

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

October 31, 2024

Stock exchange listing: Tokyo (Prime)

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Scheduled date to file Securities Report: November 11, 2024

Scheduled date to commence dividend payments: December 2, 2024

Supplementary materials on quarterly financial results: Yes

Quarterly results explanatory meeting: Yes (For institutional investors and analysts)

(Amounts less than ¥1 million are omitted)

1. Financial results for first half FYE2025 (April 1, 2024 – September 30, 2024)

(1) Operating results

(Percentages indicate year-on-year change)

	Revenue		Core operating income		Operating income		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
First half of FYE2025	643,045	5.0	93,498	14.5	82,512	1.1	50,745	0.6	49,194	1.3	17,283	(87.7)
First half of FYE2024	612,571	6.8	81,648	45.3	81,576	51.4	50,438	38.5	48,547	38.1	139,961	46.0

(Reference) Income before income taxes

First half of FYE2025: ¥71,781 million [0.3%]

First half of FYE2024: ¥71,549 million [44.1%]

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

	Basic earnings per share (Yen)	Diluted net income per share (Yen)
First half of FYE2025	113.65	—
First half of FYE2024	112.16	—

(2) Financial position

	Total assets (¥ million)	Total equity (¥ million)	Equity attributable to owners of the parent (¥ million)	Equity attributable to owners of the parent ratio (%)
First half of FYE2025 (September 30, 2024)	2,343,487	951,976	919,642	39.2
FYE2024 (March 31, 2024)	2,409,083	946,112	914,481	38.0

2. Dividends

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

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

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

(Percentages indicate year-on-year change)

	Revenue		Core operating income		Operating income		Net income		Net income attributable to owners of the parent		Basic earnings per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(Yen)
Full term	1,300,000	3.6	177,000	6.6	177,000	2.9	108,000	(1.2)	105,000	(0.9)	242.57

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

(Reference) Income before income taxes

FYE2025 full term: ¥154,000 million [2.2%]

* Notes

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

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

1. Changes in accounting policies required by IFRS: None

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

3. Changes in accounting estimates: None

(3) Number of outstanding shares (common shares)

1. Number of outstanding shares at the end of the period (including treasury stock)	As of Sep. 30, 2024	433,092,837 shares	As of Mar. 31, 2024	433,092,837 shares
2. Number of treasury stocks at the end of the period	As of Sep. 30, 2024	236,318 shares	As of Mar. 31, 2024	235,014 shares
3. Average number of shares during the period	As of Sep. 30, 2024	432,857,190 shares	As of Sep. 30, 2024	432,859,727 shares

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

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

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

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○ Contents

1. Qualitative Information on Semi-annual Financial Results	5
(1) Explanation Concerning Semi-annual Business Results	5
(2) Overview of Semi-annual Financial Position	6
(3) Explanation Concerning Predictive Information such as Consolidated Business Forecasts	7
2. Semi-annual Condensed Consolidated Financial Statements and Main Notes	8
(1) Semi-annual Condensed Consolidated Statement of Financial Position	8
(2) Semi-annual Condensed Consolidated Statement of Profit or Loss and Semi-annual Condensed Consolidated Statement of Comprehensive Income	10
(3) Semi-annual Condensed Consolidated Statement of Changes in Equity	12
(4) Semi-annual Condensed Consolidated Statement of Cash Flows	14
(5) Notes to the Semi-annual Condensed Consolidated Financial Statements	16
(Applicable financial reporting framework)	16
(Notes regarding going concern assumption)	16
(Segment information)	16
(Impairment loss)	18

1. Qualitative Information on Semi-annual Financial Results

(1) Explanation Concerning Business Results

(General Overview)

Nippon Sanso Holdings Group (NSHD Group) delivered positive profit growth for the first half of the fiscal year under review (from April 1, 2024 to September 30, 2024) despite challenging geopolitical issues, rising trade tensions, JPY depreciation.

Under these circumstances, overall shipment volumes were negative despite the fact that of air separation gases (oxygen, nitrogen, and argon) were positive year-on-year. In addition, there has been a moderation of energy costs in most regions as compared to prior year. Furthermore, price management has been successful in passing costs through to our customers and our robust productivity projects continue to yield positive financial results. These factors enabled the NSHD Group to achieve the following results for the first half under review.

Revenue on a consolidated basis increased by 5.0% year-on-year to ¥ 643,045 million, core operating income increased by 14.5% to ¥ 93,498 million, operating income increased by 1.1% to ¥ 82,512 million, and net income attributable to owners of the parent increased by 1.3% to ¥ 49,194 million.

As for the impact of foreign exchange rates year-on-year, JPY depreciated against the USD from ¥ 142.61 to ¥ 152.45 (+¥9.84, or +6.9%), against the EUR from ¥ 154.81 to ¥ 165.83 (+¥11.02, or +7.1%). As a result, overall revenue and core operating income were favorably impacted by approximately ¥27.9 billion and ¥4.3 billion respectively.

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

(Overview of business performance by reportable segment)

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

Segment income represents core operating income.

(i) Japan

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

As a result, in the Japan segment, revenue decreased by 3.6% year-on-year to ¥ 194,905 million and segment income increased by 3.1% to ¥ 21,994 million.

(ii) United States

Revenue increased in the industrial gas-related business year-on-year mainly due to positive volumes related to air separation gases and price management. In equipment and installation, sales conditions of industrial gas-related and electronics-related equipment were soft.

As a result, in the United States segment, revenue increased by 5.9% year-on-year to ¥ 179,568 million and segment income increased by 21.9% to ¥ 28,573 million.

(iii) Europe

Revenue increased in the industrial gas-related business year-on-year mainly due to price management. Equipment and installation revenue increased with positive performance in both industrial gas-related and medical-related equipment.

As a result, in the Europe segment, revenue increased by 12.3% year-on-year to ¥ 165,528 million, and segment income increased by 20.8% to ¥ 31,852 million.

(iv) Asia & Oceania

In the industrial gas-related business, air separation gases shipment volumes were positive. In LP gas, of which a large

portion of sales are in the Australia region, sales volumes were solid, thereby increasing revenue. In the electronics-related business, revenue increased for both gases and equipment.

As a result, in the Asia & Oceania segment, revenue increased by 10.8% year-on-year to ¥ 86,554 million and segment income increased by 3.1% to ¥ 8,835 million.

(v) Thermos

In Japan, sales from portable vacuum-insulated mugs were firm, and revenue increased due in part to the launch of new products with functional and stylish designs. Overseas, sales performance was soft. Segment income decreased mainly due to higher marketing costs and production costs caused by the weak JPY.

As a result, the Thermos segment revenue increased by 7.2% year-on-year to ¥ 16,441 million, the segment income decreased by 5.0% to ¥ 2,724 million.

(2) Overview of Financial Position

As of the end of the Q2 consolidated accounting period, total assets amounted to ¥2,343,487 million, a decrease of ¥ 65,596 million from March 31, 2024. Foreign exchange rates resulted in a decrease in total assets of approximately ¥ 62.2 billion. This mainly reflected foreign exchange rate changes, such as the JPY appreciation of ¥ 8.68 against the USD and the JPY appreciation of ¥ 3.81 against the EUR as of the end of September 30, 2024, compared with the rates as of March 31, 2024.

[Assets]

Total current assets were ¥541,488 million, a decrease of ¥26,713 million from March 31, 2024. This was mainly due to decreases in trade receivables and other financial assets.

Total non-current assets were ¥1,801,998 million, a decrease of ¥38,883 million from March 31, 2024. This was mainly due to the impact of foreign exchange rates. Excluding the impact of foreign exchange rates, the main changes were an increase in property, plant and equipment and a decrease in intangible assets.

[Liabilities]

Total current liabilities were ¥433,419 million, a decrease of ¥64,600 million from March 31, 2024. This was mainly due to decreases in other financial liabilities and bonds and borrowings.

Total non-current liabilities were ¥958,091 million, a decrease of ¥6,859 million from March 31, 2024. This was mainly due to the impact of foreign exchange rates. Excluding the impact of foreign exchange rates, the main changes were an increase in bonds and borrowings and a decrease in deferred tax liabilities.

[Equity]

Total equity amounted to ¥951,976 million, an increase of ¥5,863 million from March 31, 2024. The main factors were increases due to the recording of net income attributable to owners of the parent for the interim period, decreases due to dividends from retained earnings, and decreases in exchange differences on translation of foreign operations.

The ratio of equity attributable to owners of the parent stood at 39.2%, up 1.2 percentage points from the previous fiscal year-end.

(Cash flow analysis)

[Cash flow from operating activities]

Net cash provided by operating activities increased 35.7% year on year to ¥119,421 million. The main components were income before income taxes, depreciation and amortization expenses, and variations in trade receivables.

[Cash flow from investing activities]

Net cash used in investing activities increased 56.6% year on year to ¥87,198 million. The main use of cash was for the purchase of property, plant and equipment.

[Cash flow from financing activities]

Net cash used in financing activities amounted to ¥21,416 million (compared to net cash provided of ¥44,745 million in the same period of the previous year). The main factors were payments for repayment of long-term borrowings, proceeds from long-term borrowings, and dividends paid.

As a result of the Company's operating, investing, and financing activities, after accounting for the effects of exchange differences, the balance of cash and cash equivalents at the end of the interim period came to ¥135,129 million.

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

No revisions have been made to the consolidated business forecasts released on May 13, 2024.

2. Semi-annual Condensed Consolidated Financial Statements and Main Notes

(1) Semi-annual Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	126,100	135,129
Trade receivables	282,199	250,343
Inventories	100,460	103,138
Other financial assets	27,216	15,171
Other current assets	27,847	34,269
Subtotal	563,825	538,051
Assets possessed for a sales purpose	4,376	3,437
Total current assets	568,201	541,488
Non-current assets		
Property, plant and equipment	877,400	866,681
Goodwill	575,809	559,192
Intangible assets	252,348	237,969
Investments accounted for using the equity method	54,673	58,252
Other financial assets	63,436	63,370
Retirement benefit asset	4,712	4,621
Other non-current assets	9,133	8,406
Deferred tax assets	3,367	3,503
Total non-current assets	1,840,881	1,801,998
Total assets	2,409,083	2,343,487

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	136,027	121,618
Bonds and borrowings	166,219	145,041
Corporate income taxes payable	14,169	20,144
Other financial liabilities	121,402	88,255
Allowance	1,095	725
Other current liabilities	59,105	57,634
Total current liabilities	498,019	433,419
Non-current liabilities		
Bonds and borrowings	724,039	726,937
Other financial liabilities	39,488	39,817
Retirement benefit liabilities	15,352	15,227
Allowance	5,019	4,998
Other non-current liabilities	20,656	20,255
Deferred tax liabilities	160,395	150,855
Total non-current liabilities	964,951	958,091
Total liabilities	1,462,970	1,391,511
Equity		
Share capital	37,344	37,344
Capital surplus	39,233	39,364
Treasury stock	(242)	(248)
Retained earnings	627,544	666,336
Other components of equity	210,601	176,844
Total equity attributable to owners of the parent	914,481	919,642
Non-controlling interests	31,630	32,333
Total equity	946,112	951,976
Total liabilities and equity	2,409,083	2,343,487

(2) Semi-annual Condensed Consolidated Statement of Profit or Loss and Semi-annual Condensed Consolidated Statement of Comprehensive Income
Semi-annual Condensed Consolidated Statement of Profit or Loss

(Millions of yen)

	Six-months ended September 30, 2023	Six-months ended September 30, 2024
Revenue	612,571	643,045
Cost of sales	(364,586)	(372,863)
Gross operating profit	247,985	270,182
Selling, general and administrative expenses	(167,822)	(177,689)
Other operating income	1,848	2,040
Other operating expense	(1,440)	(13,907)
Share of profit of investments accounted for using the equity method	1,005	1,887
Operating income	81,576	82,512
Finance income	2,571	2,092
Finance costs	(12,598)	(12,824)
Income before income taxes	71,549	71,781
Corporate income taxes	(21,110)	(21,036)
Net income	50,438	50,745
Net income attributable to:		
Owners of the parent	48,547	49,194
Non-controlling interests	1,890	1,550
Net income per share		
Basic earnings per share (yen)	112.16	113.65

Semi-annual Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six-months ended September 30, 2023	Six-months ended September 30, 2024
Net income	50,438	50,745
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	4,714	(3,344)
Remeasurements of defined benefit plans	6	(13)
Share of other comprehensive income of investments accounted for using the equity method	13	93
Total of items that will not be reclassified to profit or loss	4,735	(3,265)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	82,827	(32,162)
Effective portion of net change in fair value of cash flow hedges	525	(261)
Share of other comprehensive income of investments accounted for using the equity method	1,434	2,227
Total of items that may be reclassified subsequently to profit or loss	84,787	(30,196)
Total other comprehensive income, net of tax	89,522	(33,461)
Comprehensive income	139,961	17,283
Comprehensive income attributable to:		
Owners of the parent	137,410	15,425
Non-controlling interests	2,550	1,858

(3) Semi-annual Condensed Consolidated Statement of Changes in Equity
(from April 1, 2023 to September 30, 2023)

(Millions of yen)

	Share capital	Capital surplus	Treasury stock	Retained earnings
Balance at April 1, 2023	37,344	51,610	(233)	537,867
Net income	—	—	—	48,547
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	—	48,547
Purchase of treasury stock	—	—	(4)	—
Disposal of treasury stock	—	—	—	—
Dividends	—	—	—	(8,658)
Changes in ownership interest in subsidiaries	—	(294)	—	—
Transfer from other components of equity to retained earnings	—	—	—	152
Change in scope of consolidation	—	—	—	(16)
Other changes	—	—	—	—
Total transactions with owners	—	(294)	(4)	(8,521)
Balance at September 30, 2023	37,344	51,316	(237)	577,893

Other components of equity

	Exchange differences on translation of foreign operations	Effective portion of net change in fair value of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at April 1, 2023	81,172	(284)	16,836	—	97,724	724,314	33,682	757,996
Net income	—	—	—	—	—	48,547	1,890	50,438
Other comprehensive income	83,629	521	4,704	6	88,862	88,862	660	89,522
Comprehensive income	83,629	521	4,704	6	88,862	137,410	2,550	139,961
Purchase of treasury stock	—	—	—	—	—	(4)	—	(4)
Disposal of treasury stock	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	(8,658)	(690)	(9,348)
Changes in ownership interest in subsidiaries	—	—	—	—	—	(294)	(264)	(559)
Transfer from other components of equity to retained earnings	—	—	(145)	(6)	(152)	—	—	—
Change in scope of consolidation	—	—	—	—	—	(16)	—	(16)
Other changes	—	—	—	—	—	—	(135)	(135)
Total transactions with owners	—	—	(145)	(6)	(152)	(8,973)	(1,090)	(10,063)
Balance at September 30, 2023	164,802	237	21,394	—	186,434	852,751	35,142	887,894

(from April 1, 2024 to September 30, 2024)

(Millions of yen)

	Share capital	Capital surplus	Treasury stock	Retained earnings
Balance at April 1, 2024	37,344	39,233	(242)	627,544
Net income	—	—	—	49,194
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	—	49,194
Purchase of treasury stock	—	—	(6)	—
Disposal of treasury stock	—	0	0	—
Dividends	—	—	—	(10,389)
Changes in ownership interest in subsidiaries	—	131	—	—
Transfer from other components of equity to retained earnings	—	—	—	(13)
Change in scope of consolidation	—	—	—	—
Other changes	—	—	—	—
Total transactions with owners	—	131	(6)	(10,402)
Balance at September 30, 2024	37,344	39,364	(248)	666,336

Other components of equity

	Exchange differences on translation of foreign operations	Effective portion of net change in fair value of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at April 1, 2024	188,017	291	22,292	—	210,601	914,481	31,630	946,112
Net income	—	—	—	—	—	49,194	1,550	50,745
Other comprehensive income	(30,247)	(259)	(3,248)	(13)	(33,769)	(33,769)	308	(33,461)
Comprehensive income	(30,247)	(259)	(3,248)	(13)	(33,769)	15,425	1,858	17,283
Purchase of treasury stock	—	—	—	—	—	(6)	—	(6)
Disposal of treasury stock	—	—	—	—	—	0	—	0
Dividends	—	—	—	—	—	(10,389)	(889)	(11,279)
Changes in ownership interest in subsidiaries	—	—	—	—	—	131	(175)	(44)
Transfer from other components of equity to retained earnings	—	—	0	13	13	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—	—
Other changes	—	—	—	—	—	—	(89)	(89)
Total transactions with owners	—	—	0	13	13	(10,264)	(1,155)	(11,420)
Balance at September 30, 2024	157,769	31	19,043	—	176,844	919,642	32,333	951,976

(4) Semi-annual Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Six-months ended September 30, 2023	Six-months ended September 30, 2024
Cash flow from operating activities		
Income before income taxes	71,549	71,781
Depreciation and amortization	54,832	57,520
Impairment loss	—	10,761
Interest and dividends income	(1,699)	(2,092)
Interest expenses	12,562	12,760
Share of (profit) loss of investments accounted for using the equity method	(1,005)	(1,887)
Loss (gain) on sale and retirement of property, plant and equipment, and intangible assets	23	13
(Increase) decrease in trade receivables	(11,328)	26,648
(Increase) decrease in inventories	(7,193)	(4,543)
Increase (decrease) in trade payables	(8,889)	(12,122)
(Increase) decrease in retirement benefit asset	(166)	(226)
Increase (decrease) in retirement benefit liabilities	477	538
Other	1,139	(14,634)
Subtotal	110,303	144,515
Interest received	1,152	1,491
Dividends received	3,265	1,116
Interest paid	(10,406)	(12,940)
Corporate income tax refund (paid)	(16,339)	(14,761)
Cash flow from operating activities	87,976	119,421
Cash flow from investing activities		
Payments for purchase of property, plant and equipment	(53,110)	(85,815)
Proceeds from sale of property, plant and equipment	607	922
Payments for purchase of investment	(147)	(51)
Proceeds from sale and redemption of investments	431	215
Proceeds from sale of subsidiaries	154	67
Payments for acquisition of businesses	(1,743)	—
Other	(1,861)	(2,538)
Cash flow from investing activities	(55,668)	(87,198)

	(Millions of yen)	
	Six-months ended September 30, 2023	Six-months ended September 30, 2024
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	11,370	8,028
Net increase (decrease) in commercial papers	(26,000)	(7,000)
Proceeds from long-term borrowings	33,650	45,213
Payments for repayment of long-term borrowings	(57,745)	(49,780)
Proceeds from issuance of bonds	99,532	—
Payments for repayment of lease obligations	(6,598)	(6,563)
Payments for purchase of shares in subsidiaries not resulting in change in scope of consolidation	(380)	(141)
Dividends paid	(8,658)	(10,389)
Dividends paid to non-controlling interests	(690)	(889)
Other	264	105
Cash flow from financing activities	44,745	(21,416)
Impact of exchange rate changes on cash and cash equivalents	8,414	(1,777)
Net increase (decrease) in cash and cash equivalents	85,468	9,028
Balance of cash and cash equivalents at beginning of fiscal year	132,217	126,100
Increase (decrease) in cash and cash equivalents resulting from transfer to assets possessed for a sales purpose	(609)	—
Balance of cash and cash equivalents at end of quarter	217,077	135,129

(5) Notes to the Semi-annual Condensed Consolidated Financial Statements

(Applicable financial reporting framework)

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

Not applicable.

(Segment information)

(1) Outline of reportable segments

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

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

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

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

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

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

(from April 1, 2023 to September 30, 2023)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts on the Consolidate d Statement of Income
	Japan	United States	Europe	Asia & Oceania	Thermos	Total		
Revenue								
Revenue from external customers	202,179	169,519	147,381	78,114	15,331	612,526	45	612,571
Revenue from inter-segment transactions and transfers	6,982	12,229	205	1,489	8	20,915	(20,915)	—
Total	209,162	181,748	147,587	79,603	15,340	633,442	(20,870)	612,571
Segment income (Note 2)	21,331	23,437	26,363	8,568	2,868	82,569	(920)	81,648

Note: 1. The negative adjustment of (¥920) million for segment income is comprised of (¥204) million of intersegment eliminations and companywide expenses of (¥716) million that were not allocated to any particular reportable segment. These companywide expenses consist mainly of Group administration expenses at the Company that are not attributable to reportable segments.

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

(from April 1, 2024 to September 30, 2024)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts on the Consolidate d Statement of Income
	Japan	United States	Europe	Asia & Oceania	Thermos	Total		
Revenue								
Revenue from external customers	194,905	179,568	165,528	86,554	16,441	642,998	46	643,045
Revenue from inter-segment transactions and transfers	8,373	14,176	186	1,732	6	24,474	(24,474)	—
Total	203,278	193,744	165,715	88,286	16,448	667,473	(24,428)	643,045
Segment income (Note 2)	21,994	28,573	31,852	8,835	2,724	93,980	(482)	93,498

Notes: 1. The negative adjustment of (¥482) million for segment income is comprised of ¥240 million of intersegment eliminations and companywide expenses of (¥722) million that were not allocated to any particular reportable segment. These companywide expenses consist mainly of Group administration expenses at the Company that are not attributable to reportable segments.

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

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

(Millions of yen)

	Six-months ended September 30, 2023	Six-months ended September 30, 2024
Segment income	81,648	93,498
Loss on liquidation of subsidiaries and associates	—	(223)
Impairment loss	—	(10,758)
Other	(72)	(3)
Operating income	81,576	82,512
Finance income	2,571	2,092
Finance costs	(12,598)	(12,824)
Income before income taxes	71,549	71,781

(Impairment loss)

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

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

In the current interim consolidated accounting period, impairment losses of ¥10,761 million were recognized. The impairment loss is included in “Other operating expense” in “Semi-annual Condensed Consolidated Statement of Profit or Loss and Semi-annual Condensed Consolidated Statement of Comprehensive Income”.

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

From April 1, 2023 to September 30, 2023

Not applicable

From April 1, 2024 to September 30, 2024

(Millions of yen)

Item	Place	Type	Segment	Impairment loss
Hydrogen production plant	Alabama, U.S.	Construction in progress	United States	10,758

Breakdown of Impairment Losses

- Hydrogen production plant (¥10,758 million)

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