



NIPPON SANZO HOLDINGS

Q3 FYE2024 Consolidated Financial Results

Earnings Announcement

(Nine months ended December, 2023)

February 2, 2024
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>

		Average Forex rates									(Reference) Currency sensitivity as rough indication		
		FYE2023				FYE2024				FYE2024	Impact of devaluation by 1 JPY (Full-term basis)		
Unit : JPY Currency	1Q (Apr.-Jun.)	1st Half (Apr.-Sep.)	9M (Apr.-Dec.)	Full-term (Apr.-Mar.)	1Q (Apr.-Jun.)	1st Half (Apr.-Sep.)	9M (Apr.-Dec.)	Full-term (Apr.-Mar.)	Full-term Assumption (Apr.-Mar.)	Unit : ¥ bn.	Revenue	Core Operating Income	
USD	131.25	135.30	136.85	136.00	139.63	142.61	143.78		142.61	USD	+2.2	+0.28	
EUR	138.75	139.14	140.83	141.62	151.89	154.81	156.24		154.81	EUR	+1.9	+0.25	
SGD	94.97	97.12	98.61	99.05	103.66	105.79	106.90		105.79				
AUD	92.52	93.51	93.16	92.67	91.94	93.44	94.47		93.44				
CNY	19.71	19.91	19.81	19.71	19.67	19.87	20.01		19.87				

● Presentation of overall business performance and segment performance

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

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- 3. FYE2024 Full-term Forecast**

Appendix

1. Strategic overview

Key Highlights

- ✓ Enhance **profitability**
- ✓ **Continue disciplined** price management
- ✓ Seize business opportunities in the **Electronics industry**
- ✓ **Explore new fields** where we can perform our strengths
- ✓ Closer contact with customers to **deliver solutions**

Our Medium-term Management plan:

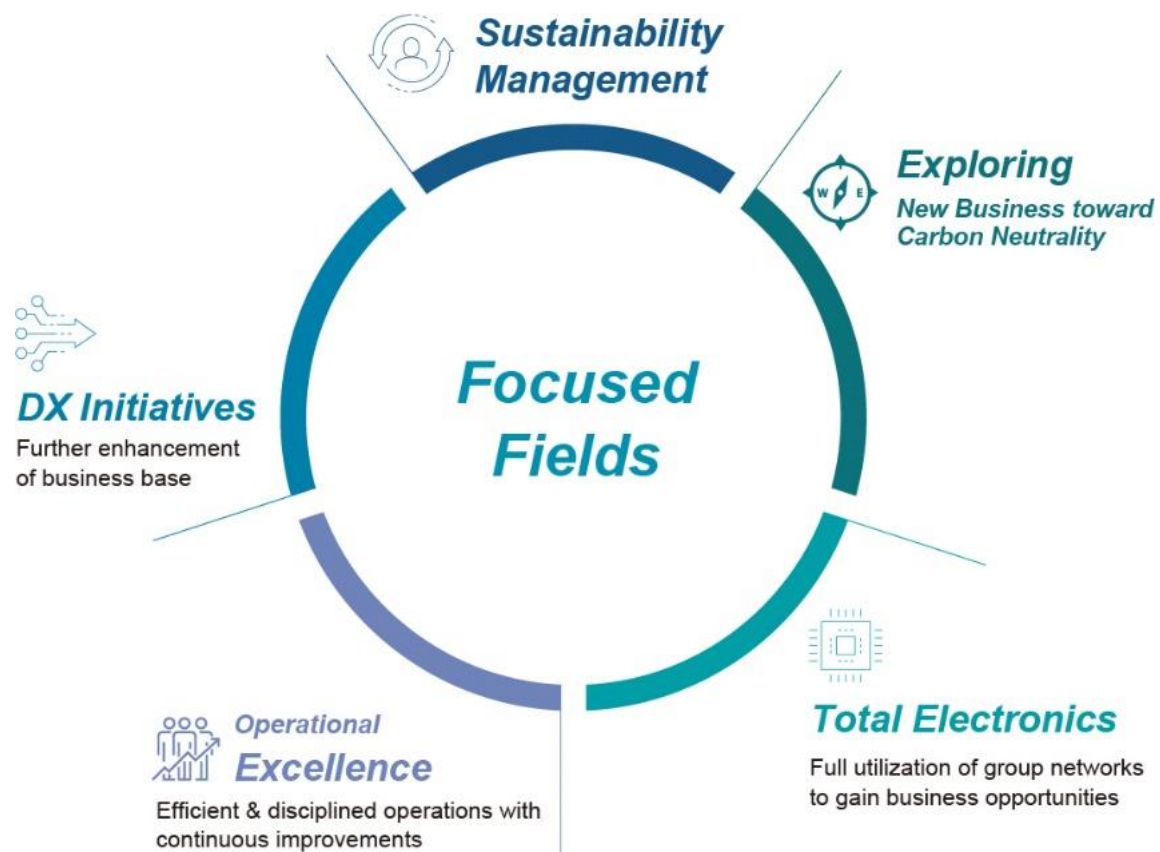
NS Vision 2026 | Enabling the Future

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.



Group's integrated strength: Operational Excellence

Holding Company Structure has enabled inter-regional collaboration which is progressing steadily with positive results.

Aim of the Holding Company Management

- ① Timely decision-making through authority delegation, and appropriate management resource allocation
- ② Greater clarity in business execution responsibilities and performance
- ③ Enhance the group's comprehensive capabilities by sharing regional strengths and advantages



Segments share, learn, and modify best business practices & operational excellence activities

	Inter-regional	Key Features
Industrial gases business	Common feature	<ul style="list-style-type: none"> • Value provided: Reliable gas supplier and robust supply network • Local production for local consumption: Businesses located in consumption areas • Product characteristics: Difficult to differentiate. Customer relationships, technology, applications and responsiveness are critical. • Supply mode: On-site, bulk, and packaged • Cost structure: Electricity costs (gas production cost) and distribution costs account for a significant portion of cost stack.
	Characteristic feature	<ul style="list-style-type: none"> • Business Composition: Sales Composition by Products and Industries • Business Environment: Market Growth potential • Sales strategy: Relationship with customers (historical background, position, etc.) • Business density: The density of the supply network in each area • Business Practices: Contract terms and scopes, etc.

Improve profitability of Japan business

: Milestone of Operational Excellence

We focus on maximizing the value of our contribution to our customers so that we achieve sustainable profitable growth by promoting "Grow further," "Enhance the value contributed to customers," and "Price management".

Japan business
(TNSC) **Group vision**

As **The Gas Professionals**, starting from industrial gas, we will continue to be a company that maximizes the potential of gas and contributes to the development of all industries and solutions of social issues.

TAIYO NIPPON SANSO
The Gas Professionals

Japan

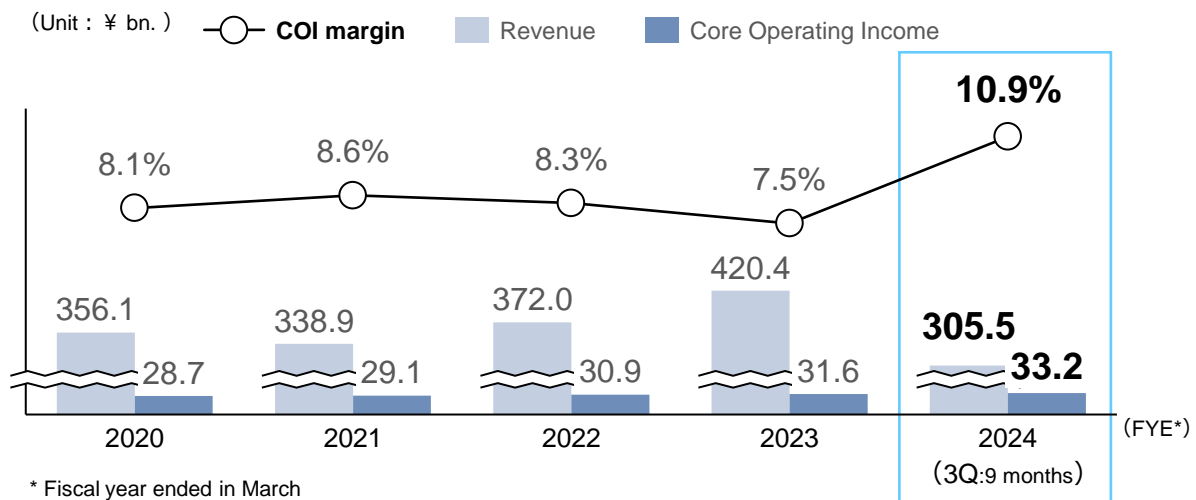
MATHESON
The Gas Professionals

The U.S.

NIPPON GASES
The Gas Professionals

Europe

Performance of Japan Business



In January 2023, a global cross-regional meeting on pricing actions was held to share the following items.

- Cost situation in each region
- Business practices
- Price management approach
- Policy on price-setting in each region

Stable Isotope (SI) Business in Japan

: Aiming for growth in resilient markets

In the resilient healthcare market, we expect growing demand for **Water-¹⁸O**; an SI of Oxygen, which was initially produced in 2004 using the world's first cryogenic distillation technology. We are the global leader in this niche market*¹.

The product is mainly used as a product material for PET diagnostics*² and new application opportunities are expected.

World's Largest Manufacturer of Oxygen Isotopes: TNSC

Ship globally to more than **40** countries and regions with an annual production capacity of more than **600kg**



Unit 1 (Goi, Chiba Pref.)



Unit 2 (Sodegaura, Chiba Pref.)



Unit 3 (Shunan, Yamaguchi Pref.)

• History of Stable Isotope (SI) Business

1986	SI business founded (Former NIPPON SANSO Ltd.)
2004	Began production of Water- ¹⁸ O using proprietary cryogenic distillation technology (World's first)
2019	Succeeded in producing Water- ¹⁷ O (application: ¹⁷ O-MRI diagnosis) (Japan's first)



Filling operation



Product container

*1 According to our research (based on production and shipment volume). The global market size is estimated at approx. ¥6 bn.

*2 PET diagnostics: Positron Emission Tomography diagnostics

Contributing to people's health

: Through Reliable supply of Water-¹⁸O, a raw material for PET diagnostic reagents

¹⁸F-FDG* PET diagnosis (examination) is a reagent labeled with a positron-emitting radioisotope administered to the human body, and the distribution of radioactivity and its time course is photographed from outside the body with a dedicated camera. Until now, this test has been performed mainly for malignant tumors (Cancer), but its use is expanding to the diagnosis of Alzheimer's disease (amyloid PET diagnostic) as well as Cardiac disease.

PET diagnostic

A type of diagnostic imaging.
A radioactive diagnostic reagent is administered into the body, and then analyzed and diagnosed by imaging.

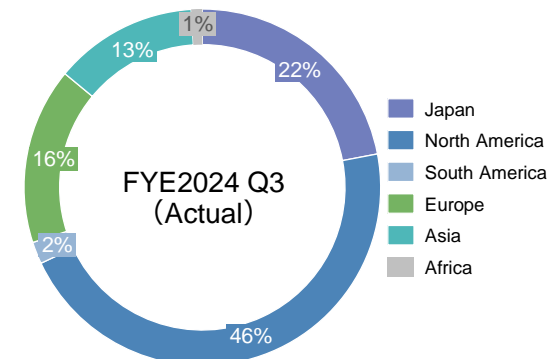
- Subject to diagnosis {
- Malignant tumors (Cancer)
 - Alzheimer's disease
 - Cardiac diseases

Production Method of Diagnostic reagents **¹⁸F-FDG***

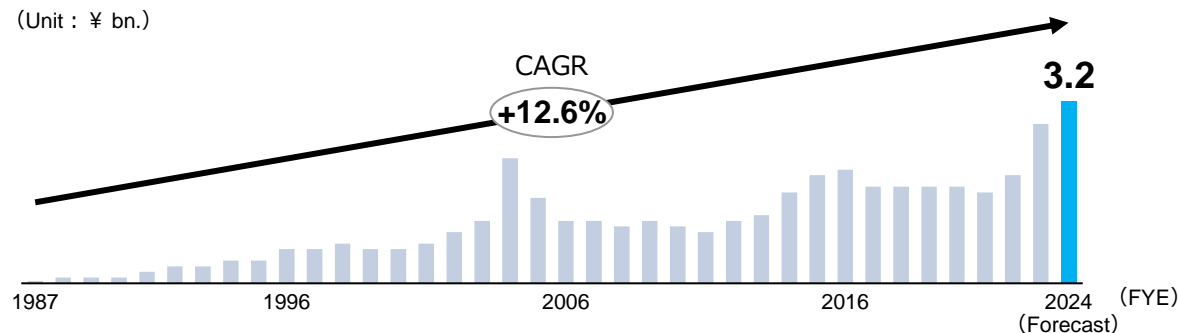
- ¹⁸F (radioactive isotope) is produced by nuclear reaction of Water-¹⁸O (raw material) produced by adding H₂ to the ¹⁸O.
- Then, the synthesized and labeled reagents are administered to the body

Sales performance

Global Market share
40% or more
(Our estimation)
share No**1**



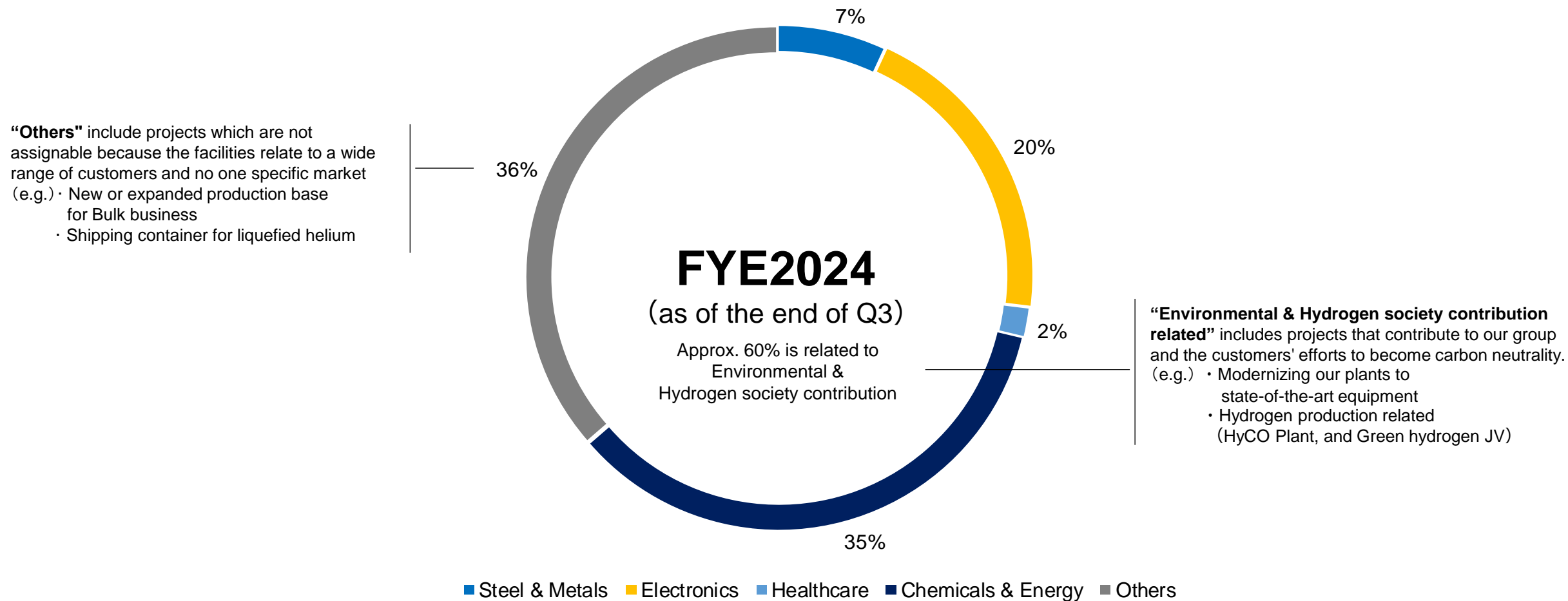
Overall Stable Isotope Business Sales Trends



* Diagnostic reagents **¹⁸F-FDG**: Fluorodeoxyglucose, a drug that closely resembles glucose and is used as an indicator of glucose metabolism

Key CAPEX for our sustainable growth

Significant investment opportunities; diversified capital portfolio; aligned with our NS Vision 2026.



Note that the above is an aggregation of investments that 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.

2. Q3 FYE2024

Business performance

-1. Q3 performance (Oct. - Dec.)

Consolidated results

	FYE2023	FYE2024	YoY		% Change exc. FX
	Q3 (Oct.-Dec.)	Q3 (Oct.-Dec.)	Difference	% Change	
(Unit: ¥ bn.)					
Revenue	299.3	316.0	+16.7	+5.6%	+1.3%
Core operating income	31.3	43.0	+11.7	+37.3%	+30.3%
Core OI margin	10.5%	13.6%			
Non-recurring profit and loss	-0.8	-0.4	+0.4		
Operating income (IFRS)	30.5	42.6	+12.1	+39.6%	
OI margin	10.2%	13.5%			
EBITDA margin	19.4%	22.5%			
Finance costs	-5.4	-5.9	-0.5		
Income before income taxes	25.1	36.6	+11.5	+46.1%	
Income tax expenses	7.1	11.0	+3.9		
Net income	17.9	25.6	+7.7	+42.4%	
(Attribution of net income)					
Net income attributable to owners of the parent	17.2	24.8	+7.6	+44.0%	
NI margin	5.8%	7.9%			
Net income attributable to non-controlling interests	0.7	0.7	+0.0		

Japan

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	
	Q3 (Oct.- Dec.)	Q3 (Oct.- Dec.)		% Change	% Change <i>exc. FX</i>
Revenue	106.1	103.3	-2.8	-2.6%	-2.7%
Segment income	7.4	11.9	+4.5	+60.9%	+60.4%
Segment OI margin	7.0%	11.5%			
EBITDA margin	11.5%	15.9%			

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

- Lower shipment volumes of core products such as air separation gases, and LP gas.
- Sales price revisions against the backdrop of rising costs.
- Shipment volumes of electronic material gases were soft.
- Both Industrial Gases-related and Electronics-related equipment and installation were firm.
- Decrease in revenue due to conversion from on-site production facility to a joint operation entity (June 30, 2023).

United States

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	% Change exc. FX
	Q3 (Oct.- Dec.)	Q3 (Oct.- Dec.)		% Change	
Revenue	77.6	87.6	+10.0	+12.9%	+8.1%
Segment income	10.0	12.4	+2.4	+24.0%	+18.3%
Segment OI margin	12.9%	14.2%			
EBITDA margin	26.2%	26.7%			

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

- Shipment volumes of core products such as air separation gases were flat.
- Sales price revisions and productivity initiatives.
- In equipment and installation, the revenue declined in industrial gas-related (Hard goods: Welding and Cutting-related items).

Europe

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	
	Q3 (Oct.- Dec.)	Q3 (Oct.- Dec.)		% Change	% Change <i>exc. FX</i>
Revenue	66.9	75.7	+8.8	+13.1%	+2.7%
Segment income	9.4	13.2	+3.8	+39.9%	+26.1%
Segment OI margin	14.2%	17.5%			
EBITDA margin	27.4%	30.3%			

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

- Increase shipment volumes of core products such as air separation gases.
- Sales price revisions along with productivity and cost reduction efforts.
- Strong sales of gas-related equipment and medical-related equipment.



Asia & Oceania

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	% Change exc. FX
	Q3 (Oct.- Dec.)	Q3 (Oct.- Dec.)		% Change	
Revenue	41.0	41.3	+0.3	+0.8%	-4.0%
Segment income	3.3	4.0	+0.7	+21.2%	+16.0%
Segment OI margin	8.2%	9.9%			
EBITDA margin	14.1%	16.3%			

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

- Slightly lower shipment volumes of core products such as air separation gases.
- Sales price revisions against the backdrop of rising costs and other factors.
- In LP gas, of which a large portion of sales are in the Australia region, sales volumes declined.
- Shipment volumes of electronic material gas were soft.

Thermos

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	% Change exc. FX
	Q3 (Oct.- Dec.)	Q3 (Oct.- Dec.)		% Change	
Revenue	7.4	7.8	+0.4	+4.8%	+3.7%
Segment income	1.1	1.4	+0.3	+26.0%	+23.1%
Segment OI margin	15.6%	18.8%			
EBITDA margin	20.7%	23.8%			

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

- In Japan, revenue from Portable vacuum-insulated mugs was favorable.
- Overseas, revenue from Korean sales companies and Asian production plants was firm, but sales conditions at equity-method affiliates were soft.
- Production costs increased mainly due to the weak JPY.

2. Q3 FYE2024

Business performance

-2. Nine months Cumulative performance

Consolidated results

	FYE2023	FYE2024	YoY		% Change exc. FX
	9M	9M	Difference	% Change	
(Unit: ¥ bn.)	(Apr.- Dec.)	(Apr.- Dec.)			
Revenue	873.0	928.6	+55.6	+6.4%	+1.9%
Core operating income	87.5	124.7	+37.2	+42.5%	+35.1%
Core OI margin	10.0%	13.4%			
Non-recurring profit and loss	-3.1	-0.5	+2.6		
Operating income (IFRS)	84.3	124.2	+39.9	+47.2%	
OI margin	9.7%	13.4%			
EBITDA margin	19.1%	22.4%			
Finance costs	-9.6	-15.9	-6.3		
Income before income taxes	74.7	108.2	+33.5	+44.8%	
Income tax expenses	20.3	32.1	+11.8		
Net income	54.4	76.0	+21.6	+39.8%	
(Attribution of net income)					
Net income attributable to owners of the parent	52.4	73.3	+20.9	+40.1%	
NI margin	6.0%	7.9%			
Net income attributable to non-controlling interests	2.0	2.6	+0.6		
Forex (Unit: JPY)	USD	136.85	143.78		
(average rate during the period)	EUR	140.83	156.24		
	AUD	93.16	94.47		

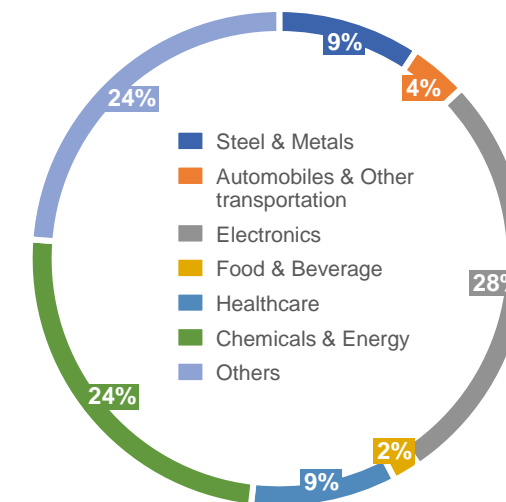


Japan

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	
	9M (Apr.- Dec.)	9M (Apr.- Dec.)		% Change	% Change <i>exc. FX</i>
Revenue	300.5	305.5	+5.0	+1.7%	+1.6%
Segment income	20.1	33.2	+13.1	+65.2%	+64.8%
Segment OI margin	6.7%	10.9%			
EBITDA margin	11.5%	15.4%			

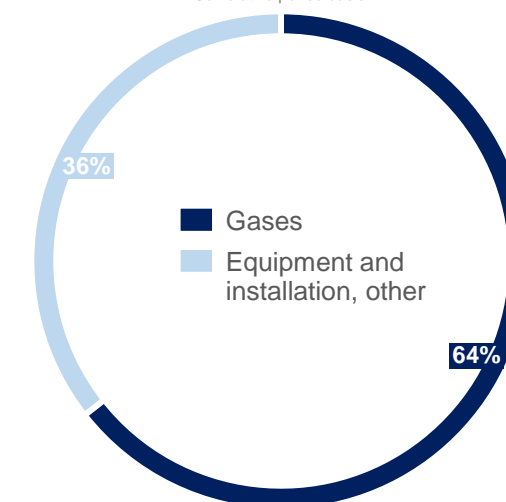
By Industry

Cumulative period basis



By Product

Cumulative period basis

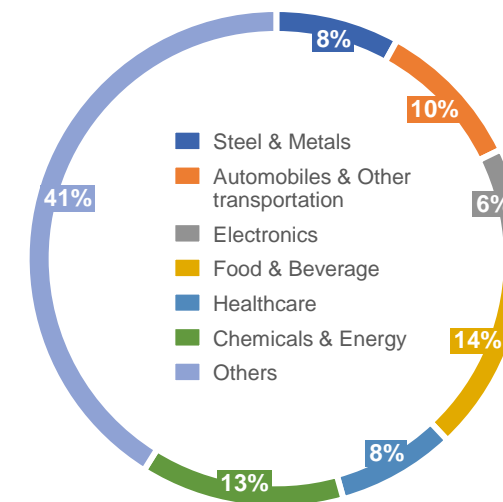


United States

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	
	9M (Apr.- Dec.)	9M (Apr.- Dec.)		% Change	% Change <i>exc. FX</i>
Revenue	223.6	257.1	+33.5	+15.0%	+9.5%
Segment income	26.0	35.8	+9.8	+37.5%	+30.6%
Segment OI margin	11.7%	13.9%			
EBITDA margin	25.4%	26.5%			

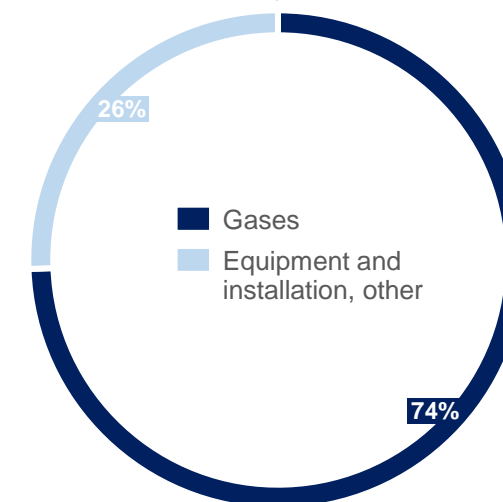
By Industry

Cumulative period basis



By Product

Cumulative period basis

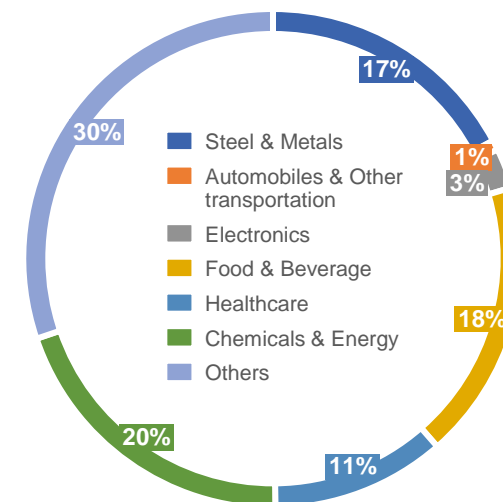


Europe

(Unit: ¥ bn.)	FYE2023	FYE2024	YoY		
	9M (Apr.- Dec.)	9M (Apr.- Dec.)	Difference	% Change	% Change <i>exc. FX</i>
Revenue	203.3	223.1	+19.8	+9.8%	-1.1%
Segment income	25.3	39.6	+14.3	+56.1%	+40.4%
Segment OI margin	12.5%	17.8%			
EBITDA margin	25.2%	30.5%			

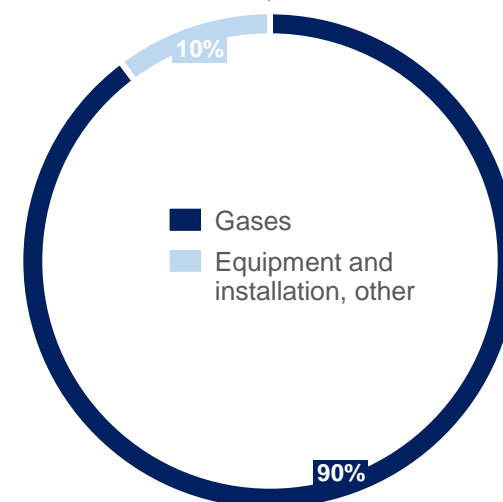
By Industry

Cumulative period basis



By Product

Cumulative period basis

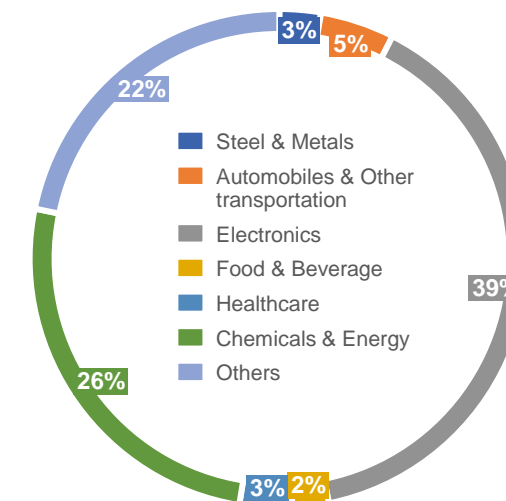


Asia & Oceania

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	% Change <i>exc. FX</i>
	9M (Apr.- Dec.)	9M (Apr.- Dec.)		% Change	
Revenue	122.8	119.5	-3.3	-2.7%	-6.1%
Segment income	12.3	12.6	+0.3	+2.8%	-0.0%
Segment OI margin	10.0%	10.6%			
EBITDA margin	15.7%	16.9%			

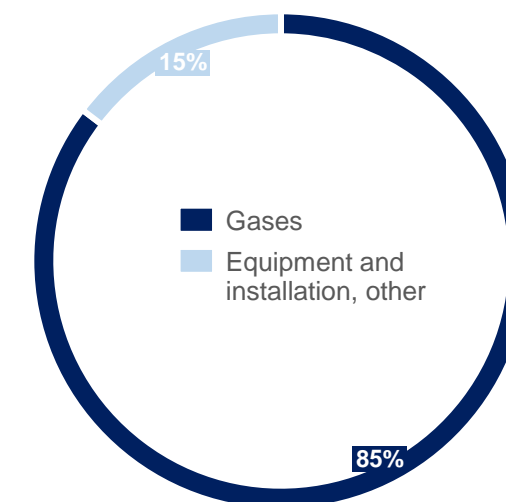
By Industry

Cumulative period basis



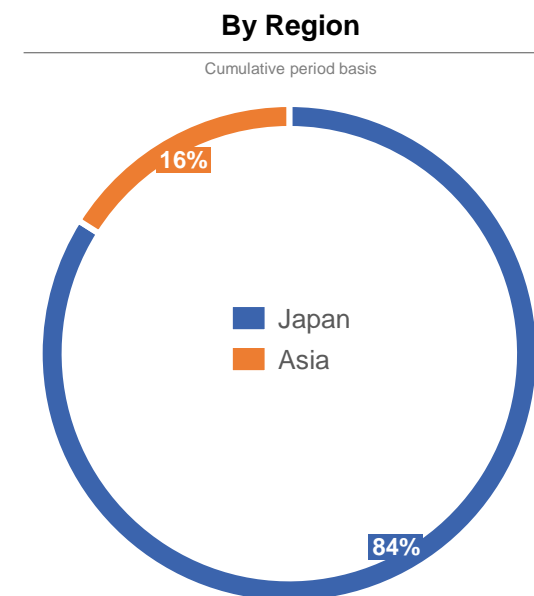
By Product

Cumulative period basis



Thermos

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	
	9M (Apr.- Dec.)	9M (Apr.- Dec.)		% Change	% Change <i>exc. FX</i>
Revenue	22.6	23.1	+0.5	+2.3%	+1.5%
Segment income	4.4	4.3	-0.1	-3.1%	-6.0%
Segment OI margin	19.8%	18.7%			
EBITDA margin	24.6%	23.7%			



3. FYE2024 Full-term forecast

Consolidated forecast

	FYE2023	FYE2024	YoY		% Change exc. FX
	Full-term	Full-term forecast	Difference	% Change	
(Unit: ¥ bn.)		(Announced on October 31, 2023)			
Revenue	1,186.6	1,230.0	+43.4	+3.7%	-0.1%
Core operating income	123.1	155.0	+31.9	+25.9%	+20.4%
Core OI margin	10.4%	12.6%			
Non-recurring profit and loss	-3.5	8.0	+11.5		
Operating income (IFRS)	119.5	163.0	+43.5	+36.4%	
OI margin	10.1%	13.3%			
EBITDA margin	19.3%	21.6%			
Finance costs	-14.0	-24.0	-10.0		
Income before income taxes	105.5	139.0	+33.5	+31.7%	
Income tax expenses	29.5	38.5	+9.0		
Net income	75.9	100.5	+24.6	+32.3%	
(Attribution of net income)					
Net income attributable to owners of the parent	73.0	97.0	+24.0	+32.7%	
NI margin	6.2%	7.9%			
Net income attributable to non-controlling interests	2.8	3.5	+0.7		
Forex (Unit: JPY)					
USD	136.00	142.61			
(average rate during the period)					
EUR	141.62	154.81			
AUD	92.67	93.44			

Total Forex impact for FYE2024 Full-term forecast : Positive impacts of ¥ 44.9 bn. on revenue and ¥ 5.6 bn. on core operating income.

The Gas Professionals

Q&A Session



Representative Director,
President CEO

Toshihiko Hamada



Senior Executive Officer,
Group Finance &
Accounting Office,
and CFO

Alan Draper



Senior Executive Officer,
Group Corporate Planning
Office

Tsutomu Moroishi



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

Takeshi Miki



General Manager,
Investor relations,
Group Finance &
Accounting Office

Keita Kajiyama



General Manager,
Accounting,
Group Finance &
Accounting Office

Takashi Yoshida

Appendix

Corporate Information

(As of March 31, 2023)

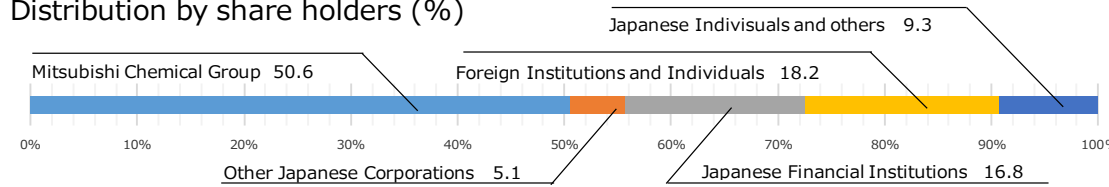
Company Name	Nippon Sanso Holdings Corporation
Founded	October 30, 1910
Headquarters	1-3-26 Koyama Shinagawa-ku, Tokyo 142-0062, Japan
TEL	81-3-5788-8500
Representative	Representative Director, President CEO
Common stock	Toshihiko Hamada
	37.3 billion yen

Stock information

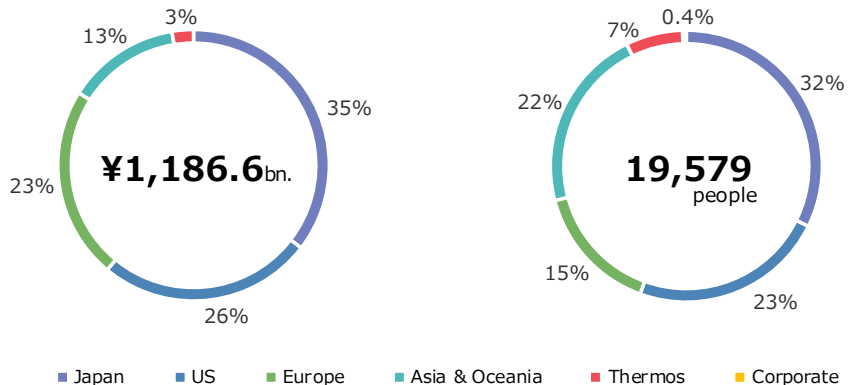
(As of September 30, 2023)

Number of shares	433,092,837
Number of shareholders	13,269
Listed stock exchanges	Tokyo Stock Exchange Prime Market
Ticker	4091.T

Distribution by share holders (%)



Revenue / Employee personnel by Segment (As of March 31, 2023)



Corporate Philosophy

Group Philosophy

Proactive. Innovative. Collaborative.

Making life better through gas technology.

The Gas Professionals

Group Vision

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

Main Core business

Industrial Gas business



Electronics business



Thermos business



FYE2024 Financial Forecast (IFRS)

Revenue	¥1,230.0 bn.	Net income attributable to owners of the parent	¥97.0 bn.
Operating income	¥163.0 bn.	EPS	¥224.09

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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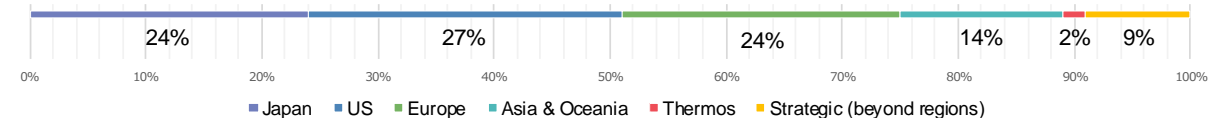
<HR>

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

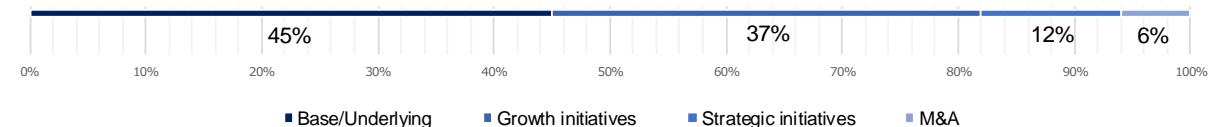
Capital allocation

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

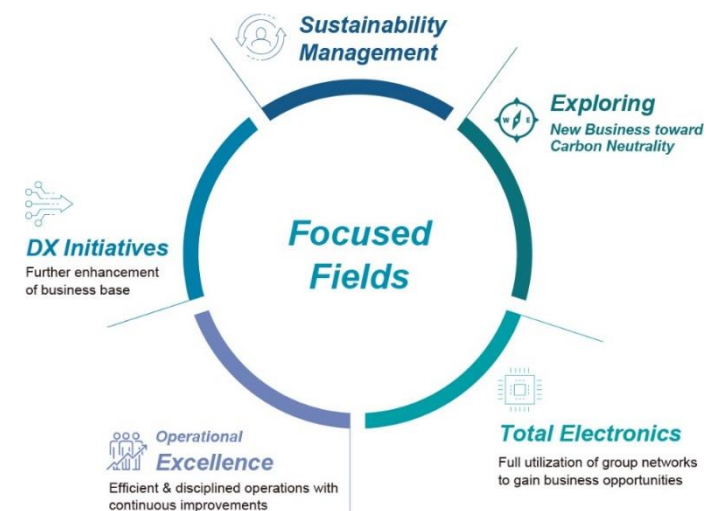
Composition ratio by Business



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.

	FYE2023 9M	FYE2024 9M	YoY Difference
(Unit: ¥ bn.)			
Core operating income	87.5	124.7	+37.2
Non-recurring profit and loss	-3.1	-0.5	+2.6
Operating income (IFRS)	84.3	124.2	+39.9

Items (Unit : ¥ bn.)

FYE2023 9M result		FYE2024 9M result	
Item	Amount	Item	Amount
Arbitration of Leasing facilities dispute (United States)	-3.5	Impairment loss due to exit of Asia business	-0.5
Gain on sales of overseas land (Asia&Oceania)	0.5		
Restructuring-related expenses for the alfi business (Thermos)	-0.3		
Others (Japan)	0.1		
Total	-3.1	Total	-0.5

Key performance indicators

Item	Unit	FYE2023 9M	FYE2024 9M	FYE2023 Full-term
Basic earnings per share	JPY	121.07	169.56	168.85
Overseas sales ratio	%	64.0	65.6	63.0
ROE	%	—	—	10.8
ROCE	%	—	—	7.6
ROCE after Tax	%	—	—	5.4
Annual dividends per share	JPY	—	—	38
Dividend payout ratio	%	—	—	22.5
CAPEX(fund basis) & Investments and loans	¥bn.	64.9	82.6	94.7
Depreciation and amortization	¥bn.	78.8	83.0	105.7
Free cash flow	¥bn.	44.2	47.4	89.8
Adjusted net D/E ratio	Times	0.89	0.73	0.81
Interest-bearing liabilities	¥bn.	954.2	1,036.2	941.7
Net interest-bearing liabilities	¥bn.	844.7	831.8	809.5



(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.)	FYE2023	FYE2024	YoY	
	9M	9M	Difference	% Change
Income before income taxes	74.7	108.2	+33.5	+44.8%
Depreciation and amortization	78.8	83.0	+4.2	
Changes in working capital	-36.0	-33.4	+2.6	
Others	-9.3	-26.7	-17.4	
Cash flows from operating activities	108.2	131.1	+22.9	+21.2%
Capital expenditures	-62.1	-80.1	-18.0	
Investments and loans	-2.7	-2.5	+0.2	
Others (asset sales, etc.)	0.9	-1.0	-1.9	
Cash flows from investing activities	-63.9	-83.6	-19.7	+30.8%
Free cash flow	44.2	47.4	+3.2	+7.2%
Cash flows from financing activities	-28.8	19.6	+48.4	—

Condensed consolidated statements of Financial position

(Unit : ¥ bn.)	FYE2023	FYE2024	YoY		FYE2023	FYE2024	YoY
	Q4	Q3	Difference		Q4	Q3	Difference
Cash and cash equivalents	132.2	204.3	+72.1	Trade payables	128.1	117.9	-10.2
Trade receivables	243.5	260.0	+16.5	Interest-bearing liabilities	941.7	1,036.2	+94.5
Inventories	97.6	107.5	+9.9	Others	330.9	368.5	+37.6
Others	53.7	83.4	+29.7	Total liabilities	1,400.9	1,522.6	+121.7
Total current assets	527.0	655.3	+128.3	Share capital and capital surplus, etc	626.5	671.8	+45.3
Property, plant and equipment	776.1	822.4	+46.3	Other components of equity	97.7	167.0	+69.3
Goodwill	513.6	552.4	+38.8	Equity attributable to			
Intangible assets	242.3	247.1	+4.8	owners of parent	724.3	838.9	+114.6
Others	99.7	114.8	+15.1	Non-controlling interests	33.6	30.6	-3.0
Total non-current assets	1,631.8	1,736.8	+105.0	Total equity	757.9	869.5	+111.6
Total assets	2,158.9	2,392.2	+233.3	Total liabilities and equity	2,158.9	2,392.2	+233.3

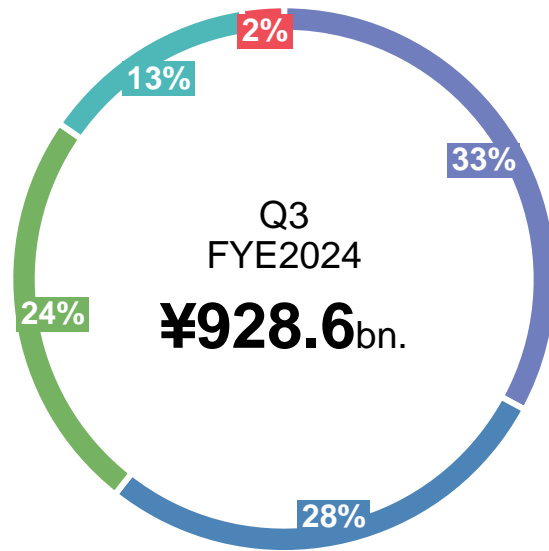
Note that foreign exchange rates resulted in an increase in both total assets and total liabilities and equity of approximately ¥119.7 billion. This mainly reflected foreign exchange rate changes, such as the JPY depreciation of ¥8.30 against the USD and the JPY depreciation of ¥11.40 against the EUR as of December 31, 2023, compared with the rates as of March 31, 2023.

Results overview by Segment

		FYE2023	FYE2024		YoY			% Change exc. FX
		9M (Apr.- Dec.)	9M (Apr.- Dec.)	Composition ratio	Difference	% Change	Forex impact	
(Unit: ¥ bn.)								
Japan	Revenue	300.5	305.5	32.9%	+5.0	+1.7%	+0.1	+1.6%
	Segment OI	20.1	33.2	26.7%	+13.1	+65.2%	+0.0	+64.8%
	Segment OI margin	6.7%	10.9%					
United States	Revenue	223.6	257.1	27.7%	+33.5	+15.0%	+11.3	+9.5%
	Segment OI	26.0	35.8	28.8%	+9.8	+37.5%	+1.3	+30.6%
	Segment OI margin	11.7%	13.9%					
Europe	Revenue	203.3	223.1	24.0%	+19.8	+9.8%	+22.2	-1.1%
	Segment OI	25.3	39.6	31.8%	+14.3	+56.1%	+2.8	+40.4%
	Segment OI margin	12.5%	17.8%					
Asia & Oceania	Revenue	122.8	119.5	12.9%	-3.3	-2.7%	+4.3	-6.1%
	Segment OI	12.3	12.6	10.2%	+0.3	+2.8%	+0.3	-0.0%
	Segment OI margin	10.0%	10.6%					
Thermos	Revenue	22.6	23.1	2.5%	+0.5	+2.3%	+0.1	+1.5%
	Segment OI	4.4	4.3	3.5%	-0.1	-3.1%	+0.1	-6.0%
	Segment OI margin	19.8%	18.7%					
Adjustment	Revenue	0.0	0.0	0.0%	-0.0	—		—
	Segment OI	-0.8	-1.0	-1.0%	-0.2	—		—
Consolidated total	Revenue	873.0	928.6	100.0%	+55.6	+6.4%	+38.2	+1.9%
	Core OI	87.5	124.7	100.0%	+37.2	+42.5%	+4.7	+35.1%
	Core OI margin	10.0%	13.4%					

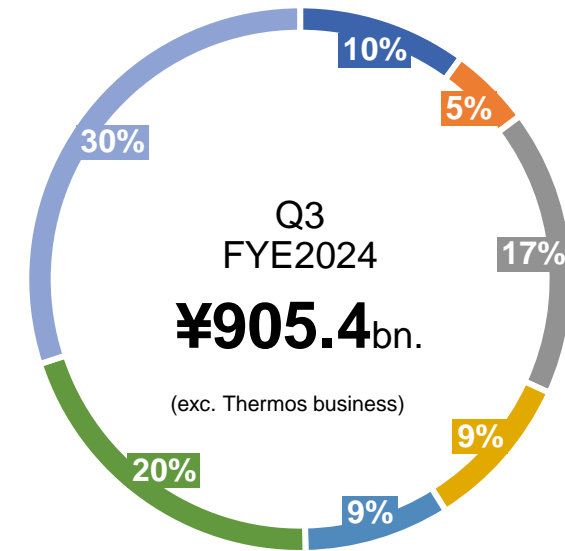
Revenue composition

By Segment



■ Japan
 ■ U.S.
 ■ Europe
 ■ Asia & Oceania
 ■ Thermos

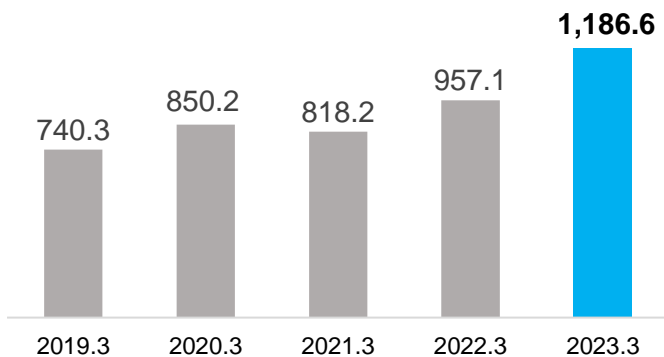
By Industry



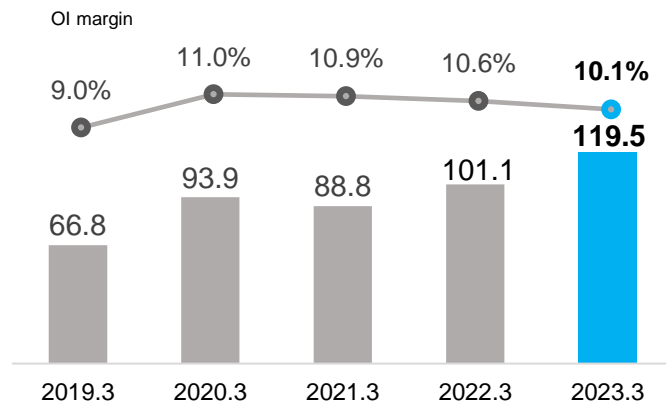
■ Steel & Metals
 ■ Healthcare
 ■ Automobiles & Other transportation
 ■ Chemicals & Energy
 ■ Electronics
 ■ Food & Beverage
 ■ Others

Business performance over the past five years

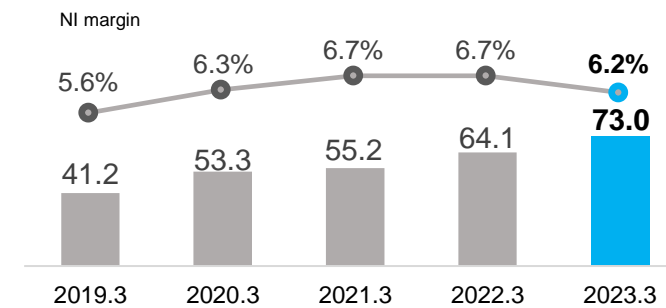
Revenue (¥ bn.)



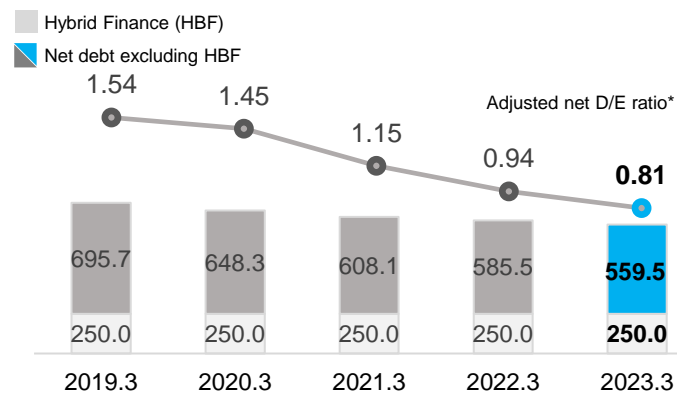
Operating income (IFRS) (¥ bn.)



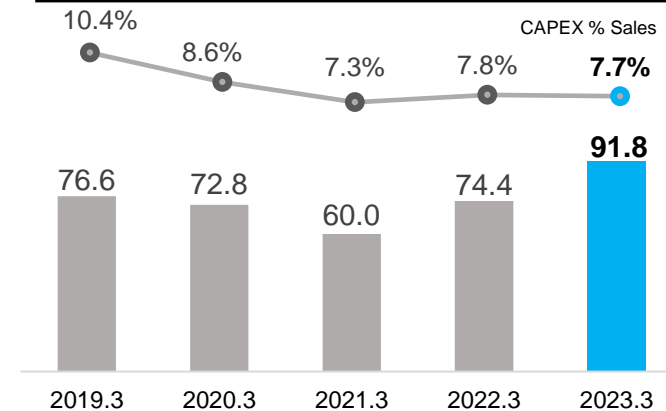
Profit attributable to owners of the parent (¥ bn.)



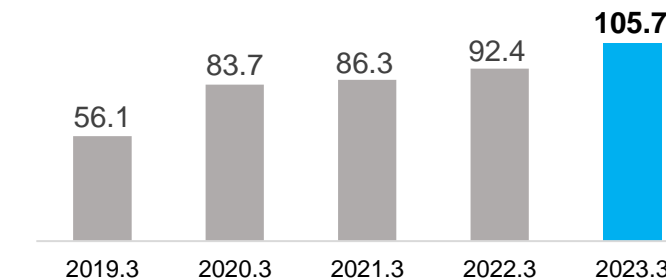
Net interest-bearing debts (¥ bn.)



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)

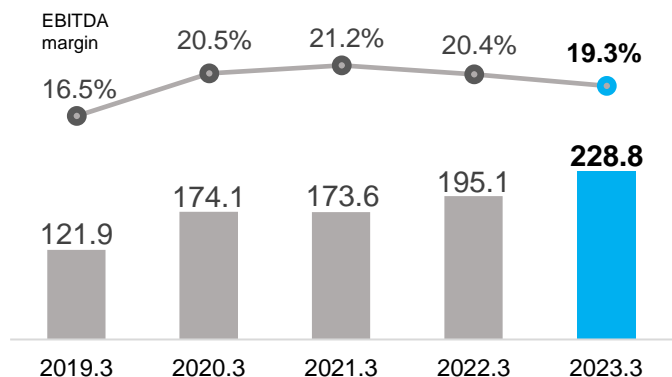
$$= \frac{\text{NOPAT (Net Operating Profit After Tax)}}{(\text{Interest-bearing debt} + \text{Total equity attributable to owners of parent})^*}$$

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

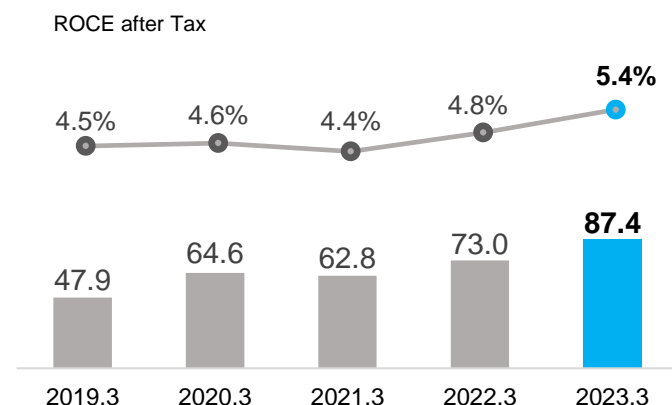
Indicator based on profitability and investment efficiency

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.

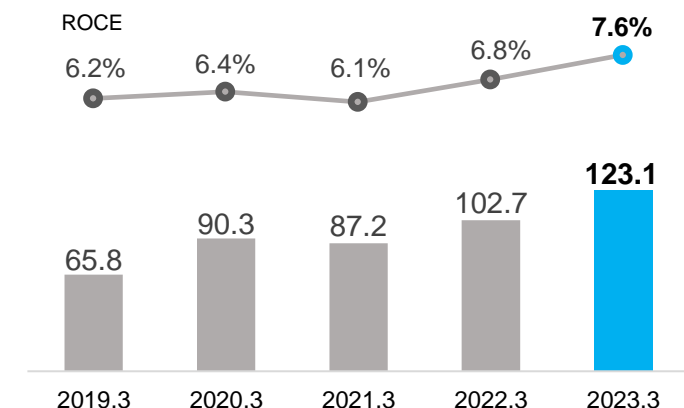
EBITDA margin and EBITDA (¥ bn.)



ROCE after Tax and NOPAT (¥ bn.)

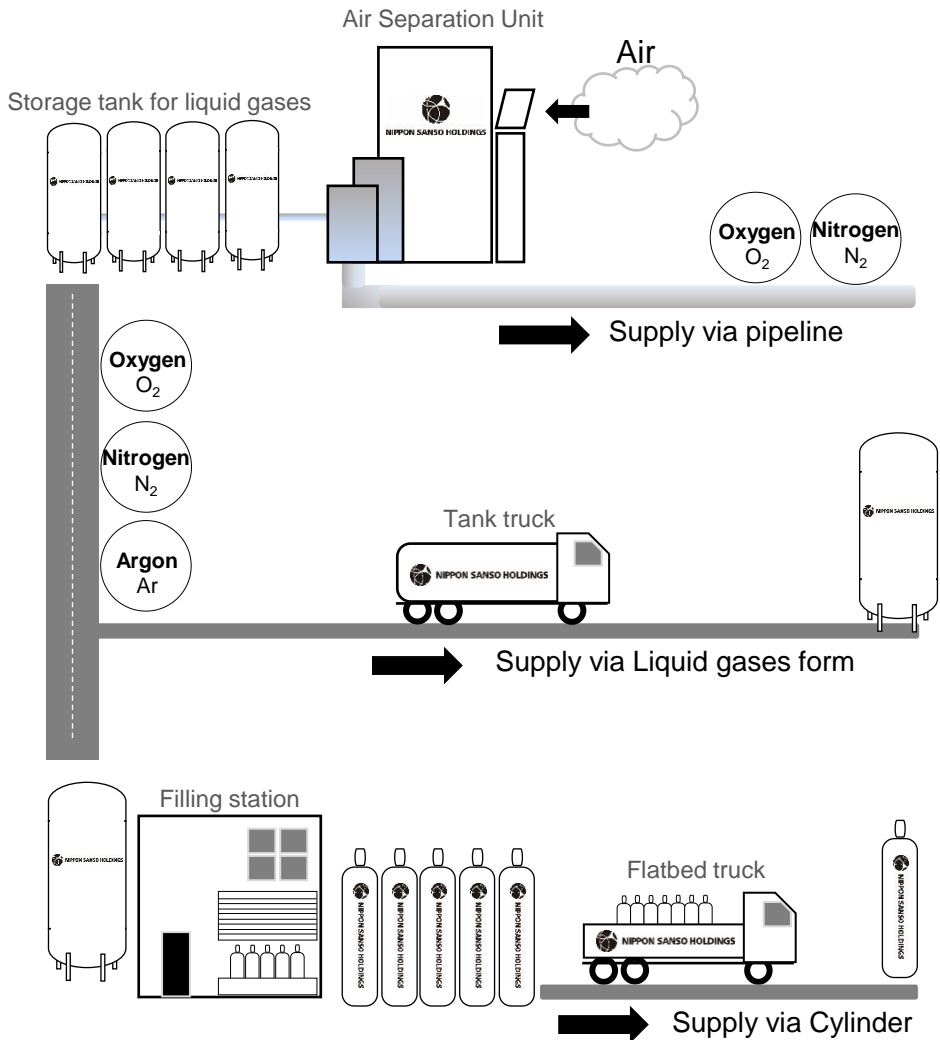


(Reference) ROCE and Core OI (¥ bn.)



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 Glass/Paper
Construction machinery Pharmaceutical Medical 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)

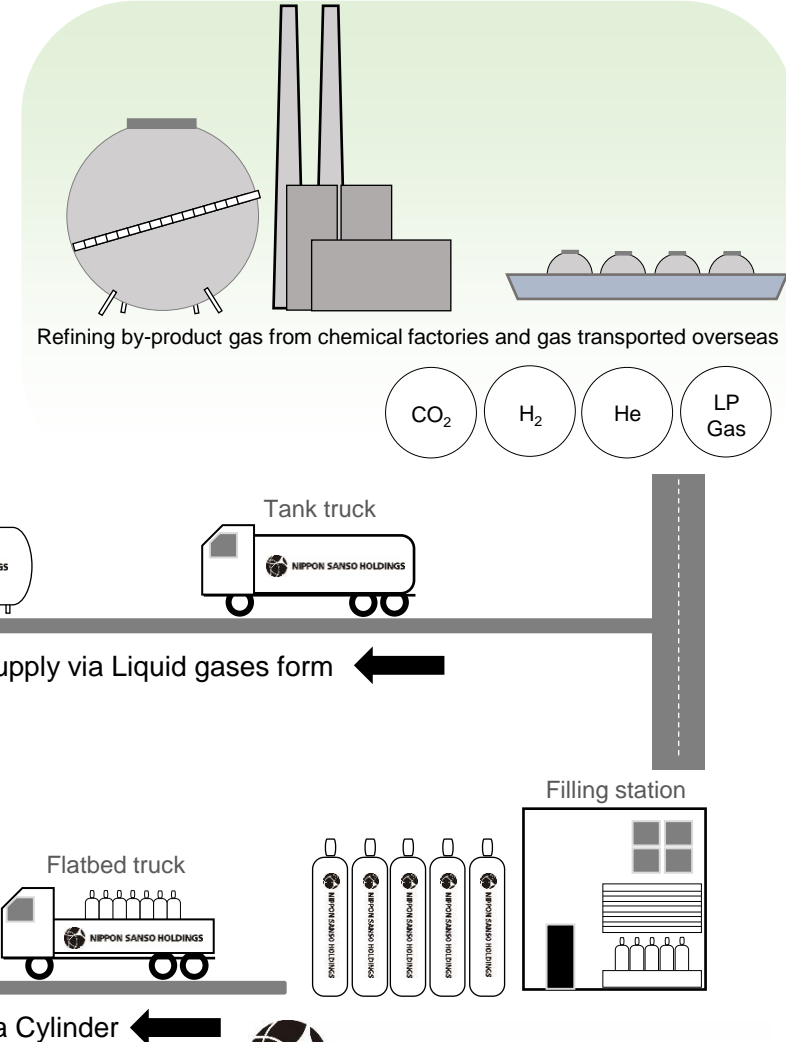
Packaged

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.



For further information, please contact:

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Upcoming IR events

FYE2024 Full-term Earnings Call

May 13, 2024

FYE2024 Full-term Earnings Presentation

May 22, 2024

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

NIPPON SANSO Holdings Corporation (Ticker:4091.T)

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





NIPPON SANZO HOLDINGS

The Gas Professionals

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