



NIPPON SANSO HOLDINGS

Q1 FYE2023 Consolidated Financial Results

Earnings Announcement

(Three months ended June, 2022)

July 29, 2022
Tokyo (Japan)

The Gas Professionals

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● 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>

Unit : JPY Currency	Average Forex rates									Unit : ¥ bn. Currency	(Reference) Currency sensitivity as rough indication Impact of devaluation by 1 JPY (Full-term basis)	
	FYE2022				FYE2023				FYE2023 Full-term Assumption (Apr.-Mar.)		Revenue	Core Operating Income
	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.)				
USD	109.76	110.10	111.45	113.04	131.25				115	USD	+2.0	+0.25
EUR	132.44	131.16	130.96	131.11	138.75				125	EUR	+1.6	+0.2
SGD	82.41	82.01	82.77	83.83	94.97				82.7			
AUD	84.15	82.33	82.69	83.33	92.52				82.2			
CNY	17.06	17.07	17.35	17.65	19.71				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.

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- 1. Strategic overview**
- 2. Q1 FYE2023 Business performance**
- 3. FYE2023 Full-term Forecast**

Appendix

1. Strategic overview

Our Medium-term Management plan:

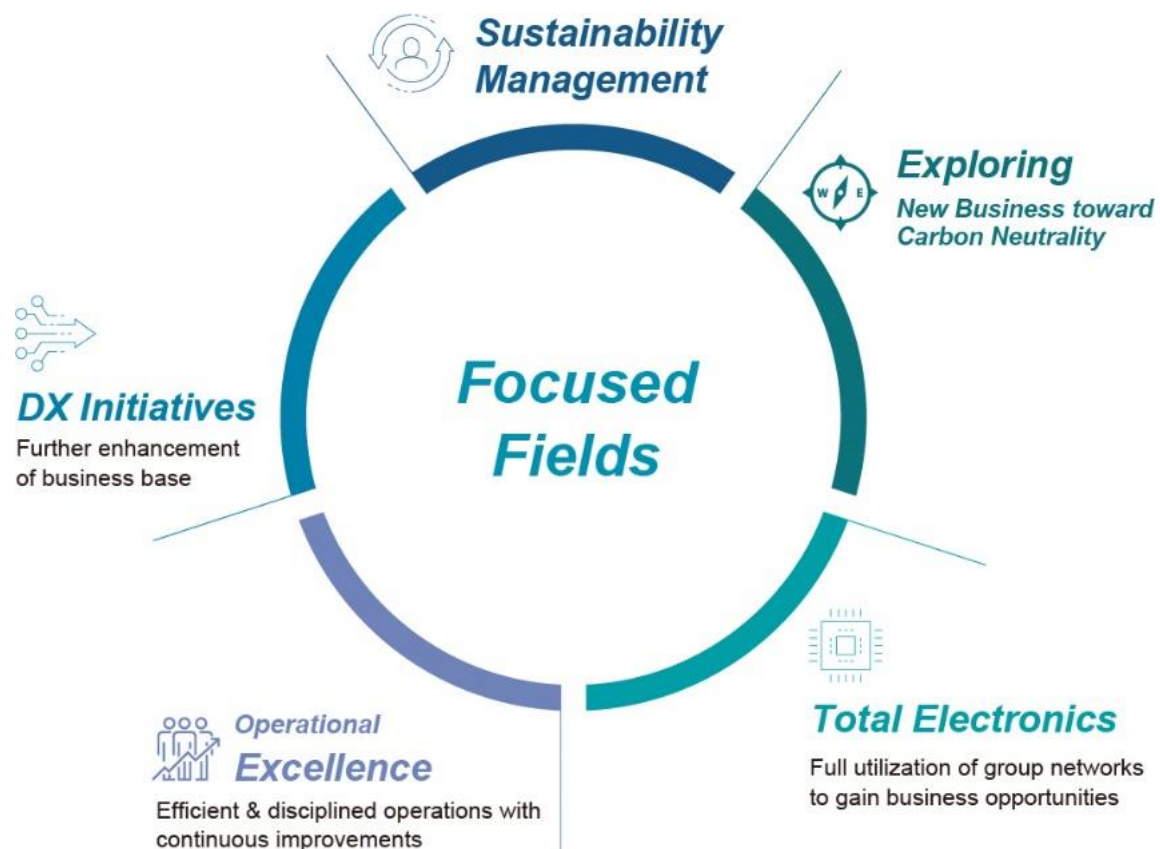
NS Vision 2026 | Enabling the Future

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.



Diverse & Experienced Board of Directors

NSHD continues to advance with respect to Corporate Governance. NSHD's board is comprised of Nine experienced global leaders from diverse backgrounds. Five of them are independent outside directors.

Internal Directors



Hamada Toshihiko
Representative Director,
President CEO
Member of Advisory Committee
on Appointments and Remuneration²



Kenji Nagata
Director
Representative Director, President,
Taiyo Nippon Sanso Corporation



Thomas Scott Kallman
Director
Chairman and CEO,
Matheson Tri-Gas, Inc



Eduardo Gil Elejoste
Director
Chairman and President,
Nippon Gases Euro-Holding S.L.U.

Independent Directors^{*1}



Akio Yamada
Outside Director
Chairman of Advisory Committee
on Appointments and Remuneration²



Mitsuhiro Katsumaru
Outside Director
Member of Advisory Committee
on Appointments and Remuneration²



Miri Hara
Outside Director
Member of Advisory Committee
on Appointments and Remuneration²



Katsumi Nagasawa
Outside Director
Member of Advisory Committee
on Appointments and Remuneration²



Masako Miyatake
Outside Director
Member of Advisory Committee
on Appointments and Remuneration²

^{*1} As defined by Tokyo Stock Exchange listing rules

² Note that Advisory Committee on Appointments and Remuneration is an organization that advises the Board of Directors. The Board of Directors strives to ensure transparency and objectivity in decision making by consulting the Committee and seeking advice from the independent outside directors when revising bylaws concerning director remuneration, selecting candidates for the positions of director or auditor, appointing and dismissing the president (CEO), appointing and dismissing executive officers and choosing successors to the president (CEO).

A business initiative: Enhancing Hydrogen supply

This initiative is representative of the Global HyCO team's commitment to "focus on Hydrogen and explore business opportunities that have the potential to contribute to a Carbon Neutral Society," and we will continue to work to expand our HyCO footprint.

Petróleos del Perú (Petroperu)

PETROPERÚ is a company owned by the Peruvian state under private law, dedicated to the transportation, refining, distribution and sale of fuel and other products derived from oil.

(Source: the company's website)

Long-term Supply Agreement (Hydrogen & Nitrogen)
for Refinery plants at Petro Peru Talara refinery in Peru.



A business initiative: Contributing to a Carbon Neutral society

The facility established by Matheson will have a nameplate capacity exceeding 30 mmscfd^{*1} H₂ production and supply from renewable hydrocarbon feedstocks^{*2} for Vertex's renewable diesel production, in addition to H₂ supply based on conventional natural gas and refinery offgas feedstocks. This is our first HyCO plant that uses renewable feedstock and fuel.



Vertex Energy, Inc.

Houston-based **Vertex Energy, Inc.** (NASDAQ: VTNR) is an energy transition company focused on the production and distribution of conventional and alternative fuels.

(Source: the company's website)

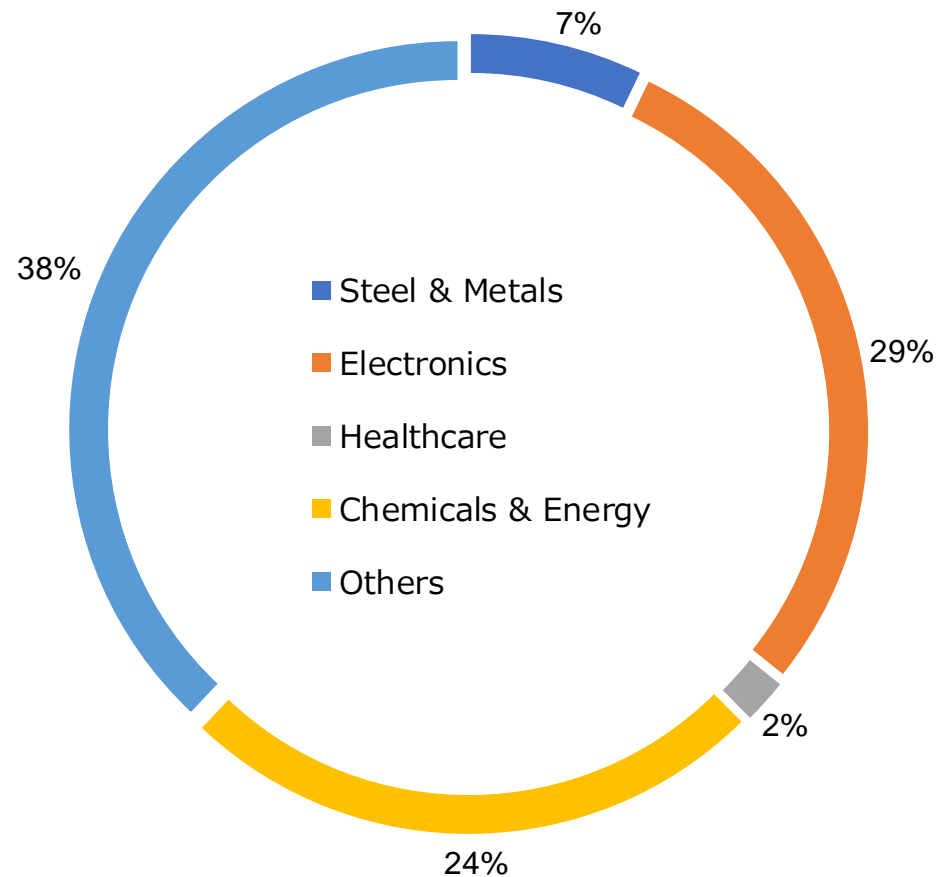
Long-term Supply Agreement (Hydrogen) for Renewable Diesel production in Mobile, Alabama owned by Vertex Energy in the U.S.

*1 mmscfd: million standard cubic feet per day

*2 renewable hydrocarbon feedstocks: C1-C10 hydrocarbon streams including bio-naphtha and other bio-offgases

Key CAPEX for our sustainable growth

We have sought any opportunities to grow more globally, and decided the following capital expenditure in accordance with our group vision & 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

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

2. Q1 FYE2023

Business performance

Consolidated results

	FYE2022	FYE2023	YoY	
	Q1	Q1	Difference	% Change
(Unit: ¥ bn.)	(Apr.-Jun.)	(Apr.-Jun.)		
Revenue	218.3	276.0	+57.7	+26.4%
Core operating income	24.5	30.2	+5.7	+23.2%
Core OI margin	11.3%	11.0%		
Non-recurring profit and loss	—	-2.8	-2.8	
Operating income (IFRS)	24.5	27.4	+2.9	+11.8%
OI margin	11.3%	10.0%		
EBITDA margin	21.9%	20.2%		
Finance costs	-2.3	-1.9	+0.4	
Income before income taxes	22.2	25.5	+3.3	+15.0%
Income tax expenses	5.7	7.5	+1.8	
Net income	16.4	17.9	+1.5	+9.5%
(Attribution of net income)				
Net income attributable to owners of the parent	16.0	17.2	+1.2	+7.6%
NI margin	7.4%	6.3%		
Net income attributable to non-controlling interests	0.3	0.6	+0.3	
Forex (Unit: JPY)				
USD	109.76	131.25		
(average rate during the period)				
EUR	132.44	138.75		
AUD	84.15	92.52		



Gas business in Japan

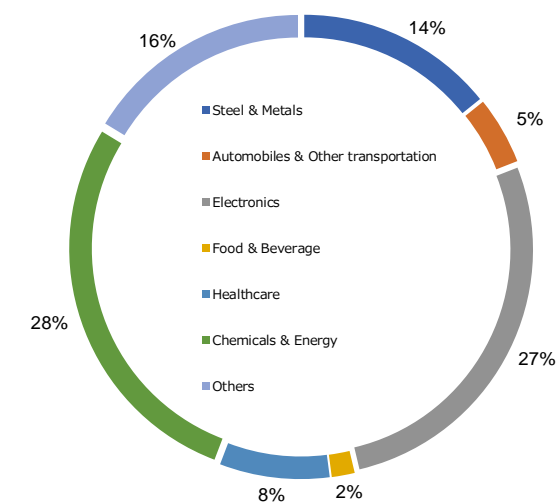
(Unit: ¥ bn.)	FYE2022	FYE2023	YoY		
	Q1 (Apr.-Jun.)	Q1 (Apr.-Jun.)	Difference	% Change	% Change exc. FX
Revenue	83.0	95.1	+12.1	+14.5%	+14.4%
Segment income	6.5	6.0	-0.5	-7.6%	-8.2%
Segment OI margin	7.8%	6.3%			

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

- Bulk & On-Site (Air separation gases): Shipment volume decreased, but revenue increased due to the effect of price revision. Cost increases continue due to higher fuel prices.
- Bulk (LP gas): Although shipment volume decreased, sales increased significantly due to the impact of higher selling prices linked to purchase prices.
- Specialty gases: Shipments for electronics industry were strong.
- Equipment and installation, other: Revenue of industrial gas-related were on a par with the previous year, but revenue of electronics-related increased significantly.
- EBITDA margin: 11.3% (FYE2023 Q1)

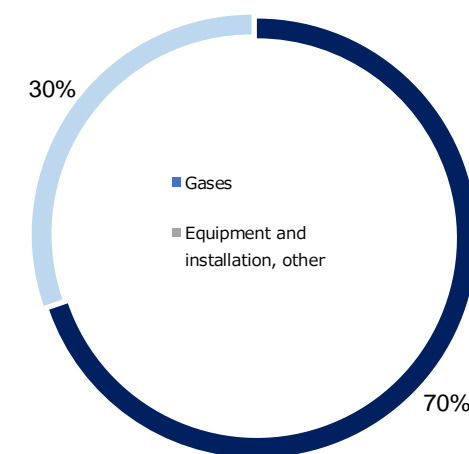
By Industry

Cumulative period basis



By Product

Cumulative period basis



Gas business in the U.S.

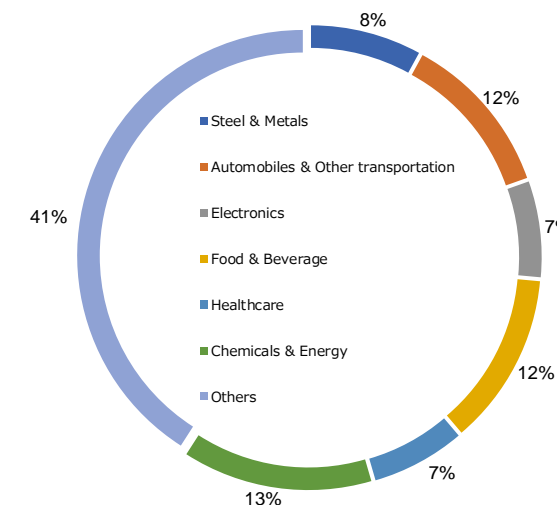
(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	
	Q1 (Apr.-Jun.)	Q1 (Apr.-Jun.)		% Change	% Change exc. FX
Revenue	51.6	68.8	+17.2	+33.4%	+11.5%
Segment income	7.0	9.3	+2.3	+32.4%	+10.3%
Segment OI margin	13.6%	13.5%			

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

- Bulk & Packaged: Demand remains strong, but distribution costs continue to increase due to driver shortages and inflation factors.
- On-site: Operating rates and customer demand were on a par with the prior year.
- Equipment and installation, other: Demand recovered in welding and cutting related fields.
- EBITDA margin: 27.7% (FYE2023 Q1)

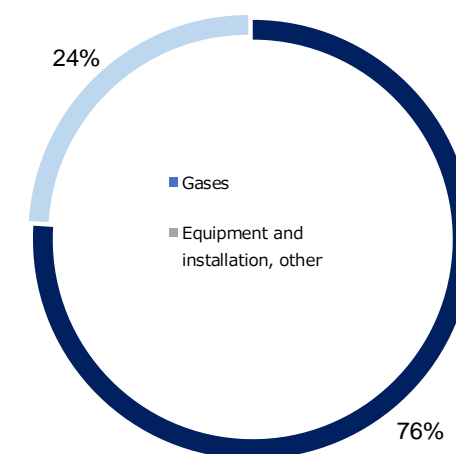
By Industry

Cumulative period basis



By Product

Cumulative period basis



Gas business in Europe

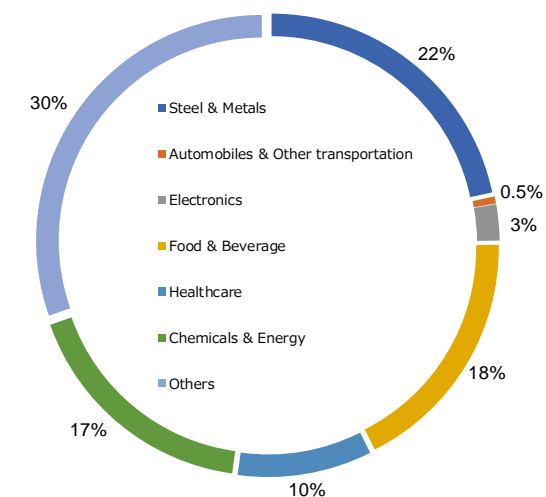
(Unit: ¥ bn.)	FYE2022	FYE2023	YoY		
	Q1 (Apr.-Jun.)	Q1 (Apr.-Jun.)	Difference	% Change	% Change exc. FX
Revenue	47.4	64.9	+17.5	+36.8%	+30.6%
Segment income	6.6	8.8	+2.2	+32.8%	+26.6%
Segment OI margin	14.0%	13.6%			

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 industrial gas-related increased significantly, but revenue of welding and cutting-related decreased.
- Appropriate response to rapid changes in the business environment: Revenue increased significantly due to pass-through and cost recovery in response to the steep rise in fuel costs that has continued since the Q2 of the previous fiscal year.
- EBITDA margin: 26.6% (FYE2023 Q1)

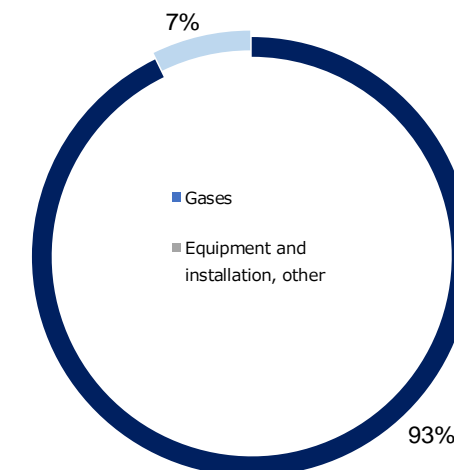
By Industry

Cumulative period basis



By Product

Cumulative period basis



Gas business in Asia & Oceania

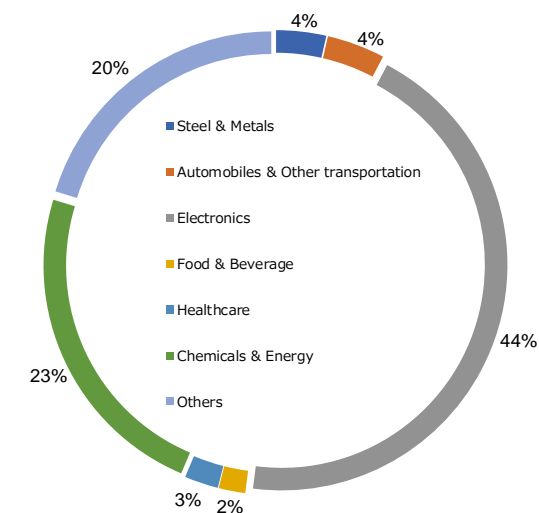
(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	
	Q1 (Apr.-Jun.)	Q1 (Apr.-Jun.)		% Change	% Change exc. FX
Revenue	29.2	39.2	+10.0	+34.2%	+18.8%
Segment income	3.0	4.6	+1.6	+52.0%	+35.3%
Segment OI margin	10.4%	11.7%			

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 shipment volume and the impact of higher selling prices linked to purchase price.
- 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: 17.5% (FYE2023 Q1)

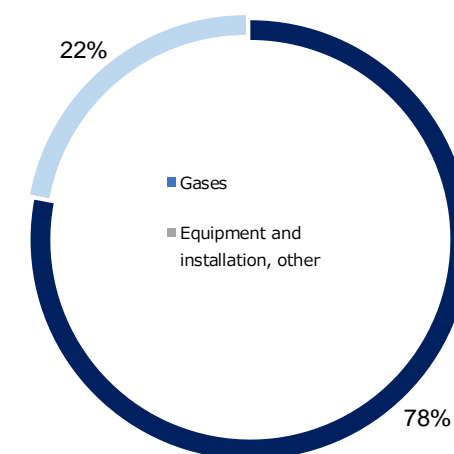
By Industry

Cumulative period basis



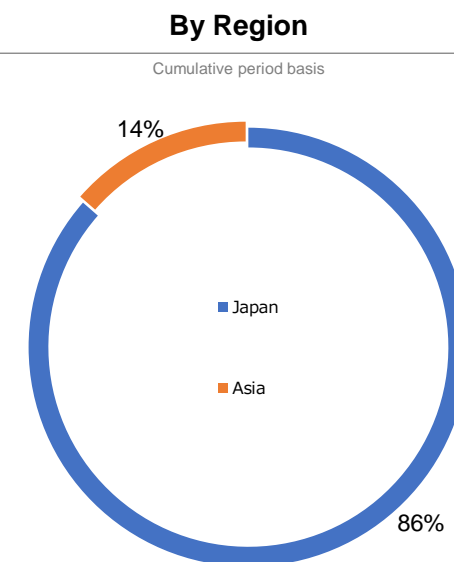
By Product

Cumulative period basis



Thermos business

(Unit: ¥ bn.)	FYE2022	FYE2023	Difference	YoY	
	Q1 (Apr.-Jun.)	Q1 (Apr.-Jun.)		% Change	% Change exc. FX
Revenue	6.7	7.6	+0.9	+13.9%	+12.3%
Segment income	1.5	1.9	+0.4	+30.7%	+29.8%
Segment OI margin	22.3%	25.5%			



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

- Japan: Revenue of main products; vacuum insulated mugs and sports bottles, recovered.
Revenue of frying pans remained firm due to continued demand for homeware. Cost increased due to the effect of weak JPY.
- Asia: Revenue with Korean distributors recovered. Operation of production plants improved from the previous year.
Performance of equity method affiliates improved.
- EBITDA margin: 30.1% (FYE2023 Q1)

3. FYE2023 Full-term forecast

Consolidated forecast

	FYE2022	FYE2023	YoY		FYE2023 Full-term
	Full-term	Full-term forecast	Difference	% Change	forecast (previous)
(Unit: ¥ bn.)		(Announced on July 29, 2022)			(Announced on May 11, 2022)
Revenue	957.1	950.0	-7.1	-0.7%	950.0
Core operating income	102.7	107.0	+4.3	+4.2%	107.0
Core OI margin	10.7%	11.3%			11.3%
Non-recurring profit and loss	-1.5	-2.0	-0.5		0.5
Operating income (IFRS)	101.1	105.0	+3.9	+3.8%	107.5
OI margin	10.6%	11.1%			11.3%
EBITDA margin	20.4%	21.0%			21.0%
Finance costs	-9.5	-10.5	-1.0		-10.5
Income before income taxes	91.6	94.5	+2.9	+3.2%	97.0
Income tax expenses	24.9	27.5	+2.6		28.0
Net income	66.6	67.0	+0.4	+0.5%	69.0
(Attribution of net income)					
Net income attributable to owners of the parent	64.1	65.0	+0.9	+1.4%	67.0
NI margin	6.7%	6.8%			7.1%
Net income attributable to non-controlling interests	2.5	2.0	-0.5		2.0
Forex (Unit: JPY)					
USD	113.04	115			115
(average rate during the period)					
EUR	131.11	125			125
AUD	83.33	82.2			82.2

- Total Forex impact for FYE2023 Full-term forecast : Negative impacts of ¥5.8 bn. on revenue and ¥0.7 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



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)

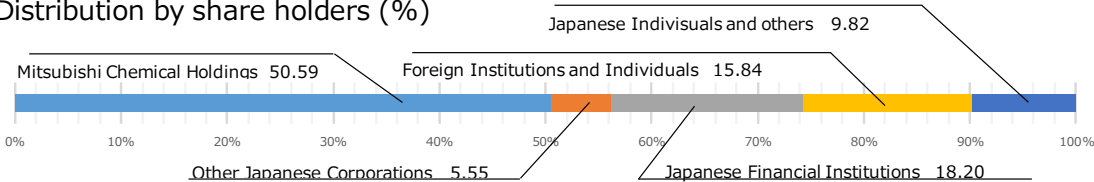
Company Name	Nippon Sanso Holdings Corporation
Founded	October 30, 1910
Headquarters	1-3-26 Koyama Shinagawa-ku, Tokyo 142-0062, Japan
TEL	81-3-5788-8500
Representative	Representative Director, President CEO Toshihiko Hamada
Common stock	37.3 billion yen

Stock information

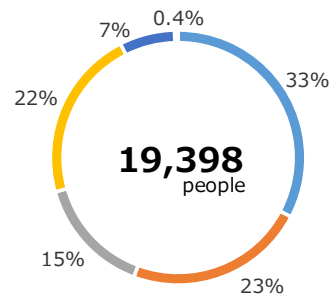
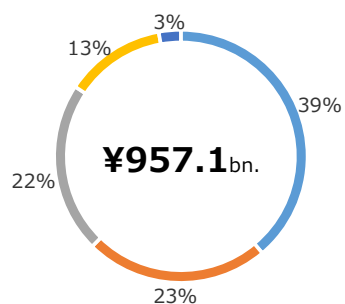
(As of March 31, 2022)

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	¥950.0 bn.	Net income attributable to owners of the parent	¥65.0 bn.
Operating income	¥107.5 bn.	EPS	¥150.18

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
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<Compliance>

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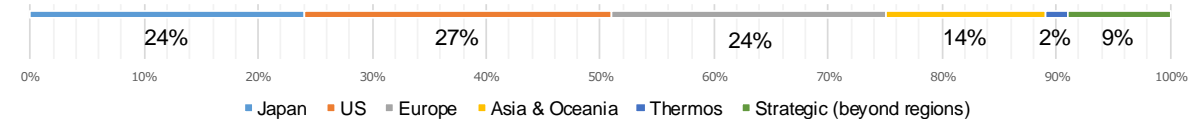
<HR>

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

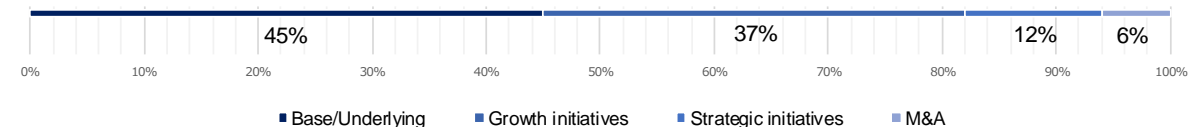
Capital allocation

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

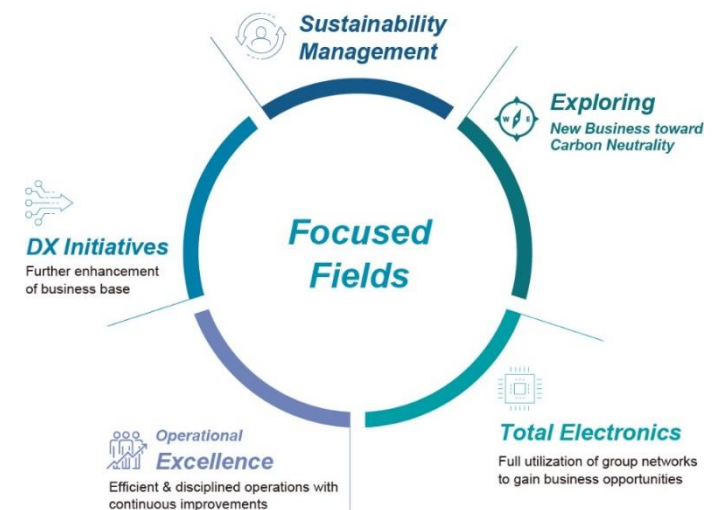
Composition ratio by Business



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 Q1	FYE2023 Q1	YoY Difference
(Unit: ¥ bn.)			
Core operating income	24.5	30.2	+5.7
Non-recurring profit and loss	—	-2.8	-2.8
Operating income (IFRS)	24.5	27.4	+2.9

Items (Unit : ¥ bn.)

FYE2022 Q1 result		FYE2023 Q1 result	
Item	Amount	Item	Amount
		— Arbitration of Leasing facilities dispute, etc.	-2.8
Total		— Total	-2.8

Key performance indicators

Item	Unit	FYE2022 Q1	FYE2023 Q1	FYE2022 Full-term
Basic earnings per share	JPY	37.12	39.95	148.13
Overseas sales ratio	%	59.6	63.7	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.	17.1	20.2	76.5
Depreciation and amortization	¥bn.	23.2	25.5	92.4
Free cash flow	¥bn.	8.1	11.9	77.9
Adjusted net D/E ratio	Times	1.13	0.92	0.94
Interest-bearing liabilities	¥bn.	946.1	958.8	929.2
Net interest-bearing liabilities	¥bn.	860.9	868.3	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	$\text{Core operating income after Tax} (+\text{Dividend received}) [\text{NOPAT}] ((\text{Core operating} - \text{Investment income/loss from Equity in earnings (losses) of affiliated companies included in Core operating income}) \times (1 - \text{effective tax rate}) + \text{Investment income/loss from Equity in earnings (losses) of affiliated companies included in Core operating income} + \text{Dividend received})) / (\text{Interest-bearing debt} + \text{Total equity attributable to owners of parent}) * [\text{Capital employed}]$
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	
	Q1	Q1	Difference	% Change
Income before income taxes	22.2	25.5	+3.3	+15.0%
Depreciation and amortization	23.2	25.5	+2.3	
Changes in working capital	-10.2	-10.4	-0.2	
Others	-10.3	-8.9	+1.4	
Cash flows from operating activities	24.8	31.8	+7.0	+28.0%
Capital expenditures	-15.8	-19.8	-4.0	
Investments and loans	-1.2	-0.2	+1.0	
Others (asset sales, etc.)	0.3	0.1	-0.2	
Cash flows from investing activities	-16.7	-19.8	-3.1	+18.9%
Free cash flow	8.1	11.9	+3.8	+46.9%
Cash flows from financing activities	-15.1	-16.8	-1.7	+11.4%

Condensed consolidated statements of Financial position

(Unit : ¥bn.)	FYE2022 Q4	FYE2023 Q1	YoY Difference
Cash and cash equivalents	93.6	90.5	-3.1
Trade receivables	218.4	225.3	+6.9
Inventories	80.0	91.7	+11.7
Others	30.2	40.0	+9.8
Total current assets	422.4	447.5	+25.1
Property, plant and equipment	729.6	777.2	+47.6
Goodwill	485.1	512.7	+27.6
Intangible assets	241.3	251.5	+10.2
Others	98.3	93.3	-5.0
Total non-current assets	1,554.5	1,634.9	+80.4
Total assets	1,977.0	2,082.5	+105.5

	FYE2022 Q4	FYE2023 Q1	YoY Difference
Trade payables	115.1	114.3	-0.8
Interest-bearing liabilities	929.2	958.8	+29.6
Others	271.5	294.1	+22.6
Total liabilities	1,315.8	1,367.4	+51.6
Share capital and capital surplus, etc	569.5	578.6	+9.1
Other components of equity	59.1	103.0	+43.9
Equity attributable to owners of parent	628.7	681.7	+53.0
Non-controlling interests	32.4	33.3	+0.9
Total equity	661.1	715.1	+54.0
Total liabilities and equity	1,977.0	2,082.5	+105.5

Results overview by Segment

		FYE2022	FYE2023		YoY		
		Q1	Q1	Composition ratio	Difference	% Change	Forex impact
(Unit: ¥ bn.)		(Apr.-Jun.)	(Apr.-Jun.)				
Gas business in Japan	Revenue	83.0	95.1	34.5%	+12.1	+14.5%	+0.0
	Segment OI	6.5	6.0	19.9%	-0.5	-7.6%	+0.0
	Segment OI margin	7.8%	6.3%				
Gas business in the U.S.	Revenue	51.6	68.8	25.0%	+17.2	+33.4%	+10.1
	Segment OI	7.0	9.3	30.8%	+2.3	+32.4%	+1.4
	Segment OI margin	13.6%	13.5%				
Gas business in Europe	Revenue	47.4	64.9	23.5%	+17.5	+36.8%	+2.2
	Segment OI	6.6	8.8	29.1%	+2.2	+32.8%	+0.3
	Segment OI margin	14.0%	13.6%				
Gas business in A&O*	Revenue	29.2	39.2	14.2%	+10.0	+34.2%	+3.7
	Segment OI	3.0	4.6	15.2%	+1.6	+52.0%	+0.3
	Segment OI margin	10.4%	11.7%				
*A&O: Asia and Oceania.							
Thermos business	Revenue	6.7	7.6	2.8%	+0.9	+13.9%	+0.0
	Segment OI	1.5	1.9	6.5%	+0.4	+30.7%	+0.0
	Segment OI margin	22.3%	25.5%				
Adjustment	Revenue	0.0	0.0	0.0%	-0.0	—	
	Segment OI	-0.1	-0.4	-1.5%	-0.3	—	
Consolidated total	Revenue	218.3	276.0	100.0%	+57.7	+26.4%	+16.3
	Core OI	24.5	30.2	100.0%	+5.7	+23.2%	+2.1
	Core OI margin	11.3%	11.0%				

Revenue growth by Product

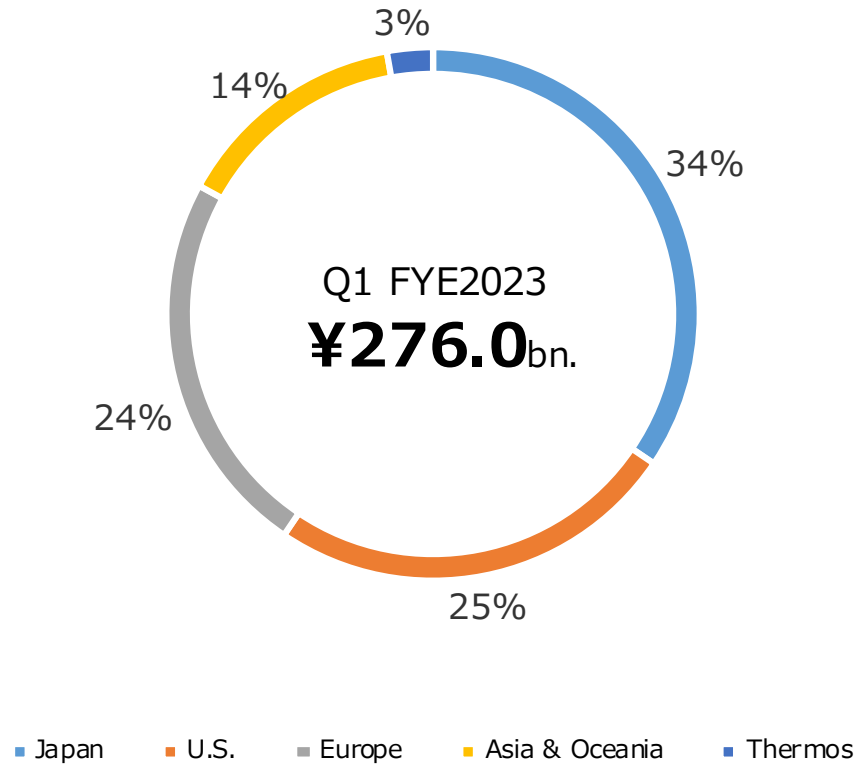
		Gas business in Japan*	Gas business in the U.S.	Gas business in Europe	Gas business in A&O	
		YoY % Change	YoY % Change	YoY % Change exc. FX impact	YoY % Change	YoY % Change exc. FX impact
Gases	Packaged	+5.4%	+27.6%	+6.7%	+9.1%	+4.2%
	Bulk	+13.1%	+26.7%	+6.0%	+44.9%	+38.3%
	On-site	+21.9%	+35.1%	+13.0%	+59.1%	+51.9%
	Specialty gases	+14.9%	+36.9%	+14.5%	+34.5%	+28.3%
	Subtotal	+15.7%	+28.5%	+7.4%	+38.1%	+31.8%
Equipment and installation, other	Industrial Gases-related	+1.2%	+55.4%	+30.0%	+22.2%	+16.6%
	Electronics-related	+69.5%	+29.6%	+8.3%	—	—
	Subtotal	+12.0%	+51.6%	+26.7%	+22.2%	+16.6%
Total	Revenue	+14.5%	+33.4%	+11.5%	+36.8%	+30.6%
					+34.2%	+18.8%

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

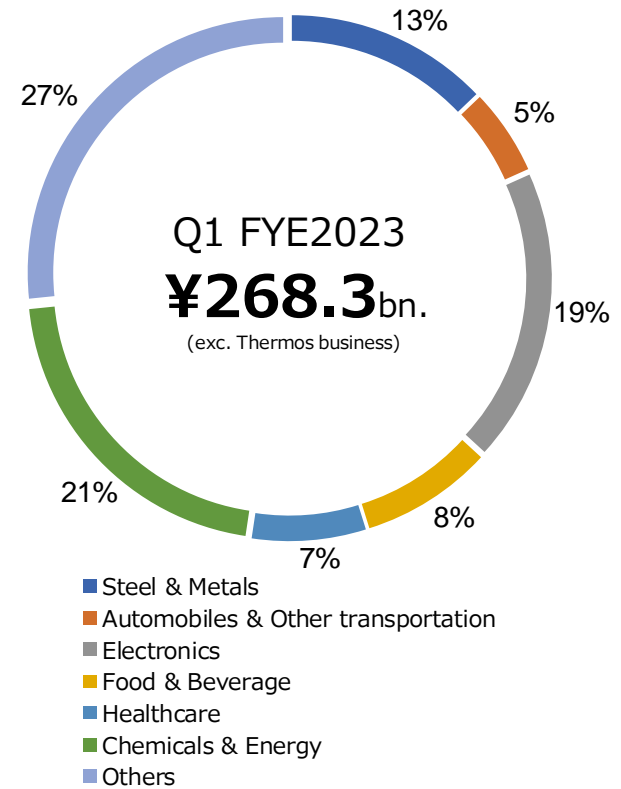
(Reference) Category	Breakdown
Gases	Industrial gases such as oxygen, nitrogen, argon, carbon dioxide and helium, LP gases, specialty gases
Packaged	Gas filling containers (cylinders) are delivered to the customer, and the gas is supplied according to method of use
Bulk	A storage tank for liquefied gas 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

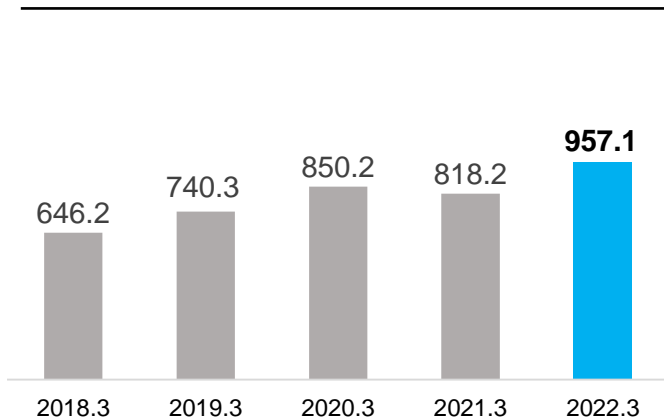


By Industry

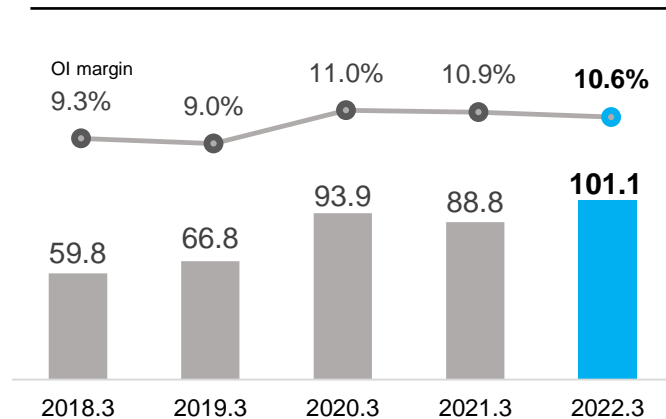


Business performance over the past five years

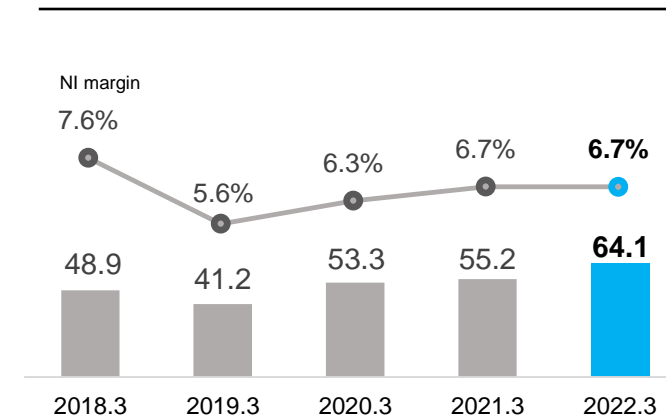
Revenue (¥ bn.)



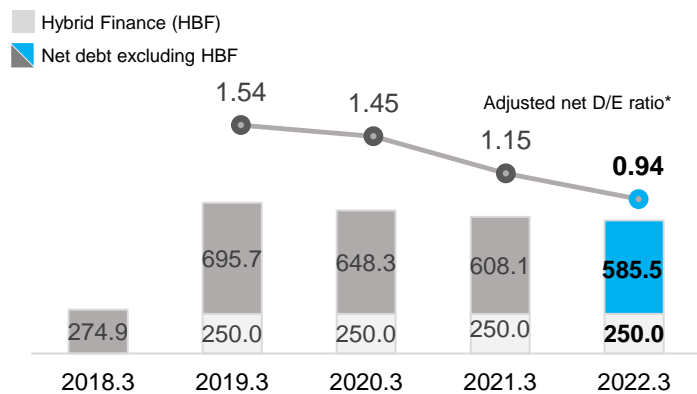
Operating income (IFRS) (¥ bn.)



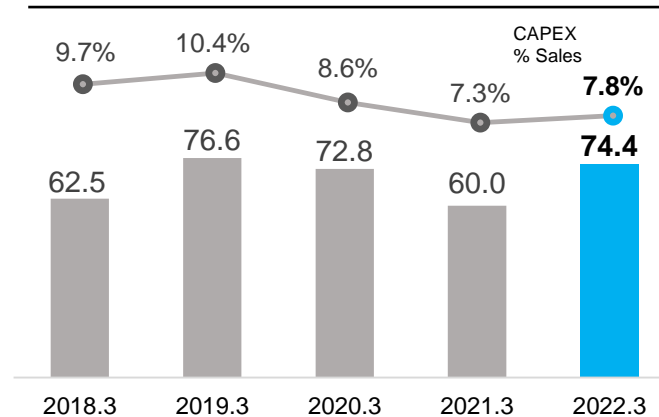
Profit attributable to owners of the parent (¥ bn.)



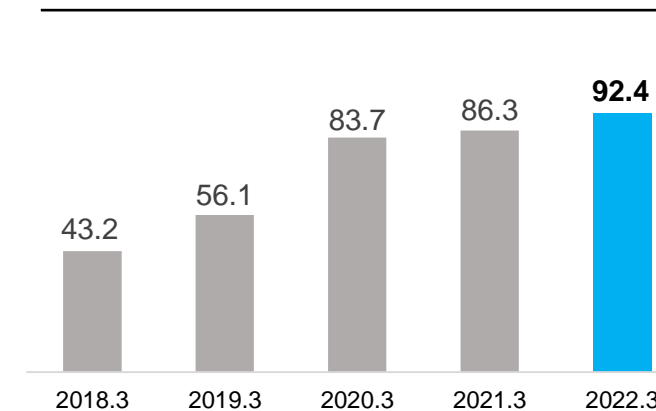
Net interest-bearing debts (¥ bn.)



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)

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

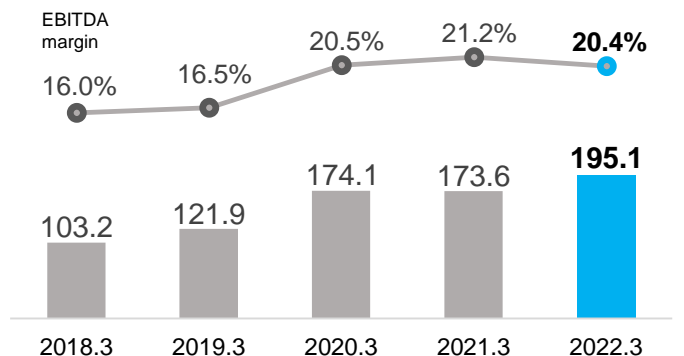
* The average of the amounts at the end of the comparative fiscal year s of the previous and current fiscal years is used.

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.

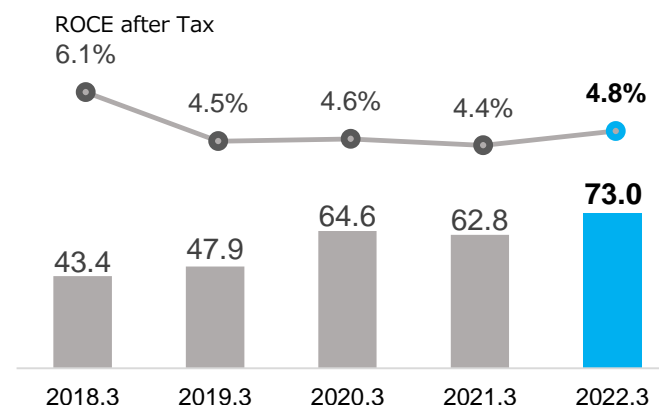
EBITDA margin and EBITDA

(¥ bn.)



ROCE after Tax and NOPAT

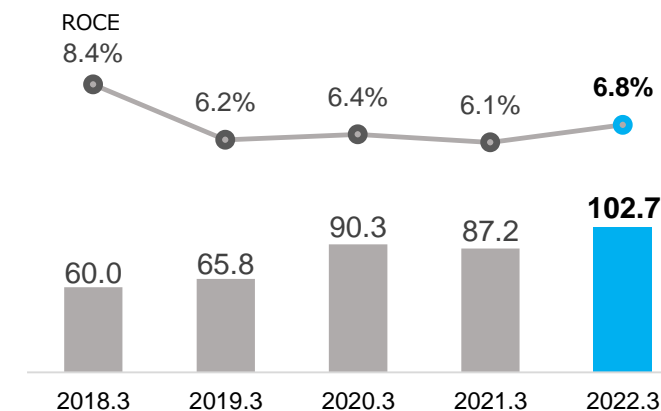
(¥ bn.)



(Reference)

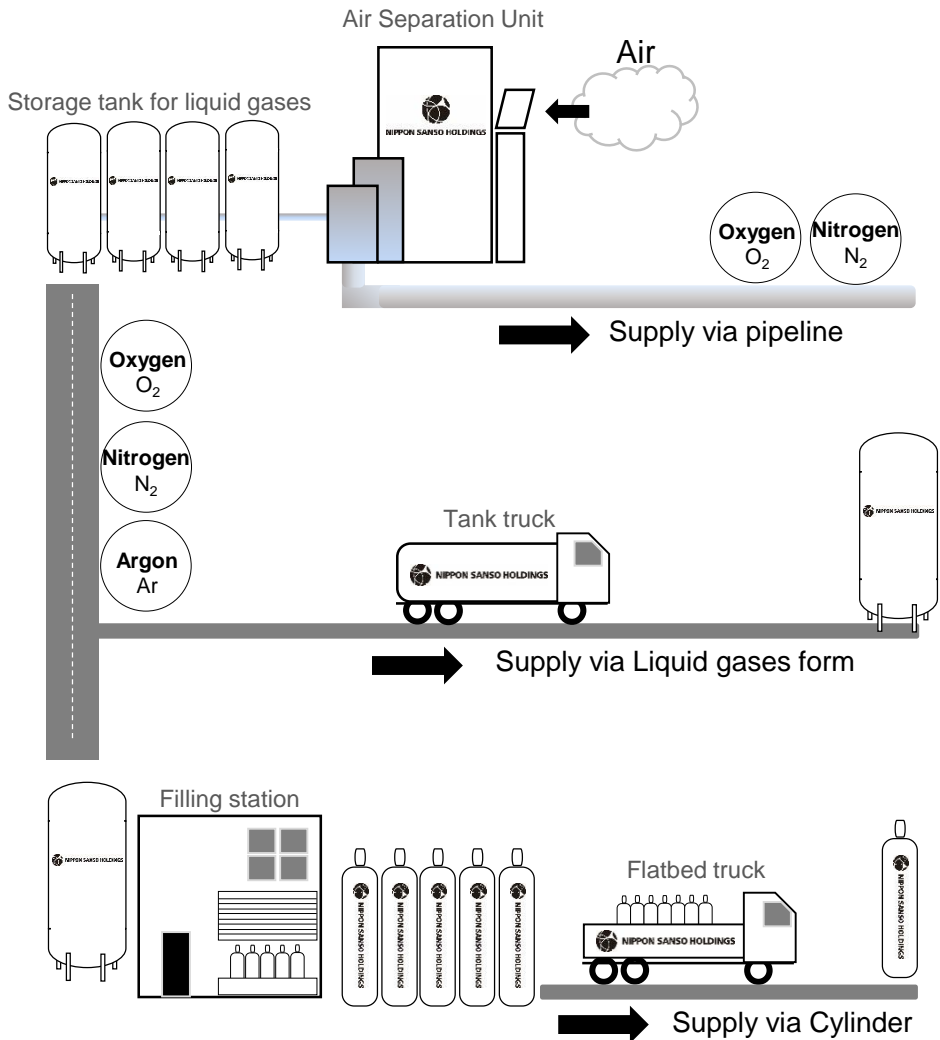
ROCE and Core OI

(¥ 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 Food/beverage**

LCP Photovoltaics 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

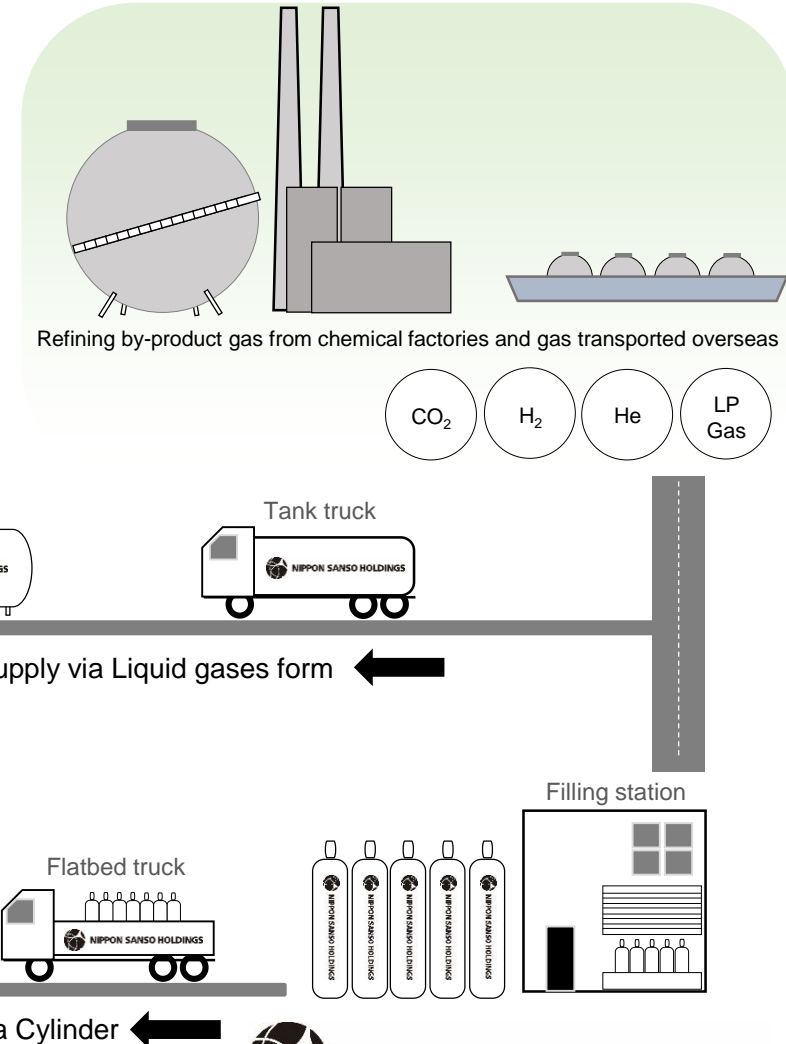
Major supply destination (Sector)

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.



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Upcoming IR events

Q2 FYE2023 Earnings Call

November 1, 2022

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

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NIPPON SANZO HOLDINGS

The Gas Professionals

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