



Consolidated Financial Results for Fiscal Year Ending March 31, 2024 (Based on IFRS)

May 13, 2024

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Schedules date to be held Ordinary General Meeting of Shareholders: June 19, 2024
Scheduled date to file Securities Report: June 20, 2024
Scheduled date to commence dividend payments: June 20, 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 FYE2024 (April 1, 2023 – March 31, 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)	%
FYE2024	1,255,081	5.8	165,996	34.8	172,041	43.9	109,364	44.0	105,901	44.9	224,112	88.6
FYE2023	1,186,683	24.0	123,124	19.9	119,524	18.1	75,965	14.0	73,080	14.0	118,859	(10.2)

(Reference)

Income before income taxes

FYE2024: ¥ 150,720 million [42.9%]

FYE2023: ¥ 105,503 million [15.2%]

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)	Return on equity attributable to owners of the parent (%)	Income before income taxes to total assets ratio (%)	Core operating income to revenue ratio (%)
FYE2024	244.66	–	12.9	6.6	13.2
FYE2023	168.85	–	10.8	5.1	10.4

(Reference) Share of profit (loss) of associates and joint ventures accounted for using the equity method

FYE2024: ¥4,006 million FYE2023: ¥3,553 million

(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 (%)	Equity attributable to owners of the parent per share (yen)
FYE2024 (March 31, 2024)	2,409,083	946,112	914,481	38.0	2,112.66
FYE2023 (March 31, 2023)	2,158,950	757,996	724,314	33.5	1,673.32

(3) Consolidated cash flows

	Cash flows from operating activities (¥ million)	Cash flows from investing activities (¥ million)	Cash flows from financing activities (¥ million)	Balance of cash and cash equivalents at term-end (¥ million)
FYE2024	215,980	(124,654)	(110,072)	126,100
FYE2023	187,959	(98,073)	(54,430)	132,217

2. Dividends

	Annual Dividend					Total amount of dividends (¥ million)	Payout ratio (consolidated) (%)	Ratio of dividends to equity attributable to owners of the parent (consolidated) (%)
	End of 1 st quarter (Yen)	End of 2 nd quarter (Yen)	End of 3 rd quarter (Yen)	Term end (Yen)	Total (Yen)			
FYE2023	—	18.00	—	20.00	38.00	16,450	22.5	2.4
FYE2024	—	20.00	—	24.00	44.00	19,047	18.0	2.3
FYE2025 (est.)	—	24.00	—	24.00	48.00		19.8	

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

(Reference) Income before income taxes

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

* Notes

(1) Changes in significant subsidiaries during the period: None

(Transfer of specified subsidiaries resulting in changes in the scope of consolidation)

(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 Mar. 31, 2024	433,092,837 shares	As of Mar. 31, 2023	433,092,837 shares
2. Number of treasury stocks at the end of the period	As of Mar. 31, 2024	235,014 shares	As of Mar. 31, 2023	232,517 shares
3. Average number of shares during the period	FYE2024	432,859,115 shares	FYE2023	432,812,252 shares

* Financial reports 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 6, “(4) Future Outlook” in “1. Overview of Business Results.”

The Company plans to hold a briefing of results for institutional investors and analysts on Wednesday, May 22, 2024. Results materials handed out at that briefing will be posted on the Company website in a prompt manner following the briefing.

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1. Overview of Business Results

(1) Overview of Business Results for the Fiscal Year Under Review

(General Overview)

Nippon Sanso Holdings Group (NSHD Group) delivered positive profit growth for the fiscal year under review (from April 1, 2023 to March 31, 2024) despite challenging geopolitical issues, rising trade tensions, global inflation, JPY depreciation, and a soft semiconductor market. Air separation gases (oxygen, nitrogen, and argon) transported via either truck or on-site pipeline to steel, chemical, and petroleum refining sectors, have decreased compared to the previous fiscal year. In addition, compared to prior year, there has been a moderation of energy related production costs, where they previously had been high. Furthermore, price management has been successful in passing costs through to our customers and our robust productivity projects continue to yield positive financial result. These factors enabled the NSHD Group to achieve the following results for the full fiscal year under review.

Revenue on a consolidated basis increased by 5.8% year-on-year to ¥1,255,081 million, core operating income increased by 34.8% to ¥165,996 million, operating income increased by 43.9% to ¥172,041 million, and net income attributable to owners of the parent increased by 44.9% to ¥105,901 million.

As for the impact of foreign exchange rates year-on-year, JPY depreciated against the USD from ¥136.00 to ¥145.31 (+¥9.31, or +6.8%), against the EUR from ¥141.62 to ¥157.72 (+¥16.10, or +11.4%). As a result, overall revenue and core operating income were favorably impacted by approximately ¥59.8 billion and ¥7.5 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, revenue increased year-on-year mainly due to price management activities against rising costs, despite lower shipment volumes of core products such as air separation gases and LP gas. In addition, the shipment volume of specialty gases for the electronics industry declined. 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 items: 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 1.4% year-on-year to ¥414,365 million and segment income increased by 35.7% to ¥42,998 million.

(ii) United States

In the industrial gas-related business, revenue increased year-on-year mainly due to impact of the weak JPY and price management activities. Air separation gases experienced lower shipment volumes due to soft industrial trends. In equipment and installation, industrial gas-related sales were flat to the previous fiscal year, but electronics-related equipment sales were favorable, thereby increasing sales.

As a result, in the United States segment, revenue increased by 14.5% year-on-year to ¥347,054 million and segment income increased by 34.9% to ¥50,004 million.

(iii) Europe

Revenue increased in the industrial gas-related business year-on-year mainly due to the impact of the weak JPY and price management activities despite slightly lower core product volumes such as air separation gases. Equipment and installation, continues with positive performance in both industrial gas-related sales and medical-related equipment.

As a result, in the Europe segment, revenue increased by 10.8% year-on-year to ¥302,477 million, and segment income increased by 52.6% to ¥532,59 million.

(iv) Asia & Oceania

In the industrial gas-related business, revenue increased year-on-year mainly due to price management activities against rising costs and weak JPY, despite lower shipment volumes of core products such as air separation gases. In LP gas, of which a large portion of sales are in the Australia region, sales volumes slightly decreased. In the electronics-related business, revenue declined significantly in East Asia due to softness in both gas and equipment demand due to customer inventory adjustments and customer postponements of capital investment.

As a result, in the Asia & Oceania segment, revenue increased by 0.2% year-on-year to ¥160,327 million and segment income increased by 3.1% to ¥15,948 million.

(v) Thermos

In Japan, sales from portable vacuum-insulated mugs and sports bottles were firm, and revenue increased. Overseas, revenues were flat to the previous fiscal year. Segment income decreased due to rising raw material prices from inflation and production costs increased due to the weak JPY.

As a result, the Thermos segment revenue increased by 1.9% year-on-year to ¥30,765 million, the segment income decreased by 7.6% to ¥5,566 million.

(2) Overview of Financial Position for the Fiscal Year Under Review

Total assets amounted to ¥2,409,083 million as of March 31, 2024, an increase of ¥250,132 million from March 31, 2023. Foreign exchange rates resulted in an increase in total assets of approximately ¥204.0 billion. This mainly reflected foreign exchange rate changes, such as the JPY depreciation of ¥17.88 against the USD and the JPY depreciation of ¥17.52 against the EUR as of March 31, 2024, compared with the rates as of March 31, 2023.

In the fiscal year, trade receivables increased as a result of increased revenues largely supported by price revision initiatives. In addition, the Company proceeded with the planned repayment of interest-bearing debt with a focus on continued debt reduction and financial soundness. Despite an unclear business environment, the Company will continue to communicate openly and appropriately with the bond market and financial institutions to improve its liquidity and funding capacity.

The hybrid financing raised in January and March 2019 totaled ¥250.0 billion, and the rating agencies (Japan Credit Rating Agency, Ltd. and Rating and Investment Information, Inc.) have approved 50% of this financing as "equity." The Company has referred to this as equity-type debt. Furthermore, of the hybrid bonds issued in January 2019, ¥100 billion was paid in full as a complete early redemption in January 2024, bringing the total amount of hybrid finance to ¥150.0 billion as of the end of the fiscal year under review. As a financial soundness indicator that considers this hybrid financing, the Company has established the adjusted net D/E ratio* as one of its key performance indicators and strives for the optimal composition of debt and equity. The adjusted net D/E ratio achieved was 0.74 times, an improvement of 0.07 points from the end of the previous fiscal year.

Note: Adjusted net D/E ratio: (Net interest-bearing debt – Equity-type debt) / (Equity attributable to owners of the parent + Equity-type debt)

[Assets]

Total current assets were ¥568,201 million, an increase of ¥41,127 million from March 31, 2023. The main factors were an increase in trade receivables, a decrease in cash and cash equivalents, and the impact from the JPY depreciation against major currencies such as the USD and the EUR. Total non-current assets were ¥1,840,881 million, an increase of ¥209,005 million from March 31, 2023, mainly reflecting increases in plant, property and equipment, goodwill and the impact from JPY depreciation against major currencies.

[Liabilities]

Total current liabilities were ¥498,019 million, an increase of ¥72,862 million from March 31, 2023. The main factors were increases in other financial liabilities and bonds and borrowings, and the impact from JPY depreciation against major currencies. Total non-current liabilities were ¥964,951 million, a decrease of ¥10,845 million from March 31, 2023. The main factors were a decrease in bonds and borrowings, an increase in deferred tax liabilities, and the impact from JPY depreciation against major currencies.

[Equity]

Total equity amounted to ¥946,112 million, an increase of ¥188,116 million from March 31, 2023. The main factors were an increase due to the recording of net income attributable to owners of the parent, a decrease due to retained earnings paid as dividends, and an increase in exchange differences on translation of foreign operations.

The ratio of equity attributable to owners of the parent stood at 38.0%, up 4.5 percentage points from March 31, 2023.

(3) Overview of Cash Flows for the Fiscal Year Under Review

[Cash flow from operating activities]

Net cash provided by operating activities increased 14.9% year on year to ¥215,980 million. The main factors were profit before income taxes, depreciation and amortization, and corporate income tax payment or refund.

[Cash flow from investing activities]

Net cash used in investing activities increased 27.1% year on year to ¥124,654 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 increased 102.2% year on year to ¥110,072 million. The main factors were payments for redemption of bonds, proceeds from issuance of bonds, and repayment of long-term borrowings.

As a result of the Company's operating, investing and financing activities, the balance of cash and cash equivalents as of March 31, 2024, after accounting for the effects of exchange rates, decreased 4.6% year on year to ¥126,100 million.

	FYE2020	FYE2021	FYE2022	FYE2023	FYE2024
The ratio of equity attributable to owners of the parent (%)	23.4	27.9	31.8	33.5	38.0
The ratio of equity attributable to owners of the parent on a market-value basis (%)	39.6	49.6	51.1	47.8	85.4
Redemption period (years)	6.7	6.4	6.2	5.0	4.3
Interest coverage ratio (times)	12.8	12.9	13.7	14.7	9.3

Note: The ratio of equity attributable to owners of the parent: Equity attributable to owners of the parent / total assets

The ratio of equity attributable to owners of the parent on a market-value basis (%): Total market value of the stock / total assets

Redemption period: Interest-bearing debts / cash flows

The interest coverage ratio: Cash flows / interest payment

1. The indicator values were all calculated based on financial numerical values on a consolidated basis.
2. The total market value was calculated by multiplying the term-end closing price of the stock by the number of term-end outstanding shares.
3. The cash flow here is the cash flow from operating activities included in the Consolidated Statement of Cash Flows.

Interest-bearing debts cover all of the debts recorded in the Consolidated Statement of Financial Position on which the Company pays interest. The figures specified for interest payment are the amounts of interest paid which are recorded in the Consolidated Statement of Cash Flows.

(4) Future Outlook

We have formulated the medium-term management plan, "NS Vision 2026 – Enabling the Future," for the four-year period from FYE2023 to FYE2026. The plan defines five focused fields, "Sustainability Management," "Explore New Business Toward Carbon Neutrality," "Total Electronics," "Operational Excellence," and "DX Initiatives," under the business management structure of four global industrial gas regions (Japan, United States, Europe, Asia & Oceania) and Thermos, which comprise the five operating segments of the Nippon Sanso Holdings Group. In addition, we will enhance human well-being and contribute to a more sustainable future by improving the Group's total strengths and aiming for further growth.

Overall, in the regions where we operate, the outlook remains difficult to predict due to geopolitical issues, trade tensions, a global energy volatility, global inflation, and JPY depreciation. Therefore, the actual results may vary from our medium-term management financial outlook due to these and other positive and negative factors.

In FYE2025, the Industrial gas business expects continued growth in resilient markets such as food & beverage and healthcare, we will explore new business opportunities with customers who are working toward Carbon Neutrality. In the electronics business, we will adopt to customers' production, demand and capital investment plans.

In addition, global energy inflation headwinds which began in FYE2022 from geopolitical issue, have moderated in some regions, but the situation remains volatile and varies from region to region. We expect future energy prices to remain unpredictable. Hence, our entire group will continue to focus on appropriate price management in line with cost trends, and productivity initiatives.

In the Thermos business, we expect that higher raw material costs due to inflation pressures and higher manufacturing costs due to weak JPY will continue. We will concentrate on improving business performance through offerings new design and new products with better functionality such as dishwasher compatible series, expansion of product lines including kitchenware, and E-commerce services including online shopping.

In FYE2024, we exceeded our targets in three indicators (revenue, core operating income, and ROCE after tax) out of the five financial KPIs set in the medium-term management plan (for the period leading to FYE2026). We will continue to meet customer expectations and strengthen our earnings power by providing value to our customers, ensuring appropriate price management, and driving productivity initiatives.

Our consolidated earnings forecasts for FYE2025 are shown in the table below. The exchange rate assumptions used in the forecast are ¥145.31 to the USD, and ¥157.72 to the EUR. Therefore, the figures in FYE2025 and FYE2024 included in the table below are on a comparable basis with no material currency impact.

	Revenue	Core operating income	Operating income	Net income	Net income attributable to owners of the parent
FYE2025 (¥ billion)	1,300.0	177.0	177.0	108.0	105.0
FYE2024 (¥ billion)	1,255.0	165.9	172.0	109.3	105.9
Change (%)	3.6	6.6	2.9	(1.2)	(0.9)

(5) Basic Policy on Profit Distribution and Dividends for FYE2024 and FYE2025

We will strive to return profits to shareholders under a dividend policy that aims to provide continuous and stable dividends, aligned in a way with consolidated business results, while setting aside enough retained earnings to enhance and strengthen our operational makeup.

Under this policy, we plan to offer a year-end dividend of ¥24 per share, up ¥4 from the year before. Since the interim dividend was ¥20 per share, this means that we will pay an annual dividend of ¥44 per share. For the next fiscal year, we plan to offer an annual dividend of ¥48 per share (an interim dividend of ¥24).

2. Basic Policy on Selection of Accounting Standards

The NSHD Group adopted the International Financial Reporting Standards (IFRS) in FYE2017 in order to improve the international comparability of its financial statements in the capital market and integrate accounting procedures within the group.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	132,217	126,100
Trade receivables	243,541	282,199
Inventories	97,612	100,460
Other financial assets	22,479	27,216
Other current assets	26,152	27,847
Subtotal	522,003	563,825
Assets possessed for a sales purpose	5,070	4,376
Total current assets	527,074	568,201
Non-current assets		
Property, plant and equipment	776,148	877,400
Goodwill	513,685	575,809
Intangible assets	242,334	252,348
Investments accounted for using the equity method	38,230	54,673
Other financial assets	46,763	63,436
Retirement benefit asset	2,810	4,712
Other non-current assets	8,461	9,133
Deferred tax assets	3,442	3,367
Total non-current assets	1,631,875	1,840,881
Total assets	2,158,950	2,409,083

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	128,197	136,027
Bonds and borrowings	140,540	166,219
Corporate income taxes payable	16,191	14,169
Other financial liabilities	102,119	121,402
Allowance	284	1,095
Other current liabilities	37,824	59,105
Total current liabilities	425,157	498,019
Non-current liabilities		
Bonds and borrowings	759,480	724,039
Other financial liabilities	35,693	39,488
Retirement benefit liabilities	14,117	15,352
Allowance	5,440	5,019
Other non-current liabilities	20,364	20,656
Deferred tax liabilities	140,700	160,395
Total non-current liabilities	975,796	964,951
Total liabilities	1,400,953	1,462,970
Equity		
Share capital	37,344	37,344
Capital surplus	51,610	39,233
Treasury stock	(233)	(242)
Retained earnings	537,867	627,544
Other components of equity	97,724	210,601
Total equity attributable to owners of the parent	724,314	914,481
Non-controlling interests	33,682	31,630
Total equity	757,996	946,112
Total liabilities and equity	2,158,950	2,409,083

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

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Revenue	1,186,683	1,255,081
Cost of sales	(748,053)	(744,103)
Gross operating profit	438,630	510,977
Selling, general and administrative expenses	(315,191)	(346,405)
Other operating income	5,182	13,863
Other operating expense	(12,650)	(10,401)
Share of profit of investments accounted for using the equity method	3,553	4,006
Operating income	119,524	172,041
Finance income	2,182	4,391
Finance costs	(16,203)	(25,711)
Profit before income taxes	105,503	150,720
Corporate income taxes	(29,538)	(41,356)
Net income	75,965	109,364
Net income attributable to:		
Owners of the parent	73,080	105,901
Non-controlling interests	2,884	3,463
Earnings per share		
Basic earnings per share (yen)	168.85	244.66

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Net income	75,965	109,364
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(337)	5,529
Remeasurements of defined benefit plans	1,814	1,075
Share of other comprehensive income of investments accounted for using the equity method	(42)	69
Total of items that will not be reclassified to profit or loss	1,434	6,673
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	40,744	106,377
Effective portion of net change in fair value of cash flow hedges	(659)	580
Share of other comprehensive income of investments accounted for using the equity method	1,374	1,115
Total of items that may be reclassified subsequently to profit or loss	41,459	108,073
Total other comprehensive income, net of tax	42,894	114,747
Comprehensive income	118,859	224,112
Comprehensive income attributable to:		
Owners of the parent	115,466	219,891
Non-controlling interests	3,392	4,220

(3) Consolidated Statement of Changes in Equity
 FYE2023 (April 1, 2022 to March 31, 2023)

	(Millions of yen)			
	Share capital	Capital surplus	Treasury stock	Retained earnings
Balance at April 1, 2022	37,344	55,945	(281)	476,589
Net income	—	—	—	73,080
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	—	73,080
Purchase of treasury stock	—	—	(5)	—
Disposal of treasury stock	—	—	53	—
Dividends	—	—	—	(15,579)
Changes in ownership interest in subsidiaries	—	(4,334)	—	—
Business combinations or business divestitures	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	3,777
Change in scope of consolidation	—	—	—	—
Other changes	—	—	—	—
Total transactions with owners	—	(4,334)	48	(11,802)
Balance at March 31, 2023	37,344	51,610	(233)	537,867

	Other components of equity				Total	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Effective portion of change in fair value of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans				
Balance at April 1, 2022	39,428	368	19,319	—	59,115	628,714	32,423	661,137
Net income	—	—	—	—	—	73,080	2,884	75,965
Other comprehensive income	41,744	(652)	(507)	1,802	42,386	42,386	507	42,894
Comprehensive income	41,744	(652)	(507)	1,802	42,386	115,466	3,392	118,859
Purchase of treasury stock	—	—	—	—	—	(5)	—	(5)
Disposal of treasury stock	—	—	—	—	—	53	—	53
Dividends	—	—	—	—	—	(15,579)	(1,018)	(16,598)
Changes in ownership interest in subsidiaries	—	—	—	—	—	(4,334)	(1,907)	(6,242)
Business combinations or business divestitures	—	—	—	—	—	—	389	389
Transfer from other components of equity to retained earnings	—	—	(1,975)	(1,802)	(3,777)	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—	—
Other changes	—	—	—	—	—	—	402	402
Total transactions with owners	—	—	(1,975)	(1,802)	(3,777)	(19,866)	(2,133)	(22,000)
Balance at March 31, 2023	81,172	(284)	16,836	—	97,724	724,314	33,682	757,996

FYE2024 (April 1, 2023 to March 31, 2024)

	(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	—	—	—	105,901
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	—	105,901
Purchase of treasury stock	—	—	(8)	—
Disposal of treasury stock	—	—	—	—
Dividends	—	—	—	(17,316)
Changes in ownership interest in subsidiaries	—	(12,377)	—	—
Business combinations or business divestitures	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	1,112
Change in scope of consolidation	—	—	—	(20)
Other changes	—	—	—	—
Total transactions with owners	—	(12,377)	(8)	(16,224)
Balance at March 31, 2024	37,344	39,233	(242)	627,544

	Other components of equity					Total	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Effective portion of change in value of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans					
Balance at April 1, 2023	81,172	(284)	16,836	—	—	97,724	724,314	33,682	757,996
Net income	—	—	—	—	—	—	105,901	3,463	109,364
Other comprehensive income	106,845	575	5,529	1,039	—	113,990	113,990	757	114,747
Comprehensive income	106,845	575	5,529	1,039	—	113,990	219,891	4,220	224,112
Purchase of treasury stock	—	—	—	—	—	—	(8)	—	(8)
Disposal of treasury stock	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	(17,316)	(863)	(18,179)
Changes in ownership interest in subsidiaries	—	—	—	—	—	—	(12,377)	(5,489)	(17,866)
Business combinations or business divestitures	—	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(73)	(1,039)	—	(1,112)	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	(20)	—	(20)
Other changes	—	—	—	—	—	—	—	79	79
Total transactions with owners	—	—	(73)	(1,039)	—	(1,112)	(29,723)	(6,272)	(35,996)
Balance at March 31, 2024	188,017	291	22,292	—	—	210,601	914,481	31,630	946,112

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Cash flow from operating activities		
Profit before income taxes	105,503	150,720
Depreciation and amortization	105,731	112,440
Impairment loss	2,140	2,532
Gains on loss of control	—	(8,892)
Interest and dividends income	(1,640)	(3,555)
Interest expenses	16,165	25,631
Share of (profit) loss of investments accounted for using the equity method	(3,553)	(4,006)
Loss (gain) on sale and retirement of property, plant and equipment, and intangible assets	375	1,387
(Increase) decrease in trade receivables	(16,810)	(27,207)
(Increase) decrease in inventories	(14,204)	2,214
Increase (decrease) in trade payables	8,758	4,336
(Increase) decrease in retirement benefit asset	(710)	(440)
Increase (decrease) in retirement benefit liabilities	2,366	533
Other	15,730	13,831
Subtotal	219,852	269,525
Interest received	729	2,664
Dividends received	5,596	7,764
Interest paid	(12,752)	(23,281)
Corporate income tax refund (paid)	(25,466)	(40,692)
Cash flow from operating activities	187,959	215,980
Cash flow from investing activities		
Payments for purchase of property, plant and equipment	(91,825)	(118,346)
Proceeds from sale of property, plant and equipment	1,925	1,326
Payments for purchase of investment	(2,804)	(190)
Proceeds from sale and redemption of investments	4,276	790
Payments for acquisition of subsidiaries	(122)	—
Proceeds from sale of subsidiaries	—	362
Payments for acquisition of businesses	—	(2,326)
Other	(9,523)	(6,269)
Cash flow from investing activities	(98,073)	(124,654)

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	3,232	(6,521)
Net increase (decrease) in commercial papers	19,000	(9,000)
Proceeds from long-term borrowings	30,433	61,801
Repayment of long-term borrowings	(76,277)	(106,848)
Proceeds from issuance of bonds	—	99,532
Payments for redemption of bonds	—	(100,000)
Payments for repayment of lease obligations	(11,998)	(13,683)
Payments for purchase of shares in subsidiaries not resulting in change in scope of consolidation	(2,885)	(17,438)
Dividends paid	(15,579)	(17,316)
Dividends paid to non-controlling interests	(1,018)	(863)
Other	662	265
Cash flow from financing activities	(54,430)	(110,072)
Impact of exchange rate changes on cash and cash equivalents	2,961	12,444
Net increase (decrease) in cash and cash equivalents	38,416	(6,301)
Balance of cash and cash equivalents at beginning of fiscal year	93,697	132,217
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	184
Increase in cash and cash equivalents in relation to merger	104	—
Balance of cash and cash equivalents at term-end	132,217	126,100

(5) Notes to the Consolidated Financial Statements

(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 Company has established the following five reportable segments: Japan, United States, Europe, Asia & Oceania, and Thermos.

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

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

The accounting methods adopted for the reported operating segments are the same as those adopted to prepare the consolidated financial statements.

Revenue from inter-segment transactions and transfers is based primarily on prevailing market prices.

(2) Figures of revenue and income (loss) by reportable segment
 FYE2023 (April 1, 2022 to March 31, 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	420,452	303,090	272,888	159,965	30,190	1,186,587	95	1,186,683
Revenue from inter-segment transactions and transfers	13,694	21,377	236	3,334	17	38,660	(38,660)	—
Total	434,147	324,468	273,125	163,300	30,207	1,225,248	(38,564)	1,186,683
Segment income (Note 2)	31,680	37,074	34,904	15,465	6,021	125,146	(2,021)	123,124
Other items								
Depreciation and amortization	19,111	40,669	35,061	9,317	1,471	105,631	99	105,731
Impairment loss	—	—	2,138	1	—	2,140	—	2,140
Share of profit of investments accounted for using the equity method	177	—	52	297	3,171	3,698	(0)	3,698

Note: 1. The negative adjustment of (¥2,021) million for segment income is comprised of (¥743) million of intersegment eliminations and companywide expenses of (¥1,278) 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.

FYE2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts on the Consolidated Statement of Income
	Japan	United States	Europe	Asia & Oceania	Thermos	Total		
Revenue								
Revenue from external customers	414,365	347,054	302,477	160,327	30,765	1,254,990	90	1,255,081
Revenue from inter-segment transactions and transfers	16,583	24,290	438	2,983	17	44,313	(44,313)	—
Total	430,948	371,344	302,916	163,310	30,783	1,299,303	(44,222)	1,255,081
Segment income (Note 2)	42,998	50,004	53,259	15,948	5,566	167,777	(1,780)	165,996
Other items								
Depreciation and amortization	18,260	43,369	38,889	10,298	1,562	112,380	60	112,440
Impairment loss	—	—	954	63	—	1,017	—	1,017
Share of profit of investments accounted for using the equity method	211	—	507	429	2,856	4,005	1	4,006

Note: 1. The negative adjustment of (¥1,780) million for segment income is comprised of (¥313) million of intersegment eliminations and companywide expenses of (¥1,467) 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 profit before income taxes is made as shown below.

(Millions of yen)

	FYE2023 (April 1, 2022 to March 31, 2023)	FYE2024 (April 1, 2023 to March 31, 2024)
Segment income	123,124	165,996
Gains on loss of control	—	8,892
Proceeds from sale of fixed assets	615	—
Loss on liquidation of subsidiaries and associates	—	(883)
Loss on arbitration award	(3,520)	—
Share of profit of investments accounted for using the equity method	(144)	—
Impairment loss	—	(1,514)
Other	(549)	(449)
Operating income	119,524	172,041
Finance income	2,182	4,391
Finance costs	(16,203)	(25,711)
Profit before income taxes	105,503	150,720

(Per share information)

Basic earnings per share and the calculation basis are as follows.

	FYE2023 (April 1, 2022 to March 31, 2023)	FYE2024 (April 1, 2023 to March 31, 2024)
Net income attributable to owners of parent (¥ million)	73,080	105,901
Average number of shares during the term (thousand shares)	432,812	432,859
Basic earnings per share (yen)	168.85	244.66

Note: Diluted earnings per share are not listed as there are no dilutive shares.

(Significant subsequent events)

Not applicable.

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