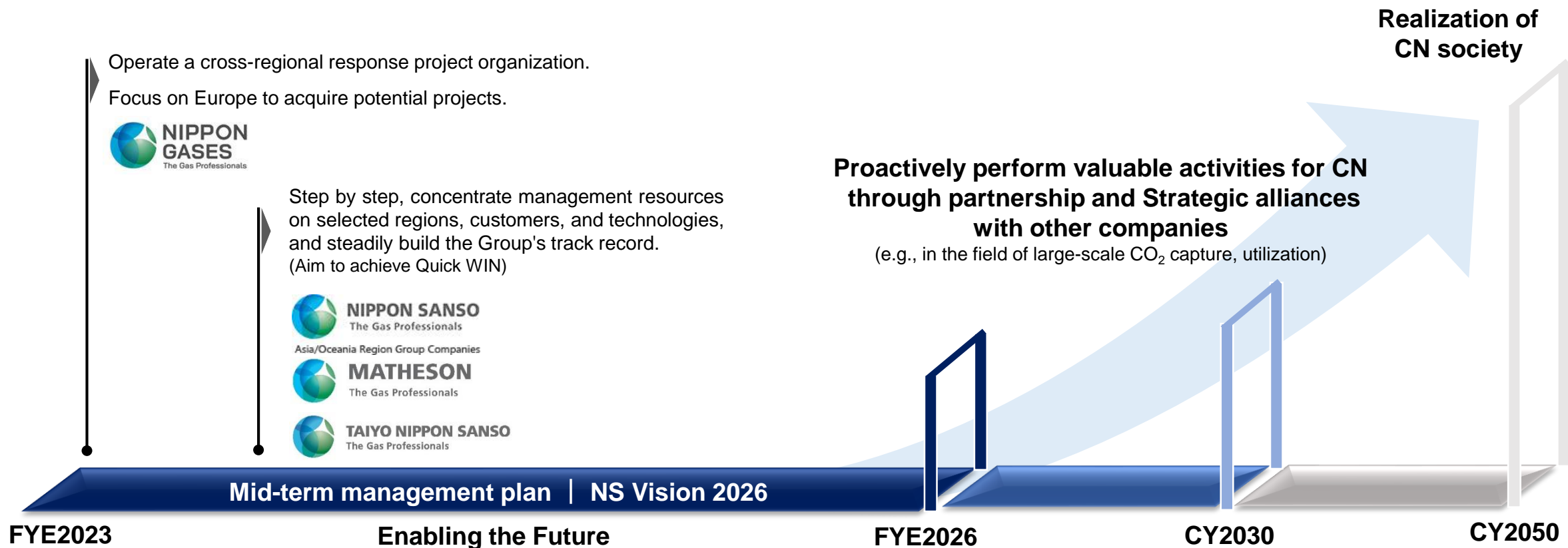


Opportunities : Contribution for Carbon neutral

Our Group's Aspirations
(Toward CY2030)

Solution provider considered indispensable for realizing a Carbon-neutral (CN) society

Effective use of energy by improving combustion efficiency, hydrogen supply by HyCO project, blue hydrogen and carbon fixation by CO₂ capture



Track record : Contribution with Green Combustion technologies

Challenge in the Steel industry: Reducing CO₂ emissions

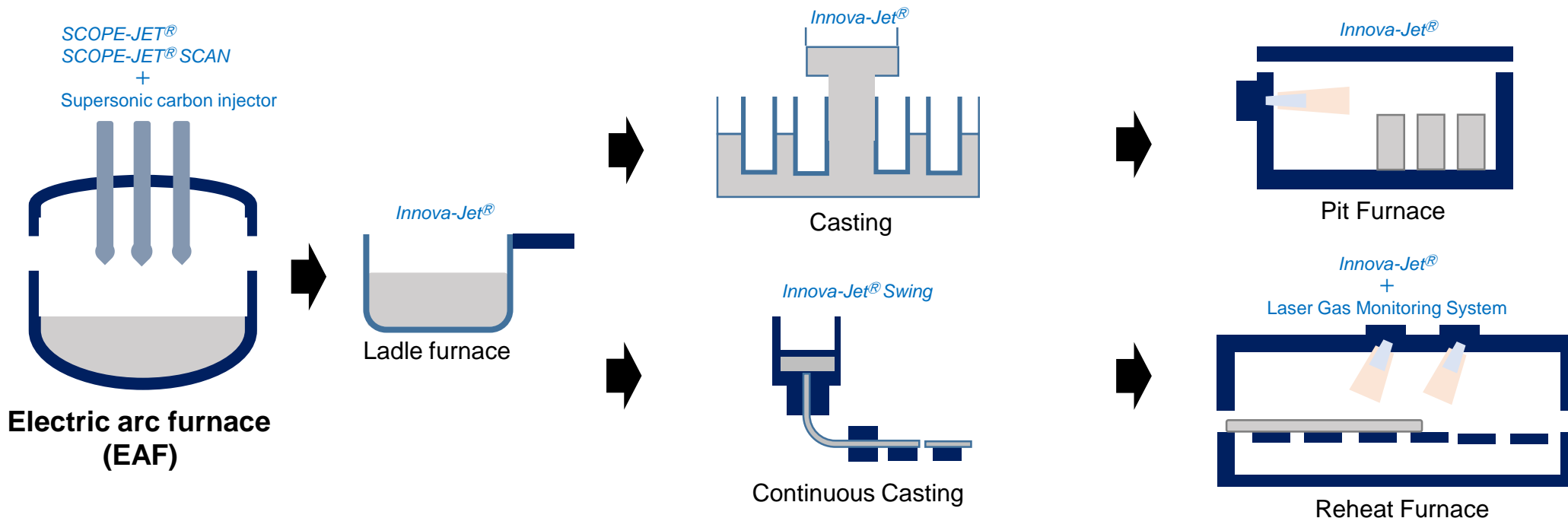
CO₂ emissions are expected to be reduced through the utilization of iron scrap (EAF), the introduction of innovative technologies such as hydrogen reduction technology, and the promotion of energy conservation.

Our approach: Utilizing Oxy-fuel combustion*

Oxy-fuel combustion improves the heat efficiency of combustion compared to air combustion. We can propose a comprehensive engineering approach with various equipment & industrial gas supply applications across various customer manufacturing lines.

Applying oxy-fuel for steel manufacturing process

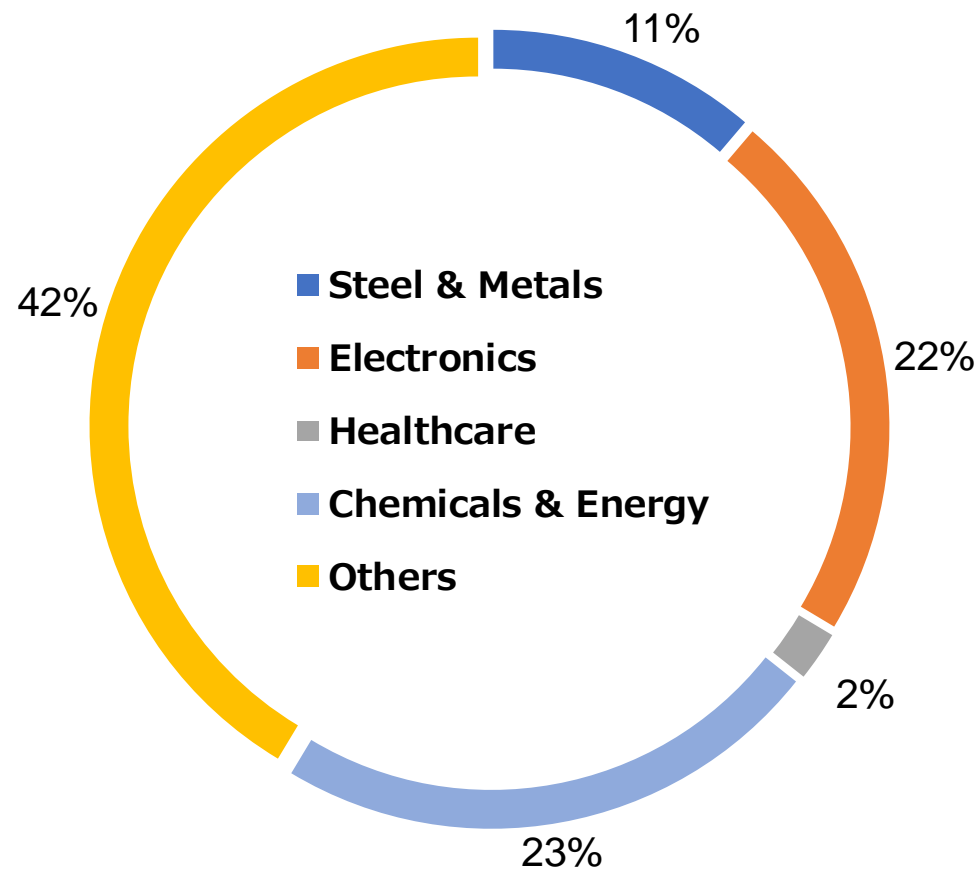
- Creating new demand for Oxygen gas and contributing to a Carbon-neutral society through Oxy-fuel combustion technology.



* Oxy-fuel combustion: One of combustion technology that combusts fuel with oxygen and recirculated exhaust gas to achieve a CO₂ concentration in the exhaust gas of 90% or more, enabling CO₂ recovery without a separation process.

Key CAPEX for our sustainable growth

We have identified many global growth opportunities and currently have a diversified capital portfolio aligned with our Medium-term management plan; NS Vision 2026.



* Note that the above is an aggregation of investments which have been approved by the Board of directors of each our group company, but have not yet been placed in service. The size of each project is over approx. ¥500mn., \$4mn. or €4mn.

Key Highlights

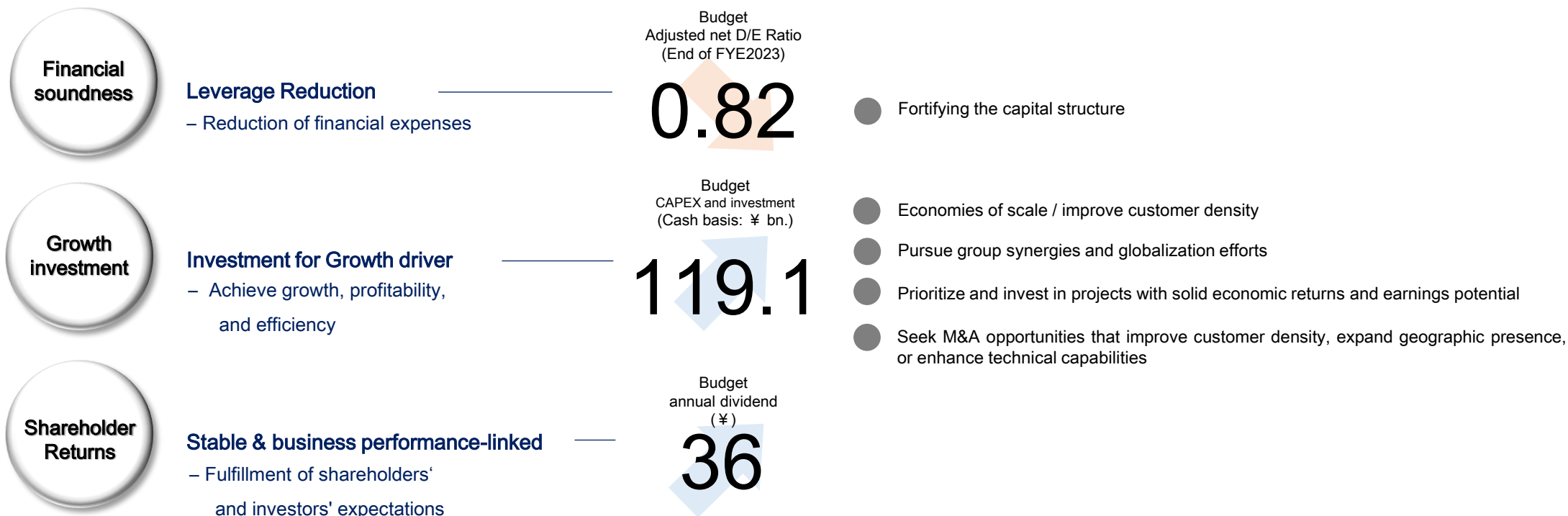
- ✓ Proceed flexible measures against **inflation**
- ✓ Key **initiatives** in **Electronics & Carbon Neutral** related
- ✓ Pursuing **project wins** and building **backlog**
- ✓ **Focus on** growth, productivity and pricing
- ✓ **Accelerated weak JPY** pushed Revenue & Operating Income up

2. Financial Profile

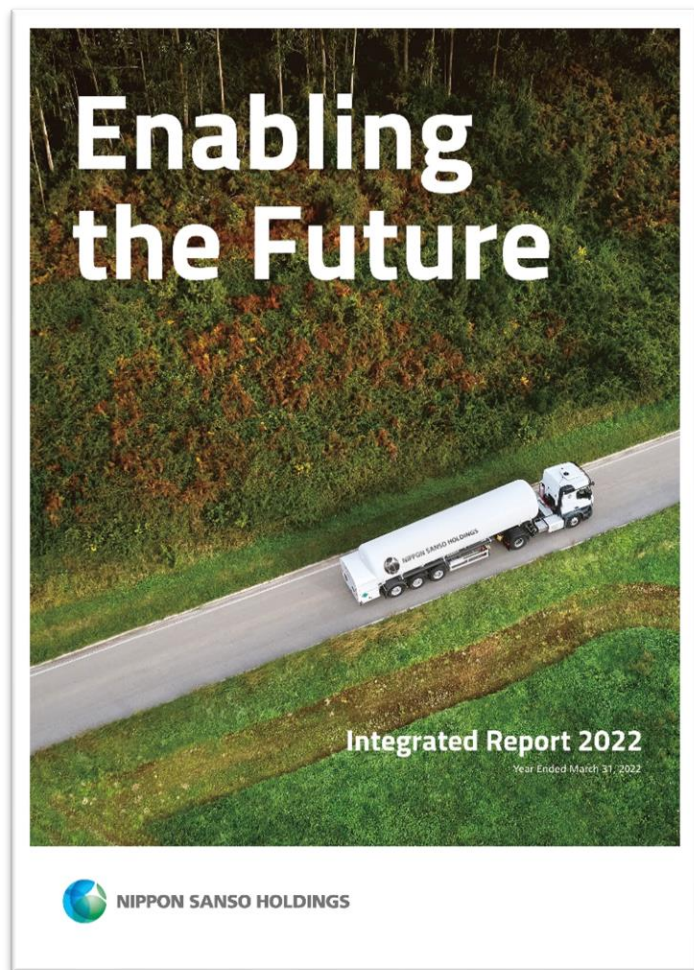
Financial management | Optimal Fund allocation

Basic Concept

- Allocate capital in accordance with the strategies and goals of the Medium-term management plan; NS Vision 2026.
- Prioritize capital projects based on economic / financial returns, risk profile, customer / end market outlook.
- Fast, nimble, and proactive response to business opportunities and customer inquiries.



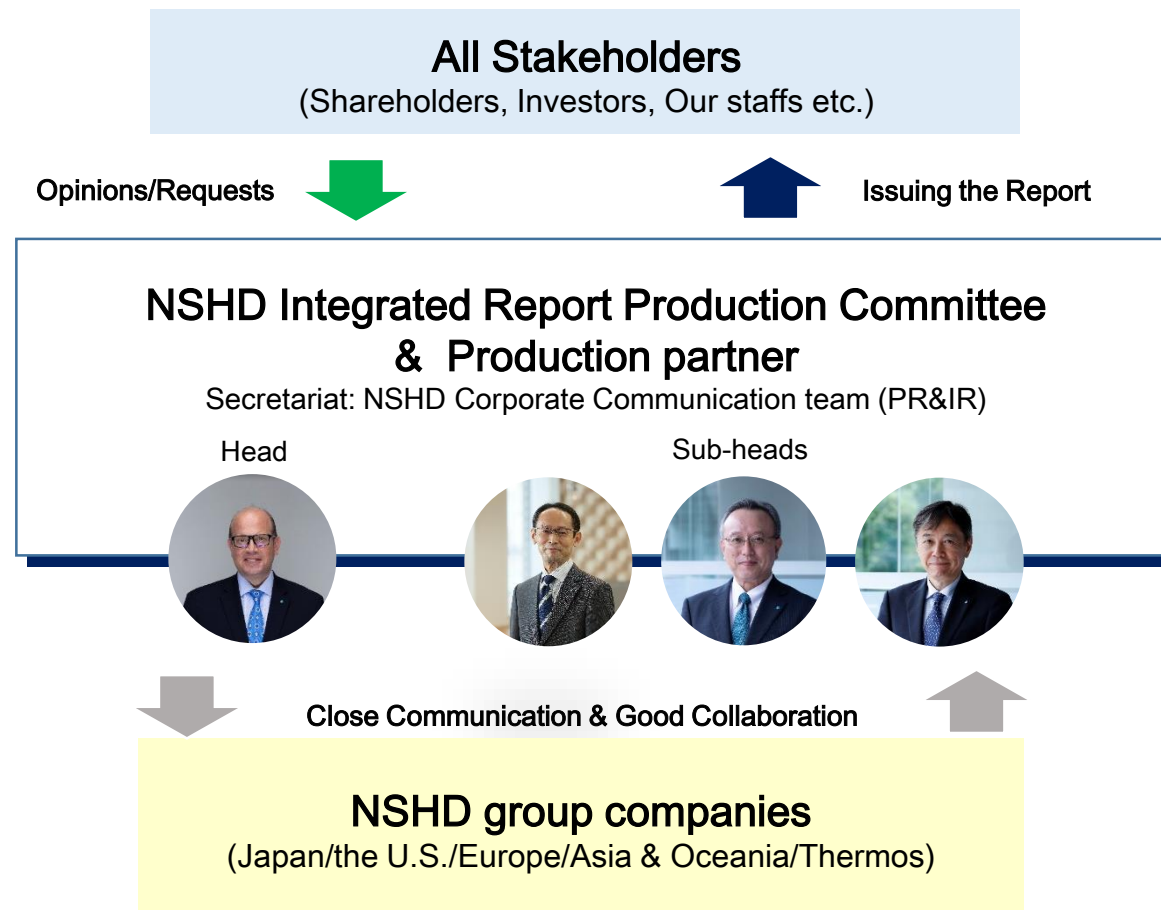
Improving to fruitful report for our stakeholders



NSHD integrated report 2022
(We have released on September 28.)

Please jump to the access webpage link. > https://www.nipponsanso-hd.co.jp/en/ir/library/integrated_report.html

Production process for 2022 edition



3. Q2 FYE2023

Business performance

-1. Q2 Quarter Period performance

Consolidated results

	FYE2022	FYE2023	YoY	
	Q2	Q2	Difference	% Change
(Unit: ¥ bn.)	(Jul.-Sep.)	(Jul.-Sep.)		
Revenue	229.0	297.6	+68.6	+30.0%
Core operating income	25.2	25.9	+0.7	+2.5%
Core OI margin	11.0%	8.7%		
Non-recurring profit and loss	-0.0	0.4	+0.4	
Operating income (IFRS)	25.2	26.3	+1.1	+4.6%
OI margin	11.0%	8.9%		
EBITDA margin	20.7%	17.6%		
Finance costs	-2.4	-2.2	+0.2	
Income before income taxes	22.8	24.1	+1.3	+5.6%
Income tax expenses	4.0	5.6	+1.6	
Net income	18.7	18.4	-0.3	-1.5%
(Attribution of net income)				
Net income attributable to owners of the parent	18.2	17.8	-0.4	-2.0%
NI margin	8.0%	6.0%		
Net income attributable to non-controlling interests	0.5	0.5	+0.0	

Gas business in Japan

(Unit: ¥ bn.)	FYE2022	FYE2023	YoY		
	Q2 (Jul.-Sep.)	Q2 (Jul.-Sep.)	Difference	% Change	% Change exc. FX
Revenue	90.1	99.2	+9.1	+10.1%	+10.0%
Segment income	7.4	6.7	-0.7	-10.4%	-10.8%
Segment OI margin	8.3%	6.8%			

YoY Factors for increase/decrease in this quarterly period and other comment

- Bulk & On-Site (Air separation gases): Volume decreased, but revenue increased due to price revisions. Energy costs significantly increasing.
- Bulk (LP gas): Volume decreased, but revenue increased significantly due to the impact of higher selling prices linked to purchase prices.
- Specialty gases: Shipments for electronics industry were on a par with the previous year.
- Equipment and installation, other: Revenue of industrial gas-related were flat with the previous year, but revenue of electronics-related increased.
- EBITDA margin: 11.5% (FYE2023 Q2)

Gas business in the U.S.

(Unit: ¥ bn.)	FYE2022	FYE2023	YoY		
	Q2 (Jul.-Sep.)	Q2 (Jul.-Sep.)	Difference	% Change	% Change exc. FX
Revenue	55.7	77.0	+21.3	+38.3%	+9.8%
Segment income	7.0	6.7	-0.3	-4.4%	-25.7%
Segment OI margin	12.7%	8.8%			

YoY Factors for increase/decrease in this quarterly period and other comment

- Bulk & Packaged: While demand remains stable, costs have risen significantly from general inflation and high energy and distribution costs. Driver shortage improvement, but remains a cost headwind.
- On-site: Customer demand stable with prior year.
- Equipment and installation, other: Demand recovered in welding and cutting related fields.
- EBITDA margin: 22.4% (FYE2023 Q2)

Gas business in Europe

(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	
	Q2 (Jul.-Sep.)	Q2 (Jul.-Sep.)		% Change	% Change <i>exc. FX</i>
Revenue	47.4	71.3	+23.9	+50.5%	+40.1%
Segment income	6.0	7.0	+1.0	+16.8%	+8.4%
Segment OI margin	12.8%	9.9%			

YoY Factors for increase/decrease in this quarterly period and other comment

- Packaged: Shipment volume decreased but revenue increased due to the effect of price revision.
- Bulk and on-site: Demand remained firm in the manufacturing industry.
- Equipment and installation, other: Revenue of welding and cutting-related decreased.
- Appropriate response to rapid changes in the business environment: Revenue increased significantly due to price pass-through, cost recovery, and surcharges in response to the steep rise in energy costs that has continued to increase since Q2 of the previous fiscal year.
- EBITDA margin: 21.8% (FYE2023 Q2)

Gas business in Asia & Oceania

(Unit: ¥ bn.)	FYE2022	FYE2023	YoY		
	Q2 (Jul.-Sep.)	Q2 (Jul.-Sep.)	Difference	% Change	% Change exc. FX
Revenue	29.6	42.5	+12.9	+43.4%	+22.3%
Segment income	3.6	4.3	+0.7	+19.9%	+1.9%
Segment OI margin	12.2%	10.2%			

YoY Factors for increase/decrease in this quarterly period and other comment

- Bulk gas: Demand remains firm.
- Bulk (LP gas): In Australia, revenue increased significantly due to an increase in volume and the impact of higher selling prices linked to purchase prices.
- Specialty gases: Revenue increased significantly due to growth in shipment volume for electronics industry in East Asia.
- Equipment and installation, other: In industrial gas-related business, sales increased mainly in Singapore and Australia.
In electronics-related business, sales increased in Taiwan.
- EBITDA margin: 15.6% (FYE2023 Q2)

Thermos business

(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	% Change exc. FX
	Q2 (Jul.-Sep.)	Q2 (Jul.-Sep.)		% Change	
Revenue	6.1	7.4	+1.3	+22.3%	+20.5%
Segment income	1.4	1.3	-0.1	-9.0%	-10.5%
Segment OI margin	24.2%	18.0%			

YoY Factors for increase/decrease in this quarterly period and other comment

- Japan: Revenue of main products; vacuum insulated mugs and sports bottles recovered due to easing of government restrictions. Revenue of new products such as frying pans were also strong. Cost of sales increased because of the weak JPY.
- Asia: Revenue in South Korea improved with strong distributor performance. Operation of production plants similar with previous year. Performance of equity method affiliates improved.
- EBITDA margin: 22.9% (FYE2023 Q2)



3. Q2 FYE2023

Business performance

-2. First half Cumulative performance

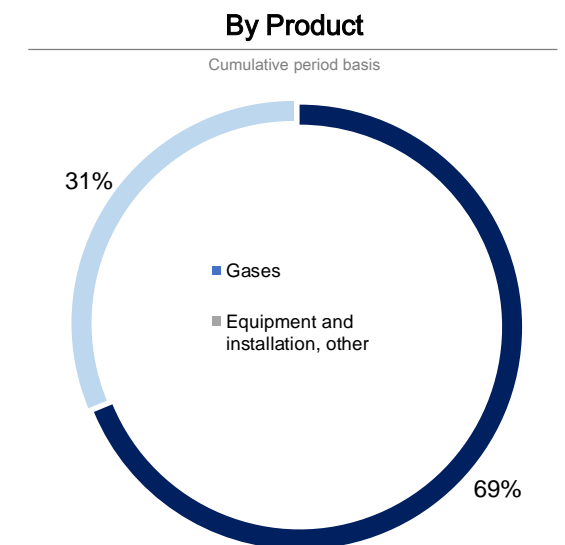
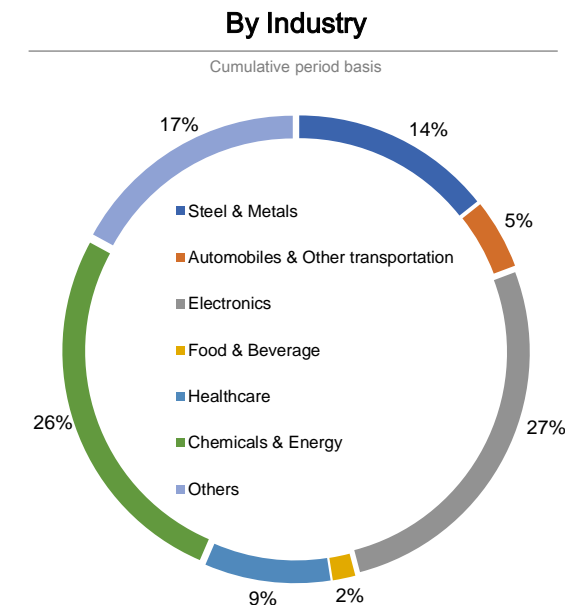
Consolidated results

	FYE2022	FYE2023	YoY	
	1H	1H	Difference	% Change
(Unit: ¥ bn.)	(Apr.-Sep.)	(Apr.-Sep.)		
Revenue	447.3	573.6	+126.3	+28.2%
Core operating income	49.8	56.1	+6.3	+12.7%
Core OI margin	11.1%	9.8%		
Non-recurring profit and loss	-0.0	-2.3	-2.3	
Operating income (IFRS)	49.7	53.8	+4.1	+8.2%
OI margin	11.1%	9.4%		
EBITDA margin	21.3%	18.9%		
Finance costs	-4.7	-4.2	+0.5	
Income before income taxes	45.0	49.6	+4.6	+10.3%
Income tax expenses	9.8	13.2	+3.4	
Net income	35.1	36.4	+1.3	+3.6%
(Attribution of net income)				
Net income attributable to owners of the parent	34.2	35.1	+0.9	+2.5%
NI margin	7.7%	6.1%		
Net income attributable to non-controlling interests	0.8	1.2	+0.4	
Forex (Unit: JPY)				
USD	110.10	135.30		
(average rate during the period)				
EUR	131.16	139.14		
AUD	82.33	93.51		



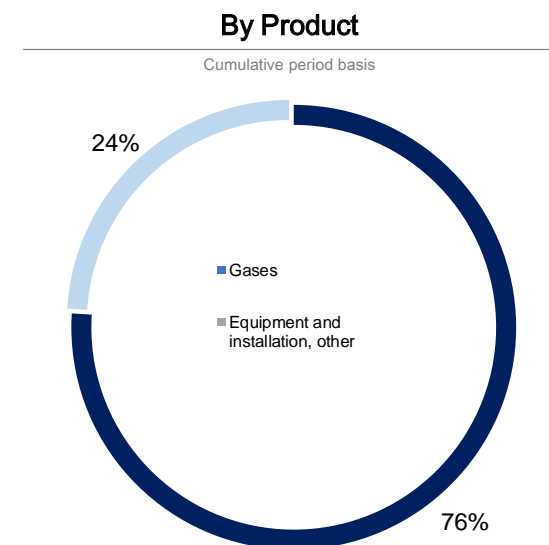
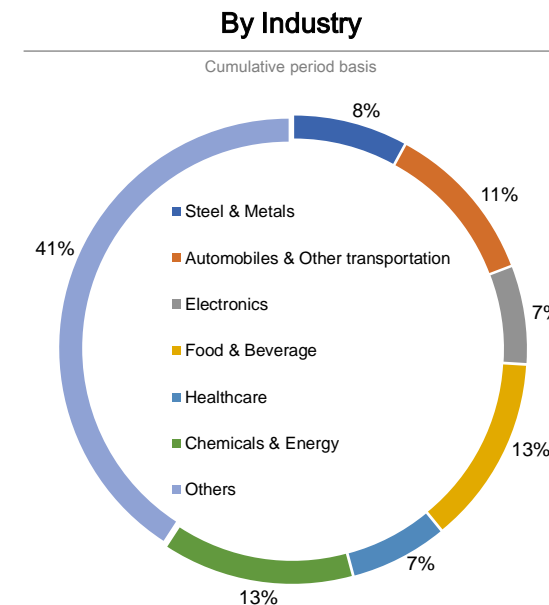
Gas business in Japan

(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	
	1H (Apr.-Sep.)	1H (Apr.-Sep.)		% Change	% Change <i>exc. FX</i>
Revenue	173.2	194.4	+21.2	+12.2%	+12.1%
Segment income	13.9	12.7	-1.2	-9.1%	-9.5%
Segment OI margin	8.1%	6.5%			



Gas business in the U.S.

(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	
	1H (Apr.-Sep.)	1H (Apr.-Sep.)		% Change	% Change <i>exc. FX</i>
Revenue	107.3	145.9	+38.6	+35.9%	+10.6%
Segment income	14.1	16.0	+1.9	+14.0%	-7.6%
Segment OI margin	13.1%	11.0%			

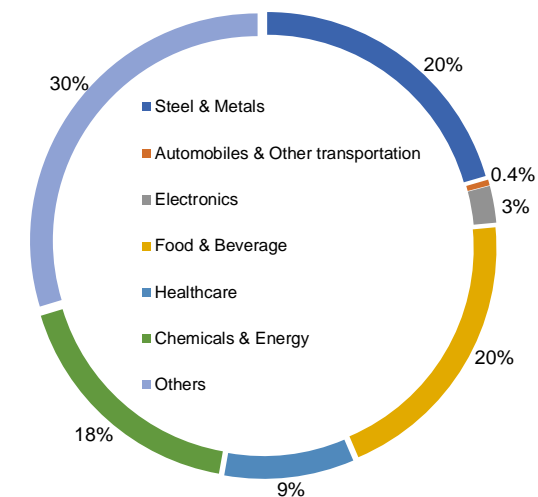


Gas business in Europe

(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	
	1H (Apr.-Sep.)	1H (Apr.-Sep.)		% Change	% Change <i>exc. FX</i>
Revenue	94.9	136.3	+41.4	+43.6%	+35.4%
Segment income	12.7	15.9	+3.2	+25.1%	+17.8%
Segment OI margin	13.4%	11.7%			

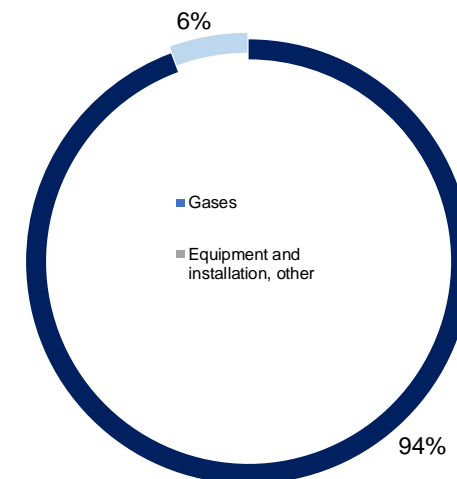
By Industry

Cumulative period basis



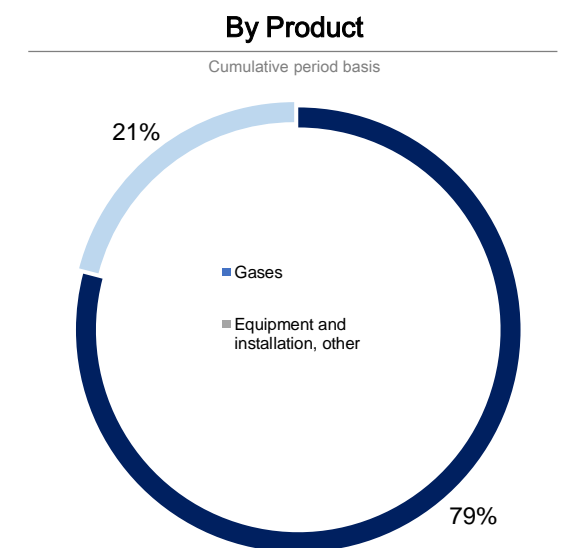
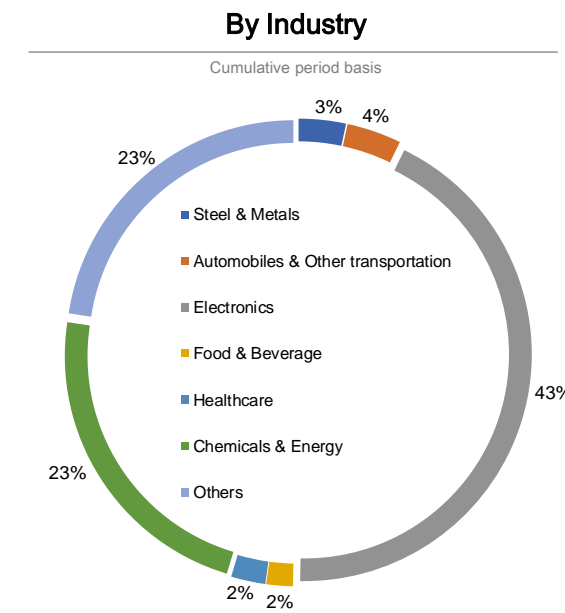
By Product

Cumulative period basis



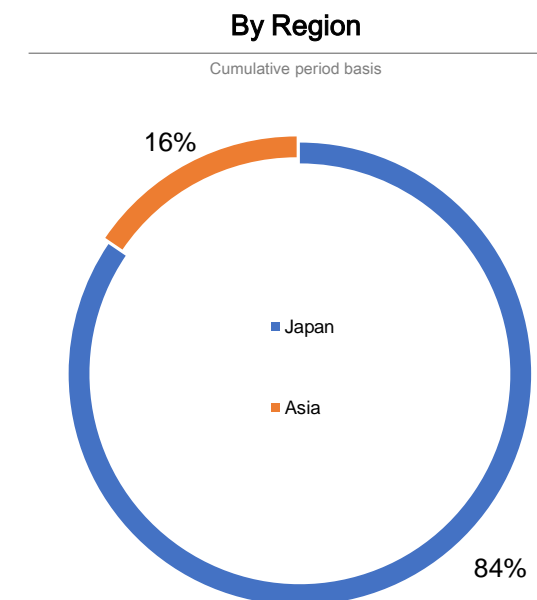
Gas business in Asia & Oceania

(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	% Change <i>exc. FX</i>
	1H (Apr.-Sep.)	1H (Apr.-Sep.)		% Change	
Revenue	58.9	81.8	+22.9	+38.8%	+20.4%
Segment income	6.6	8.9	+2.3	+34.6%	+16.7%
Segment OI margin	11.3%	10.9%			



Thermos business

(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	
	1H (Apr.-Sep.)	1H (Apr.-Sep.)		% Change	% Change <i>exc. FX</i>
Revenue	12.8	15.1	+2.3	+17.9%	+16.1%
Segment income	2.9	3.3	+0.4	+11.0%	+9.7%
Segment OI margin	23.2%	21.8%			



4. FYE2023 Full-term forecast

Consolidated forecast

	FYE2022 Full-term	FYE2023 Full-term forecast <small>(Announced on Nov. 1 2022)</small>	YoY		FYE2023 Full-term forecast (previos) <small>(Announced on July 29, 2022)</small>
			Difference	% Change	
(Unit: ¥ bn.)					
Revenue	957.1	1,160.0	+202.9	+21.2%	950.0
Core operating income	102.7	115.0	+12.3	+12.0%	107.0
Core OI margin	10.7%	9.9%			11.3%
Non-recurring profit and loss	-1.5	-2.0	-0.5		-2.0
Operating income (IFRS)	101.1	113.0	+11.9	+11.7%	105.0
OI margin	10.6%	9.7%			11.1%
EBITDA margin	20.4%	18.9%			21.0%
Finance costs	-9.5	-14.0	-4.5		-10.5
Income before income taxes	91.6	99.0	+7.4	+8.1%	94.5
Income tax expenses	24.9	28.5	+3.6		27.5
Net income	66.6	70.5	+3.9	+5.8%	67.0
(Attribution of net income)					
Net income attributable to owners of the parent	64.1	68.0	+3.9	+6.1%	65.0
NI margin	6.7%	5.9%			6.8%
Net income attributable to non-controlling interests	2.5	2.5	-0.0		2.0
Forex (Unit: JPY)					
USD	113.04	138			115
(average rate during the period)					
EUR	131.11	140			125
AUD	83.33	93.5			82.2

Total Forex impact for FYE2023 Full-term forecast : Positive impacts of ¥ 80.9 bn. on revenue and ¥ 10.1 bn. on core operating income.

The Gas Professionals

Q&A Session



Representative Director,
President CEO

Toshihiko Hamada



Executive Officer,
Group Finance &
Accounting Office,
and CFO

Alan Draper



Senior Executive Officer,
Group Corporate Planning
Office

Tsutomu Moroishi



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

Takeshi Miki



General Manager,
Investor relations,
Group Finance &
Accounting Office

Keita Kajiyama



General Manager,
Accounting,
Group Finance &
Accounting Office

Takashi Yoshida

Appendix

Corporate Information

(As of March 31, 2022)

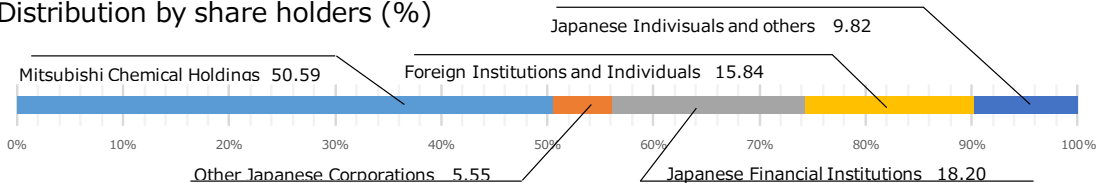
Company Name	Nippon Sanso Holdings Corporation
Founded	October 30, 1910
Headquarters	1-3-26 Koyama Shinagawa-ku, Tokyo 142-0062, Japan
TEL	81-3-5788-8500
Representative	Representative Director, President CEO Toshihiko Hamada
Common stock	37.3 billion yen

Stock information

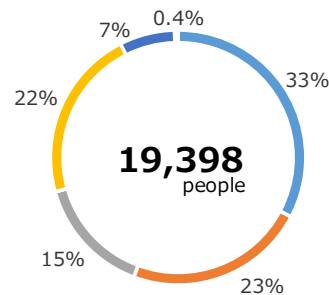
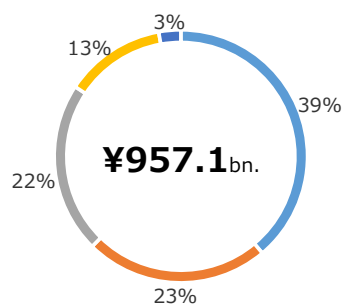
(As of March 31, 2022)

Number of shares	433,092,837
Number of shareholders	14,709
Listed stock exchanges	Tokyo Stock Exchange Prime Market
Ticker	4091.T

Distribution by share holders (%)



Revenue / Employee personnel by Segment (As of March 31, 2022)



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

Corporate Philosophy

The Gas Professionals

Group Philosophy

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

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



FYE2023 Financial Forecast (IFRS)

Revenue	¥1,160.0 bn.	Net income attributable to owners of the parent	¥68.0 bn.
Operating income	¥113.0 bn.	EPS	¥157.11

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	¥975.0-1000.0 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
-----------------------	----------	------

<Compliance>

Rate of receiving compliance training	FYE2026:	100 %
---------------------------------------	----------	-------

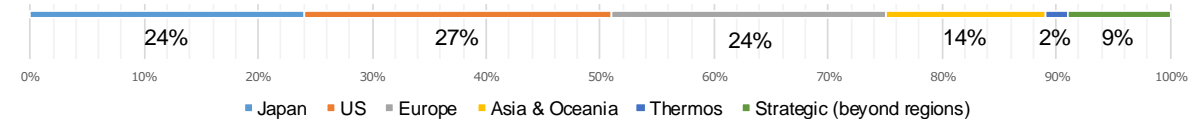
<HR>

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

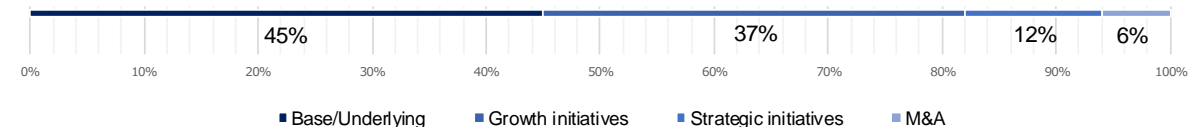
Capital allocation

Cash-in	(the total for 4 years)
[Operating Cash flow]	¥730.0 bn.
Cash-out	¥433.0 bn.
[Investment as a whole]	Of which, Strategic investment : ¥38.0bn.

Composition ratio by Business



Composition ratio by Initiative



Focused fields



Non-recurring items

Non-recurring items are costs of structural reform (cost for withdrawal or downsizing business operations and special retirement allowances), losses caused by disasters or serious accidents, and other gains and expenses (such as disposal of idling assets).
Core operating income is calculated as operating income excluding certain gains and expenses attributable to non-recurring items in the Company.

	FYE2022 1H	FYE2023 1H	YoY Difference
(Unit: ¥ bn.)			
Core operating income	49.8	56.1	+6.3
Non-recurring profit and loss	-0.0	-2.3	-2.3
Operating income (IFRS)	49.7	53.8	+4.1

Items (Unit : ¥ bn.)

FYE2022 1H result		FYE2023 1H result	
Item	Amount	Item	Amount
Others	-0.0	Arbitration of Leasing facilities dispute, etc.	-2.9
		Gain on sales of overseas land (Asia&Oceania)	0.5
Total	-0.0	Total	-2.3

Key performance indicators

Item	Unit	FYE2022 1H	FYE2023 1H	FYE2022 Full-term
Basic earnings per share	JPY	79.24	81.22	148.13
Overseas sales ratio	%	59.1	64.4	59.2
ROE	%	—	—	11.2
ROCE	%	—	—	6.8
ROCE after Tax	%	—	—	4.8
Annual dividends per share	JPY	—	—	34
Dividend payout ratio	%	—	—	23.0
CAPEX _(fund basis) & Investments and loans	¥bn.	34.4	44.3	76.5
Depreciation and amortization	¥bn.	45.4	52.0	92.4
Free cash flow	¥bn.	36.7	29.8	77.9
Adjusted net D/E ratio	Times	1.06	0.88	0.94
Interest-bearing liabilities	¥bn.	918.9	964.4	929.2
Net interest-bearing liabilities	¥bn.	834.7	863.4	835.5



(Reference) Preconditions, Definition & Calculations of our KPIs

Glossary	Preconditions and Definitions in this Presentation
Core operating income	Core operating income is calculated as operating income excluding certain gains and expenses attributable to non-recurring factors (non-recurring items*). *Non-recurring items are costs of structural reform (cost for withdrawal or downsizing business operations and special retirement allowances), losses caused by disasters or serious accidents, and other gains and expenses (such as disposal of idling assets).
Interest-bearing debt	Bonds and borrowings as presented in the statement of financial position, plus lease liabilities included in other financial liabilities. *Includes Hybrid finance.
Hybrid finance	A form of debt financing that has features resembling equity, such as voluntary deferral of interest, extremely long-term redemption periods and subordination during liquidation or bankruptcy procedures. This kind of financing does not cause stock dilution, and a certain ratio of the funds procured in this way can be recognized as equity credit by rating agencies provided that certain conditions are met.
Equity-type debt	The amount of debt procured by hybrid finance that has been recognize as equity credit by rating agencies. In this fund procurement, rating agencies have recognized equity credit for 50% of the procured amount.
Indicator	Calculations used in this presentation
EBITDA margin	$(\text{Core operating income} + \text{Depreciation and amortization}) / \text{Revenue}$
ROE	$\text{Profit attributable to owners of parent} / \text{Total equity attributable to owners of parent}^*$
ROCE	$\text{Core operating income} / (\text{Interest-bearing debt} + \text{Total equity attributable to owners of parent}) * [\text{Capital employed}]$
ROCE after Tax	$\text{Core operating income after Tax (+Dividend received) [NOPAT]} ((\text{Core operating} - \text{Investment income/loss from Equity in earnings (losses) of affiliated companies included in Core operating income}) \times (1 - \text{effective tax rate}) + \text{Investment income/loss from Equity in earnings (losses) of affiliated companies included in Core operating income} + \text{Dividend received}) / (\text{Interest-bearing debt} + \text{Total equity attributable to owners of parent}) * [\text{Capital employed}]$
Adjusted net D/E ratio	$((\text{Interest-bearing debt} - \text{equity-type debt}) - \text{cash and cash equivalents}) / (\text{equity attributable to owners of the parent} + \text{equity-type debt})^*$

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

Condensed consolidated statements of Cash flows

(Unit : ¥ bn.)	FYE2022	FYE2023	YoY	
	1H	1H	Difference	% Change
Income before income taxes	45.0	49.6	+4.6	+10.3%
Depreciation and amortization	45.4	52.0	+6.6	
Changes in working capital	-13.0	-15.1	-2.1	
Others	-10.7	-14.3	-3.6	
Cash flows from operating activities	66.6	72.1	+5.5	+8.2%
Capital expenditures	-33.2	-42.6	-9.4	
Investments and loans	-1.2	-1.7	-0.5	
Others (asset sales, etc.)	4.6	2.1	-2.5	
Cash flows from investing activities	-29.8	-42.2	-12.4	-41.4%
Free cash flow	36.7	29.8	-6.9	-18.7%
Cash flows from financing activities	-43.0	-25.4	+17.6	+40.8%

Free cash flow and Debt situation

(Unit : ¥ bn.)	FYE2021	FYE2022	YoY		FYE2023	Forecast's YoY	
	Full-term	Full-term	Difference	% change	Full-term forecast	Difference	% change
Income before income taxes	77.7	91.6	+13.9	+17.9%	99.0	+7.4	+8.1%
Depreciation and amortization	86.3	92.4	+6.1		104.0	+11.6	
Changes in working capital	0.5	-20.6	-21.1		-19.7	+0.9	
Others	-15.3	-14.6	+0.7		-19.3	-4.7	
Cash flows from operating activities	149.2	148.7	-0.5	-0.3%	163.9	+15.2	+10.2%
Capital expenditures	-60.0	-74.4	-14.4		-112.2	-37.8	
Investments and loans	-0.7	-2.0	-1.3		-6.8	-4.8	
Others (asset sales, etc.)	1.1	5.6	+4.5		4.6	-1.0	
Cash flows from investing activities	-59.6	-70.8	-11.2	-18.7%	-114.4	-43.6	-61.5%
Free cash flow	89.5	77.9	-11.6	-13.0%	49.4	-28.5	-36.5%
(Debt situation)							
Net interest-bearing liabilities	858.1	835.5	-22.6		839.5	+4.0	
(Of which, hybrid financing amount)	250.0	250.0	—		250.0	—	
Adjusted net D/E ratio	1.15	0.94	-0.21		0.82	-0.12	

Condensed consolidated statements of Financial position

(Unit : ¥ bn.)

	FYE2022 Q4	FYE2023 Q2	YoY Difference
Cash and cash equivalents	93.6	101.0	+7.4
Trade receivables	218.4	236.4	+18.0
Inventories	80.0	98.9	+18.9
Others	30.2	61.0	+30.8
Total current assets	422.4	497.5	+75.1
Property, plant and equipment	729.6	794.5	+64.9
Goodwill	485.1	518.1	+33.0
Intangible assets	241.3	249.2	+7.9
Others	98.3	96.2	-2.1
Total non-current assets	1,554.5	1,658.1	+103.6
Total assets	1,977.0	2,155.6	+178.6

	FYE2022 Q4	FYE2023 Q2	YoY Difference
Trade payables	115.1	124.6	+9.5
Interest-bearing liabilities	929.2	964.4	+35.2
Others	271.5	323.5	+52.0
Total liabilities	1,315.8	1,412.6	+96.8
Share capital and capital surplus, etc	569.5	593.4	+23.9
Other components of equity	59.1	117.2	+58.1
Equity attributable to owners of parent	628.7	710.4	+81.7
Non-controlling interests	32.4	32.5	+0.1
Total equity	661.1	743.0	+81.9
Total liabilities and equity	1,977.0	2,155.6	+178.6

Results overview by Segment

		FYE2022	FYE2023		YoY		
		1H (Apr.-Sep.)	1H (Apr.-Sep.)	Composition ratio	Difference	% Change	Forex impact
(Unit: ¥ bn.)							
Gas business in Japan	Revenue	173.2	194.4	33.9%	+21.2	+12.2%	+0.2
	Segment OI	13.9	12.7	22.6%	-1.2	-9.1%	+0.0
	Segment OI margin	8.1%	6.5%				
Gas business in the U.S.	Revenue	107.3	145.9	25.4%	+38.6	+35.9%	+24.5
	Segment OI	14.1	16.0	28.6%	+1.9	+14.0%	+3.3
	Segment OI margin	13.1%	11.0%				
Gas business in Europe	Revenue	94.9	136.3	23.8%	+41.4	+43.6%	+5.7
	Segment OI	12.7	15.9	28.3%	+3.2	+25.1%	+0.7
	Segment OI margin	13.4%	11.7%				
Gas business in A&O*	Revenue	58.9	81.8	14.3%	+22.9	+38.8%	+9.0
	Segment OI	6.6	8.9	15.9%	+2.3	+34.6%	+1.0
	Segment OI margin	11.3%	10.9%				
*A&O: Asia and Oceania.							
Thermos business	Revenue	12.8	15.1	2.6%	+2.3	+17.9%	+0.1
	Segment OI	2.9	3.3	5.9%	+0.4	+11.0%	+0.0
	Segment OI margin	23.2%	21.8%				
Adjustment	Revenue	0.1	0.0	0.0%	-0.1	—	
	Segment OI	-0.5	-0.7	-1.4%	-0.2	—	
Consolidated total	Revenue	447.3	573.6	100.0%	+126.3	+28.2%	+39.7
	Core OI	49.8	56.1	100.0%	+6.3	+12.7%	+5.2
	Core OI margin	11.1%	9.8%				

Revenue growth by Product (First half)

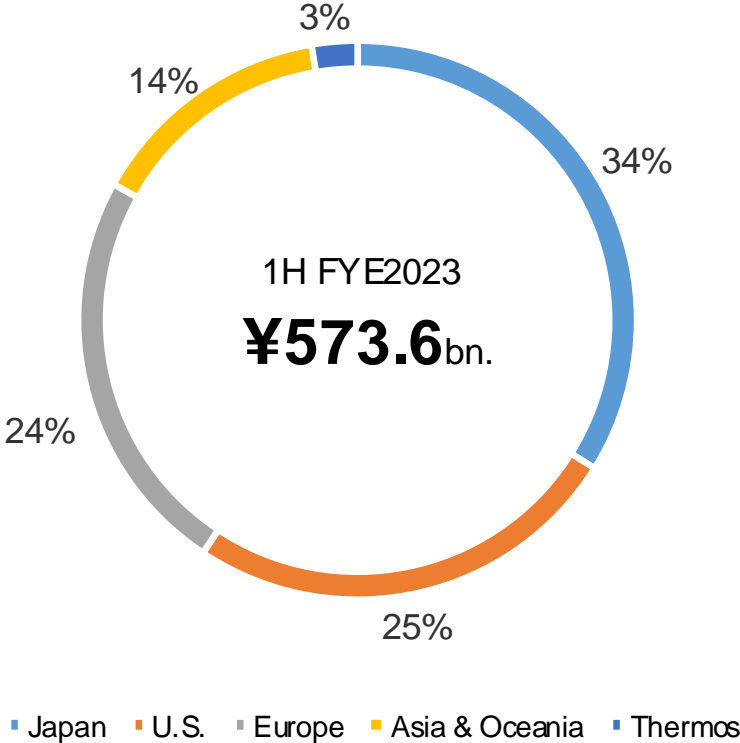
		Gas business in Japan*		Gas business in the U.S.		Gas business in Europe		Gas business in A&O	
		YoY % Change		YoY % Change	YoY % Change exc. FX impact	YoY % Change	YoY % Change exc. FX impact	YoY % Change	YoY % Change exc. FX impact
Gases	Packaged	+5.5%		+26.1%	+2.6%	+19.0%	+12.2%	+34.3%	+16.4%
	Bulk	+12.2%		+32.7%	+8.0%	+59.0%	+49.9%	+33.2%	+17.1%
	On-site	+22.7%		+37.9%	+12.2%	+56.2%	+47.2%	+40.8%	+20.8%
	Specialty gases	+7.8%		+9.9%	-10.6%	+18.9%	+12.1%	+53.5%	+30.7%
	Subtotal	+14.6%		+30.4%	+6.1%	+46.9%	+38.5%	+41.1%	+22.3%
Equipment and installation, other	Industrial Gases-related	+1.2%		+63.5%	+33.0%	+4.7%	-1.3%	+24.2%	+7.1%
	Electronics-related	+35.3%		+19.0%	-3.2%	—	—	+63.7%	+43.9%
	Subtotal	+7.3%		+56.9%	+27.6%	+4.7%	-1.3%	+31.0%	+13.3%
Total	Revenue	+12.2%		+35.9%	+10.6%	+43.6%	+35.4%	+38.8%	+20.4%

* In the Gas business in Japan, the FX impact has been slight effect. Thus, the information in the above chart is omitted.

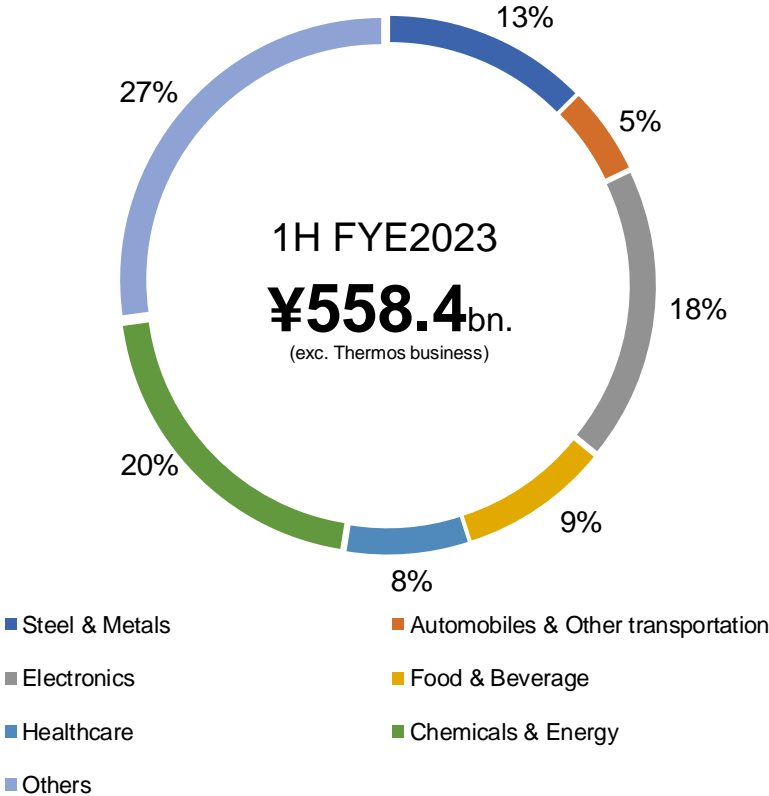
(Reference) Category	Breakdown
Gases	Industrial gases such as oxygen, nitrogen, argon, carbon dioxide and helium, LP gases, specialty gases
Packaged	Gas filling containers (cylinders) are delivered to the customer, and the gas is supplied according to method of use
Bulk	A storage tank for liquified gas is installed within the customer's facility, and the gas is supplied according to method of use
On-site	A gas production facility is established in an area adjacent to the customer, and the gas is constantly supplied using a directly connected pipe
Specialty gases	Mainly, gases for electronic materials that are used in the manufacture of semiconductors or LCD panels, standard gas, high-purity gas
Equipment and installation, other	Ancillary equipment for gas usage, refining equipment to raise gas purity level, construction for equipment installation, and welding and cutting-related goods
Industrial Gases-related	Supply facilities and other gas-using equipments, air separation units, and hardgoods (welding and cutting-related)
Electronics-related	Construction for equipment and pipe installation toward electronics, refining equipment for removing impurities, and other equipment

Revenue composition

By Segment

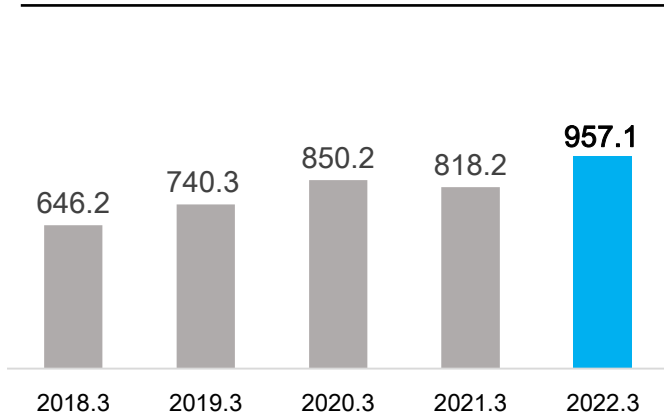


By Industry

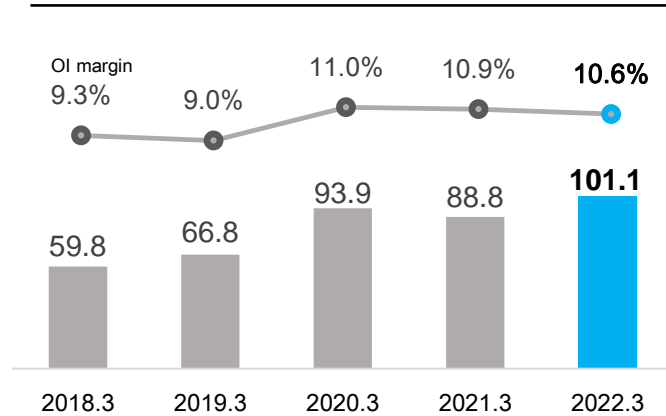


Business performance over the past five years

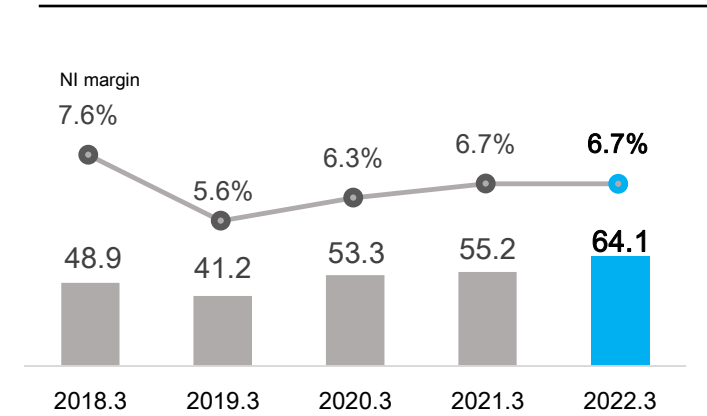
Revenue (¥ bn.)



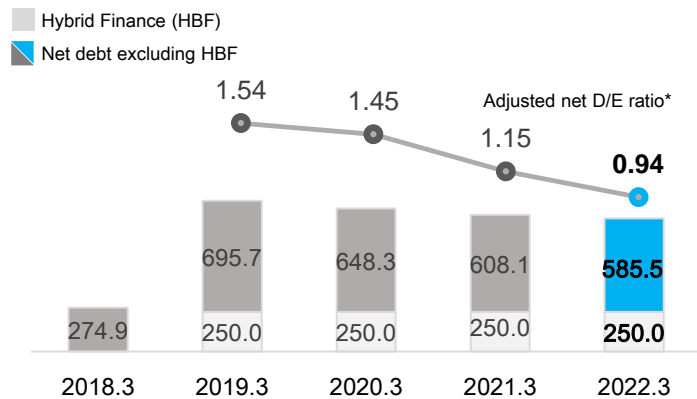
Operating income (IFRS) (¥ bn.)



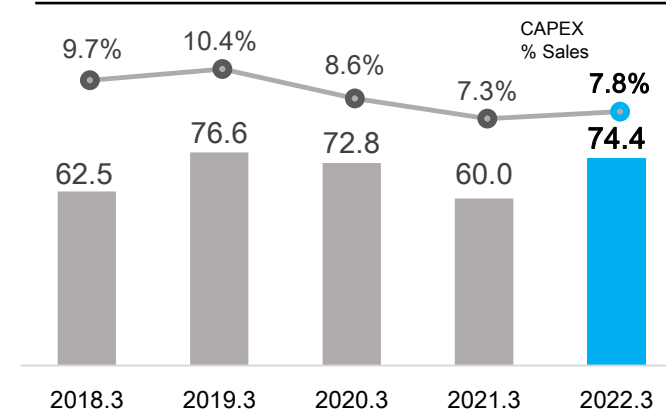
Profit attributable to owners of the parent (¥ bn.)



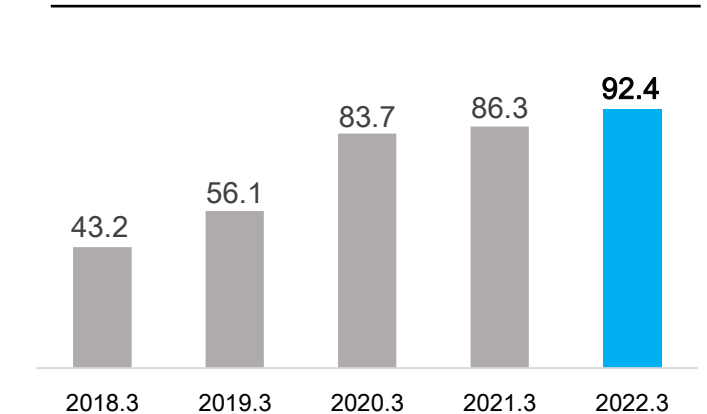
Net interest-bearing debts (¥ bn.)



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 construction basis until FYE2019 and on a cash basis from FYE2020 onwards.

Glossary: EBITDA margin / ROCE after Tax

EBITDA

(Earnings Before Interest Taxes Depreciation and Amortization)

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

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

ROCE after Tax

(Return On Capital Employed after Tax)

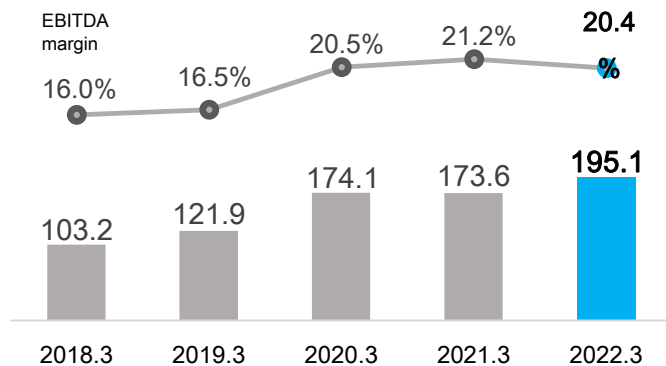
$$= \frac{\text{NOPAT (Net Operating Profit After Tax)}}{(\text{Interest-bearing debt} + \text{Total equity attributable to owners of parent})^*}$$

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

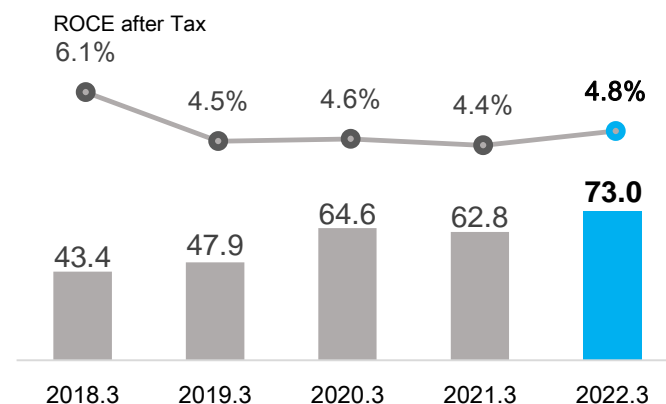
Indicator based on profitability and investment efficiency

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

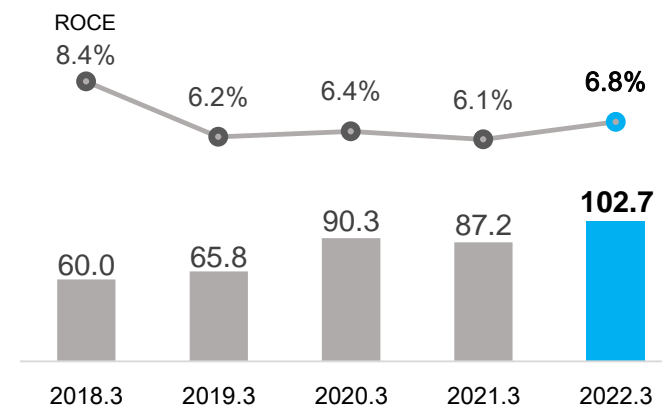
EBITDA margin and EBITDA (¥ bn.)



ROCE after Tax and NOPAT (¥ bn.)

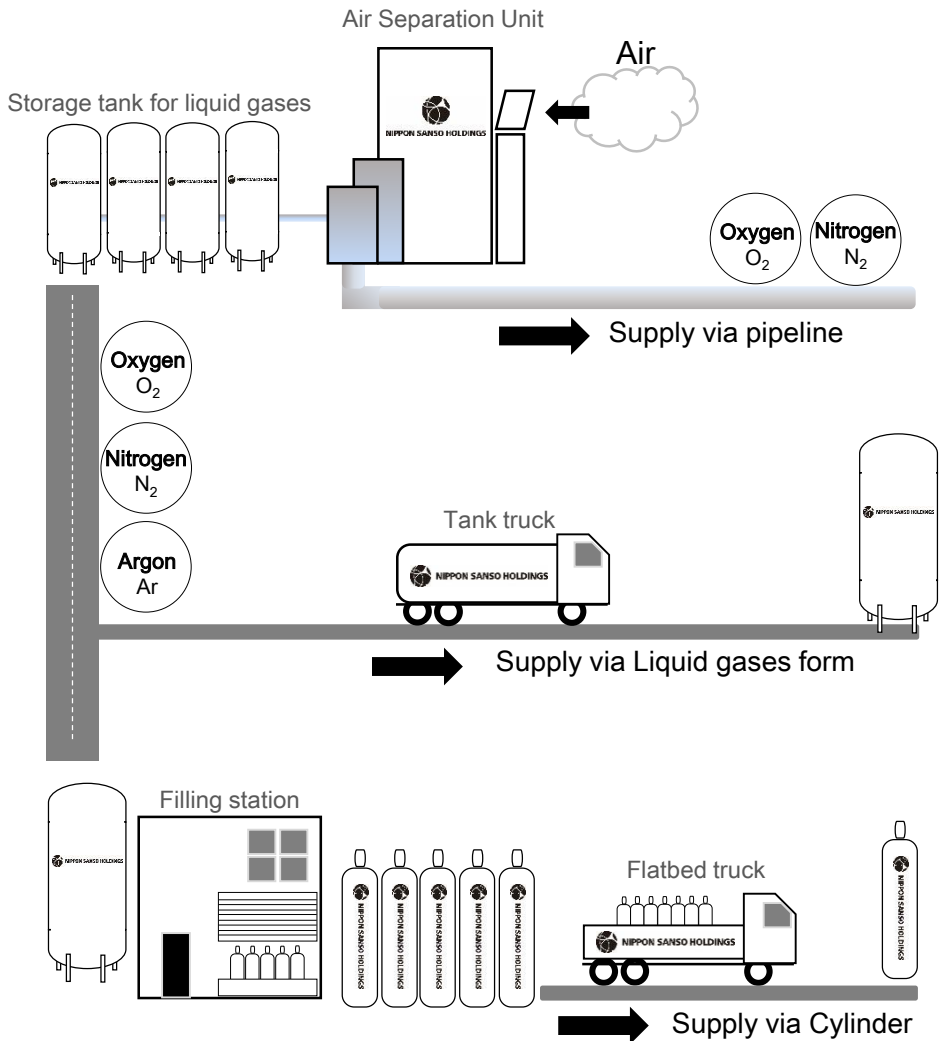


(Reference) ROCE and Core OI (¥ bn.)



Industrial gas supply systems

Air Separation Gases



On-site

Major supply destination (Sector)

Steel	Petrochemical	Refinery
-------	---------------	----------

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

Bulk

Major supply destination (Sector)

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

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

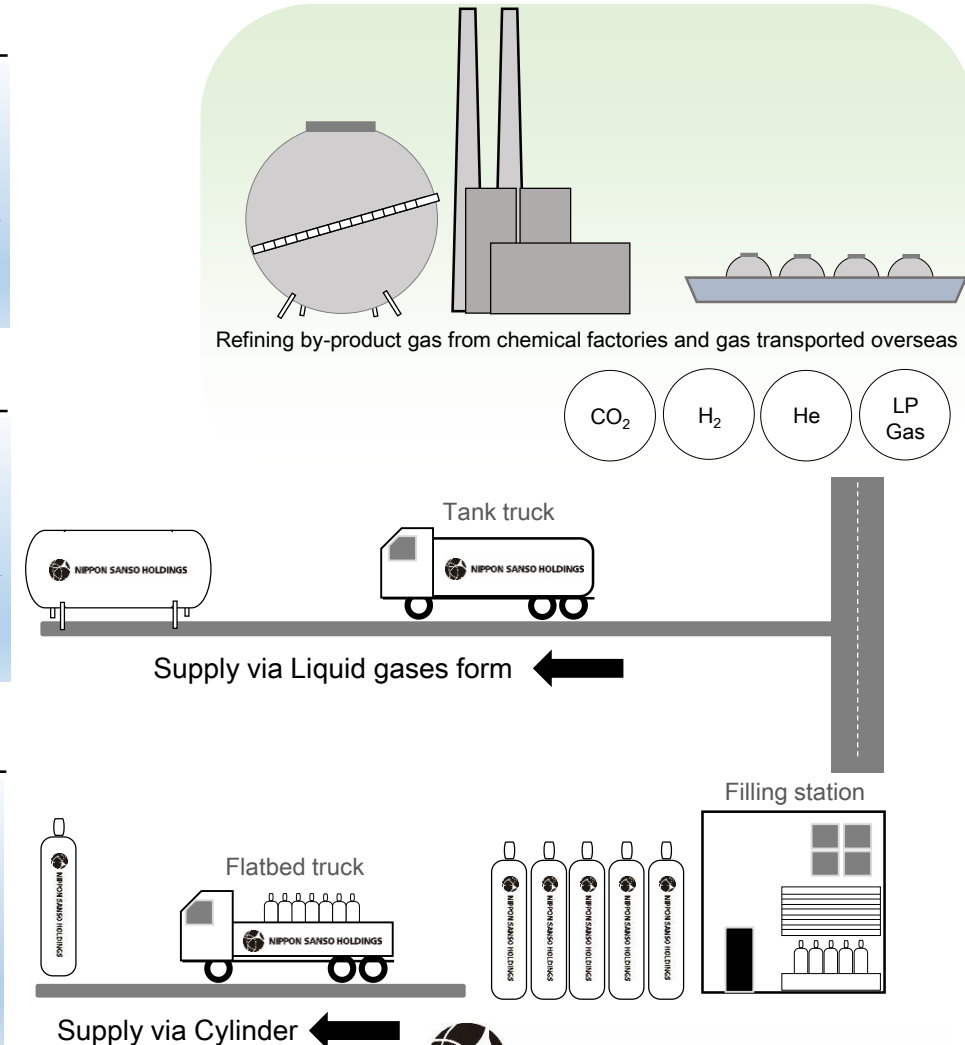
Packaged

Major supply destination (Sector)

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

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

Other Gases



THERMOS

Thermos products deliver what matters every time.

As the leading manufacturer of convenient insulated product for over 100 years, Thermos is trusted by consumers to provide innovative portable containers that promote a safe and healthy lifestyle.

Thermos delivers when it matters.

At Thermos, We carefully choose the best available materials, and produce products with consistent quality and reliable performance. We ensure the excellence of our products by testing for quality.



For further information, please contact:

Public Relations for media

Public Relations,
Group Human Resources & Corporate Secretariat Office
Tel : +81 (0)3-5788-8513
E-mail : Nshd.info@nipponsanso-hd.co.jp

Investor Relations for investors

Investor Relations,
Group Finance & Accounting Office
Tel: +81 (0)3-5788-8512
E-mail : Nshd.ir@nipponsanso-hd.co.jp

Upcoming IR events

Web IR Conference on Sustainability initiatives

December 6, 2022

Q3 FYE2023 Earnings Call

February 2, 2023

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

NIPPON SANSO Holdings Corporation (Ticker:4091.T)

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



NIPPON SANZO HOLDINGS

The Gas Professionals

© 2022 NIPPON SANZO Holdings Corporation All rights reserved