



NIPPON SANSO HOLDINGS

FYE2023 Full-term Earnings Presentation

(Fiscal year ended March 31, 2023)

May 19, 2023
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

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

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

<Forex rates>

		Average Forex rates									(Reference) Currency sensitivity as rough indication		
		FYE2022				FYE2023				FYE2024	Impact of devaluation by 1 JPY (Full-term basis)		
Unit : JPY		1Q	1st Half	9M	Full-term	1Q	1st Half	9M	Full-term	Full-term	Unit : ¥ bn.		
Currency		(Apr.-Jun.)	(Apr.-Sep.)	(Apr.-Dec.)	(Apr.-Mar.)	(Apr.-Jun.)	(Apr.-Sep.)	(Apr.-Dec.)	(Apr.-Mar.)	Assumption (Apr.-Mar.)	Currency	Revenue	Core Operating Income
										(Announced on May 11, 2023)			
	USD	109.76	110.10	111.45	113.04	131.25	135.30	136.85	136.00	130.00	USD	+2.2	+0.28
	EUR	132.44	131.16	130.96	131.11	138.75	139.14	140.83	141.62	140.00	EUR	+1.9	+0.25
	SGD	82.41	82.01	82.77	83.83	94.97	97.12	98.61	99.05	97.10			
	AUD	84.15	82.33	82.69	83.33	92.52	93.51	93.16	92.67	93.50			
	CNY	17.06	17.07	17.35	17.65	19.71	19.91	19.81	19.71	19.90			

- 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.

Agenda

1. FYE2023 Overview

(The first fiscal year in Our MTP; NS Vision 2026)

2. FYE2024 Business Plan

(The second fiscal year in Our MTP; NS Vision 2026)

3. Financial Profile

4. Q&A Session



Representative Director,
President CEO

Toshihiko Hamada



Executive Officer,
Group Finance &
Accounting Office, and CFO

Alan Draper

Opening remarks



Representative Director,
President CEO

Toshihiko Hamada

Our philosophy and vision

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.

Implement the “Five focused fields”

Our MTP; Medium-Term management Plan

NS Vision 2026 : Enabling the Future

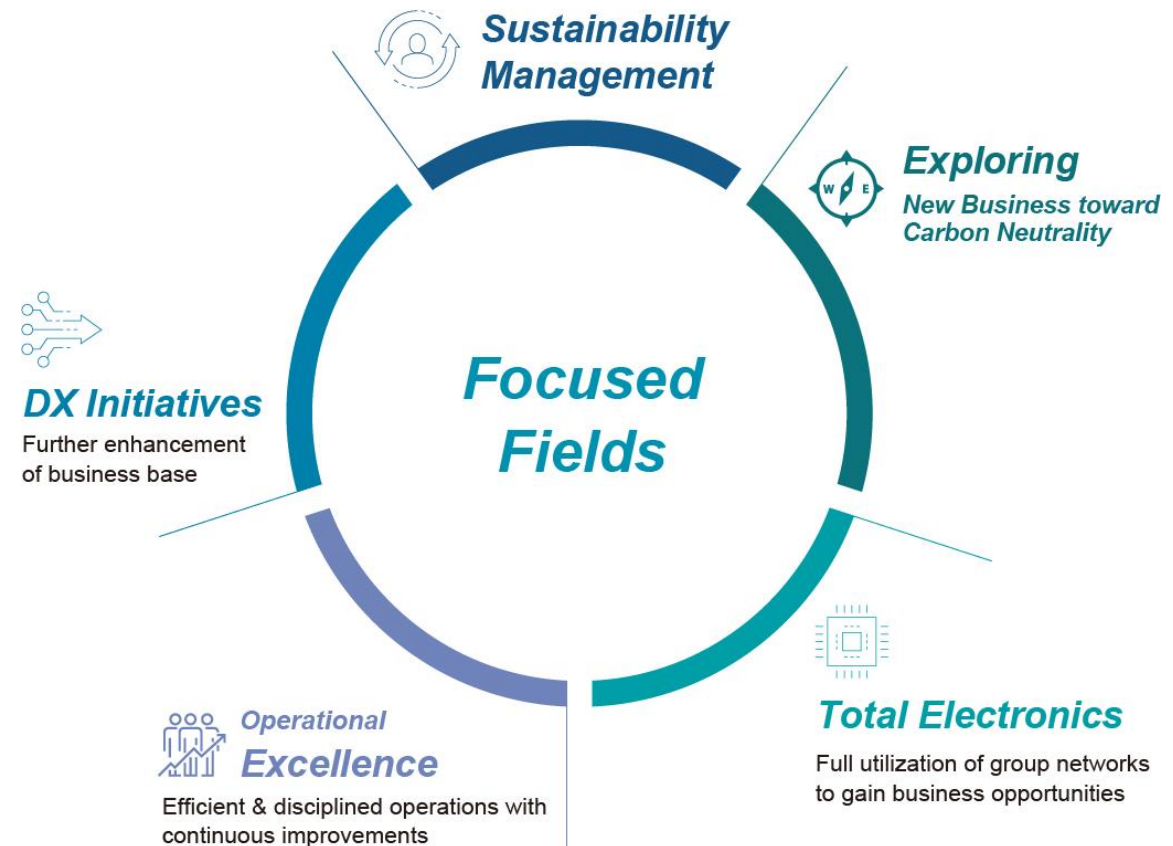
Slogan

We formulated our first MTP, NS Vision 2026, after the establishment of NSHD in Oct. 2020 with the vision that,

“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.”

Under the four global regions + Thermos business structure, we established five focused fields; Sustainability Management, Exploring New Business toward Carbon Neutrality (CN), Total Electronics, Operational Excellence, and DX Initiatives.

We will strengthen the group’s comprehensive capabilities and achieve further growth to provide a bright and comfortable future for people, society, and the Earth.



Toward the final fiscal year in NS Vision 2026



Revenue
 JPY 975.0-1,000.0
 Billion*

Core Operating Income
 JPY 125.0-135.0
 Billion*

EBITDA Margin
 Group:
 ≥24%
 Japan, the U.S., EU, A&O,
 Thermos:
 ≥17-33%

Adjusted net D/E Ratio
 ≤0.7

ROCE after Tax
 ≥6%

Environment

Reduction rate of GHG emissions (Base year: FYE2019)
 18% :FYE2026 32% :FYE2031

GHG reduced emissions through environmental product offer
 Lower customer GHG emissions through environmental product offerings and applications > NSHD group GHG emissions FYE2026

Safety Management

Lost Time Injury Rate
 ≤1.6
 FYE2026

HR

Rate of female employees
 ≥22% :FYE2026
 25% :FYE2031

Compliance

Rate of receiving compliance training
 100%
 FYE2026

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



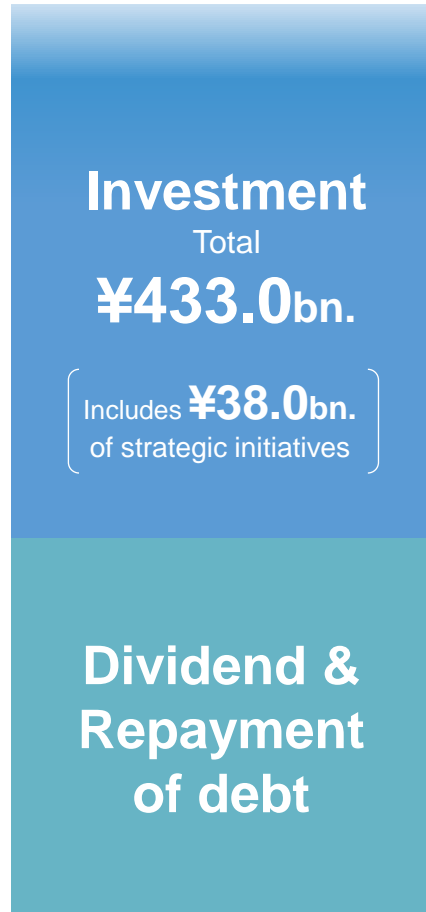
* Due to the uncertainty in the global economy, revenue and core operating income are shown in range.

Approach for Capital Allocation in NS Vision 2026

IN

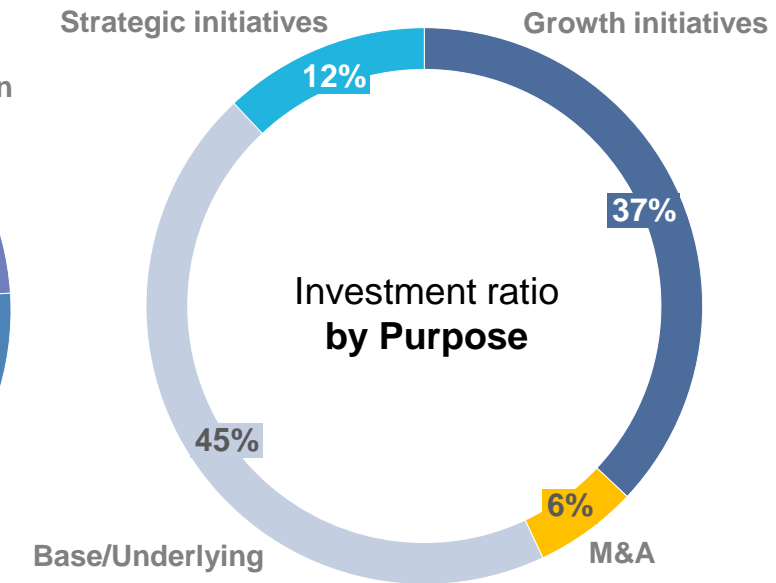
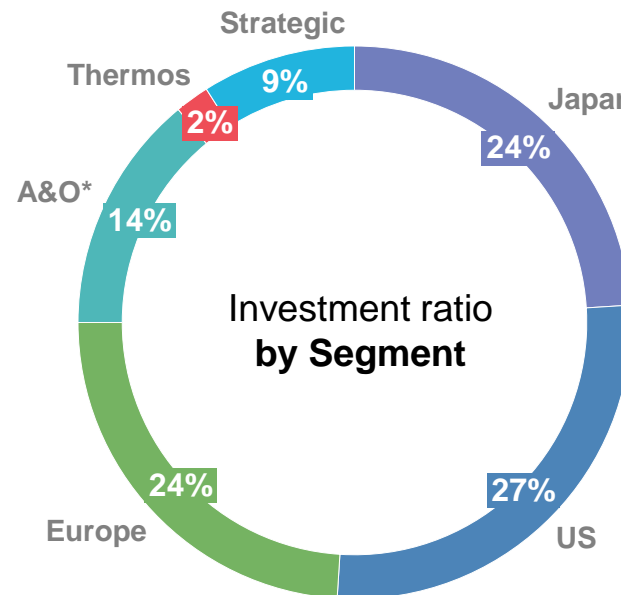


OUT



➤ **Strategic Investment for**

- **CN:** Carbon Neutral related initiatives
- **DX:** Digital Transformation initiatives



(Reference) Investment / revenue % by Segment

Japan: 7.4%, US: 10.5%, Europe: 12.9%, *Asia & Oceania: 11.1%, Thermos: 6.9%

Implement the Eight Non-financial programs

- 1 **CNP I** : Carbon Neutral Program I
- 2 **CNP II** : Carbon Neutral Program II
- 3 **ZWP**: Zero Waste Program
- 4 **SWP**: Sustainable Water Program
- 5 **SFP**: Safety First Program
- 6 **QRP**: Quality Reliability Program
- 7 **TDP**: Talent Diversity Program
- 8 **CPP**: Compliance Penetration Program

**FYE2026
Target**

Environment

<Environment>

- Reduction rate of GHG emissions (Base year: FYE2019^{*1}) 18%
down
- GHG reduced contribution exceeds GHG emission (Scope 1+2) X>Y
- Breakdown information (Unit: Thousands of tonnes CO₂e)
 - X: Lower customer GHG emissions through environmental product offerings and applications
 - Y: NSHD Group GHG emission (Scope 1+2)

Social

<Safety Management>

- Lost Time Injury Rate ≤1.6

<HR>

- Rate of female employees ≥22%
- Rate of female management posts ≥18%

Governance

<Compliance>

- Rate of receiving compliance training^{*2} 100%

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

*2 We began data collection from the previous fiscal year; FYE2023.

1. **FYE2023
Overview**

2. FYE2024
Business Plan

3. Financial Profile

4. Q&A Session

1. FYE2023 Overview

(The first fiscal year in Our MTP; NS Vision 2026)



Representative Director,
President CEO

Toshihiko Hamada

Summary: Progress toward Financial targets

Deal with cost increases



Both revenue and income increased, supported by demand from resilient markets, FX impact was significant due to the weaker JPY than prior fiscal year.

- In the FYE2023, Revenue growth; +14.5%, and OI growth; +9.3% (YoY basis excluding FX impact)



Responded to energy and inflation pressures with flexible price management and cost management programs.

Advance financial soundness



Continuous investment in projects with economic potential, dependable debt reduction, and execute stable and reliable dividend payments to our shareholder.

- Adjusted net D/E ratio improved by 13 bps (YoY basis), and the annual dividend per share increased by JPY 4 or 11.8% (planned, YoY basis).



Steady progress toward financial soundness of NS Vision 2026; Adjusted net D/E ratio below ≤ 0.7

Acquire ^{Carbon Neutral} CN business opportunities



Awarded three HyCO* projects (U.S., Peru, and India); expanded global hydrogen production capacity.



Participate in a green hydrogen production & supply project in Belgium. Advancing our knowledge and technology through strategic partner alliances.

* HyCO Business: A business that supplies Hydrogen(Chemical formula: H₂) and Carbon monoxide(Chemical formula: CO) on-site to petroleum refining and petrochemical manufacturers.

Summary of Consolidated financial results (FYE2023 Full-term)

	FYE2022 Full-term	FYE2023 Full-term	YoY	
			Difference	% Change
(Unit: ¥ bn.)				
Revenue	957.1	1,186.6	+229.5	+24.0%
Core operating income	102.7	123.1	+20.4	+19.9%
Core OI margin	10.7%	10.4%		
Non-recurring profit and loss	-1.5	-3.5	-2.0	
Operating income (IFRS)	101.1	119.5	+18.4	+18.1%
OI margin	10.6%	10.1%		
EBITDA margin	20.4%	19.3%		
Finance costs	-9.5	-14.0	-4.5	
Income before income taxes	91.6	105.5	+13.9	+15.2%
Income tax expenses	24.9	29.5	+4.6	
Net income	66.6	75.9	+9.3	+14.0%
(Attribution of net income)				
Net income attributable to owners of the parent	64.1	73.0	+8.9	+14.0%
NI margin	6.7%	6.2%		
Net income attributable to non-controlling interests	2.5	2.8	+0.3	
Basic earnings per share (EPS) (Unit: JPY)	148.13	168.85	+20.72	
Forex (Unit: JPY)				
USD	113.04	136.00		
(average rate during the period)				
EUR	131.11	141.62		
AUD	83.33	92.67		

• Total Forex impact for FYE2023 full-term : Positive impacts of ¥79.6bn. on revenue and ¥9.9 bn. on core operating income.

1. FYE2023
Overview

2. **FYE2024
Business Plan**

3. Financial Profile

4. Q&A Session

2. FYE2024 Business Plan

(The second fiscal year in Our MTP; NS Vision 2026)



Representative Director,
President CEO

Toshihiko Hamada

Summary: Business environment perspective (Assumptions for forecast)

We implement the "Five focused fields" strategy while properly responding to the business environment in order to achieve the targets in NS Vision 2026.

Watch demand trends



Uncertain economic environment continues :
Currency volatility, inflation and high energy prices, global trade friction, and geopolitical risks with supply chain impact



Focus on firm demand in resilient markets; Food, Beverage, Pharmaceutical, Healthcare, etc.
● In the FYE2024, planned revenue growth excluding deconsolidation change and currency +2%; Core OI growth; +5% (YoY excluding FX impact).

Continue steady operation



Continue and expand cost control and productivity programs.
Price management and cost recovery flexibility prepared for any cost-surges.



Set appropriate prices for the value of the products and reliability of services we provide to our customers.
Maintain capital discipline and ensure financial soundness.

Explore business opportunities



Seize business opportunities in our technological fields; Combustion, HyCO, CO₂ recovery, O₂ production, that contribute to the realization of a CN society



Deepen and strengthen relationships with customers to explore and solve potential problems through our Gas technologies.
● Based on the global Total Electronics strategy, we respond flexibly to the demand for electronic material gases in each region.

Summary of Consolidated financial forecast

	FYE2023 Full-term	FYE2024 Full-term forecast <small>(Announced on May 11, 2023)</small>	YoY	
			Difference	% Change
<small>(Unit: ¥ bn.)</small>				
Revenue	1,186.6	1,160.0	-26.6	-2.2%
Core operating income	123.1	127.5	+4.4	+3.6%
Core OI margin	10.4%	11.0%		
Non-recurring profit and loss	-3.5	—	+3.5	
Operating income (IFRS)	119.5	127.5	+8.0	+6.7%
OI margin	10.1%	11.0%		
EBITDA margin	19.3%	20.2%		
Finance costs	-14.0	-25.5	-11.5	
Income before income taxes	105.5	102.0	-3.5	-3.3%
Income tax expenses	29.5	28.5	-1.0	
Net income	75.9	73.5	-2.4	-3.2%
<small>(Attribution of net income)</small>				
Net income attributable to owners of the parent	73.0	70.5	-2.5	-3.5%
NI margin	6.2%	6.1%		
Net income attributable to non-controlling interests	2.8	3.0	+0.2	
Basic earnings per share (EPS) <small>(Unit: JPY)</small>	168.85	162.87	-5.98	
ROCE after Tax	5.4%	5.4%		
Adjusted net D/E ratio	0.81	0.85		
Forex <small>(Unit: JPY)</small>				
<small>(average rate during the period)</small>	USD	136.00	130.00	
	EUR	141.62	140.00	
	AUD	92.67	93.50	

In the FYE2024, planned revenue growth excluding deconsolidation change and currency +2%; Core OI growth; +5% (YoY excluding FX impact).

• Total Forex impact for FYE2024 full-term : Negative impacts of ¥ 18.3 bn. on revenue and ¥ 2.2 bn. on core operating income.

Japan

What we need to accomplish

(Toward the final fiscal year in NS Vision 2026)

1. Strengthen Core Businesses earning power & profitability

Increase profitability by streamlining and optimizing the business foundation.

2. Growth exploration and expansion

Develop business areas through New materials for compound semiconductor manufacturing processes, Stable isotopes, Biotechnology, and Additive manufacturing.

Segment strategy

Growth

- Enhance new products and services
- Provide and expand Industrial Gas Solutions for customers

Business Transformation

- Review under performing business portfolio

Surrounding environment

(Our perspective as of the beginning of FYE2024)

Risks

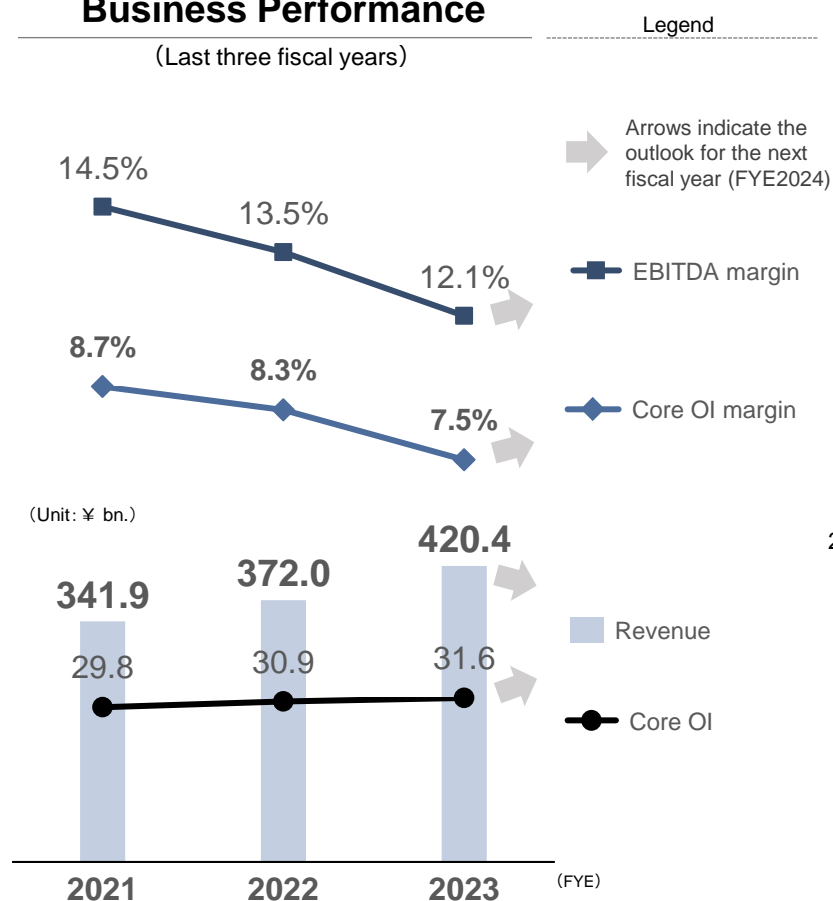
- Industrial gases market size trends
- Greater uncertainty in electricity cost trend
- Supply chain shortages or delays

Opportunities

- Equipment & construction projects in the Electronics market
- Demand for specialty gases for next-generation semiconductors

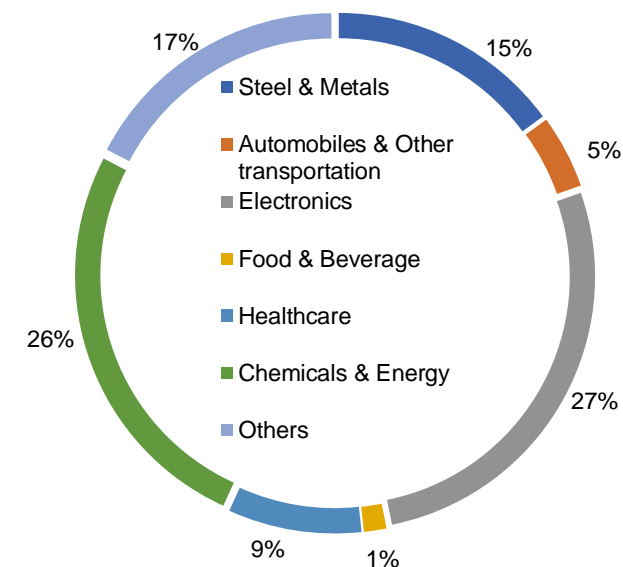
Business Performance

(Last three fiscal years)



Revenue composition by industry

(FYE2023 actual: Cumulative period basis)



Japan : Main business initiatives

NS Vision 2026 : Five focused fields

Ongoing and/or FYE2024 Initiatives

Sustainability Management	<ul style="list-style-type: none"> • Established “The Women's Activity Promotion Project” • “The Technical Academy” established to promote education & training programs related to safety management
Exploring New Business toward CN	<ul style="list-style-type: none"> • “The CN business project” established to promote sales & marketing activities • Promote Oxy-fuel combustion technology and CO₂ gas recovery, purification, and effective utilization technology
Total Electronics	<ul style="list-style-type: none"> • Promote semiconductor Air Separation Units • Identify and market new R&D related material • Pursue new projects based on customers’ investment plans
Operational Excellence	<ul style="list-style-type: none"> • Optimize manufacturing facility and plant operations • Price management (Promote pricing activities)
DX Initiatives	<ul style="list-style-type: none"> • Accelerate remote operation of manufacturing facilities utilizing digital technologies to improve productivity • Increased productivity through the use of digital tools, such as the expansion of web-based ordering and the digitization of invoices

United States

What we need to accomplish

(Toward the final fiscal year in NS Vision 2026)

1. Lead industry safety, quality, and profit growth
2. Increased focus on the food processing, fabrication, and semiconductor markets
3. Enhance sustainability programs that support profit growth and create increased shareholder value

Segment strategy

Growth

- Organic Growth through enhanced cross-selling efforts in targeted markets
- Expansion of onsite generator installations
- Pursue targeted M&A

Surrounding environment

(Our perspective as of the beginning of FYE2024)

Risks

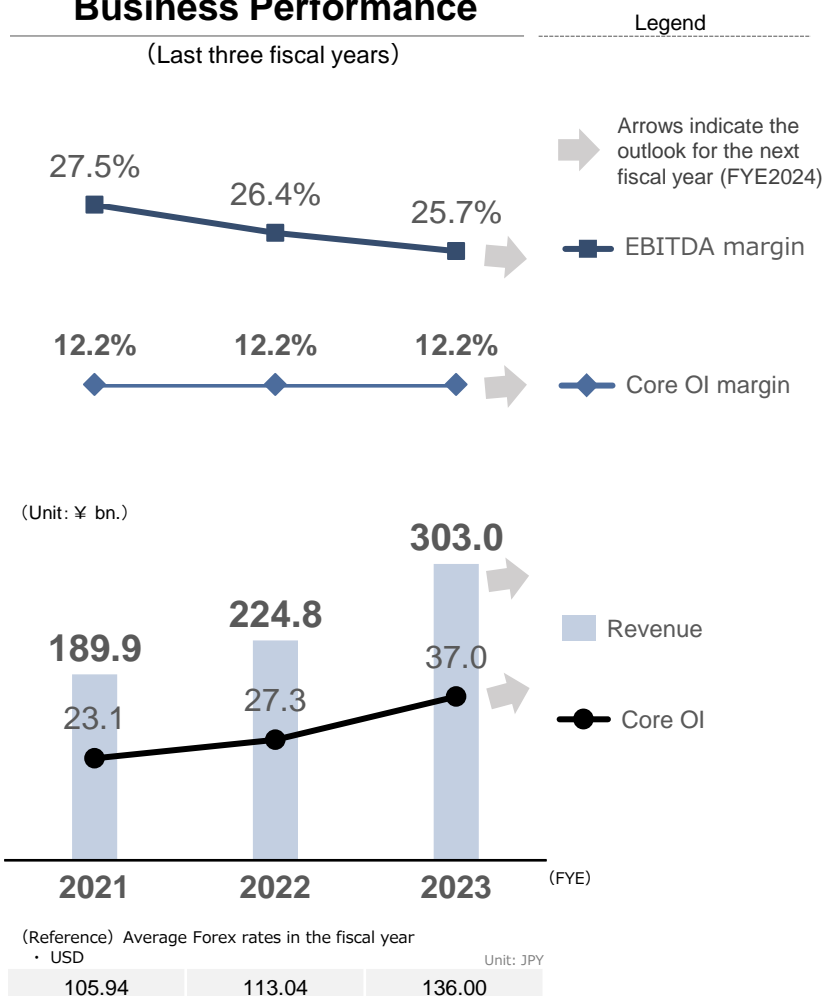
- Economic trends
- Increase in production power & transportation costs
- Staffing challenges related to low unemployment

Opportunities

- Cross-selling through complementary product lines especially food processing product capabilities
- Fabrication market growth through Bulk, Packaged, hardgoods, and fuel gas capabilities
- Semiconductor opportunities related to US CHIP Act
- Inflation Reduction Act and related CN opportunities

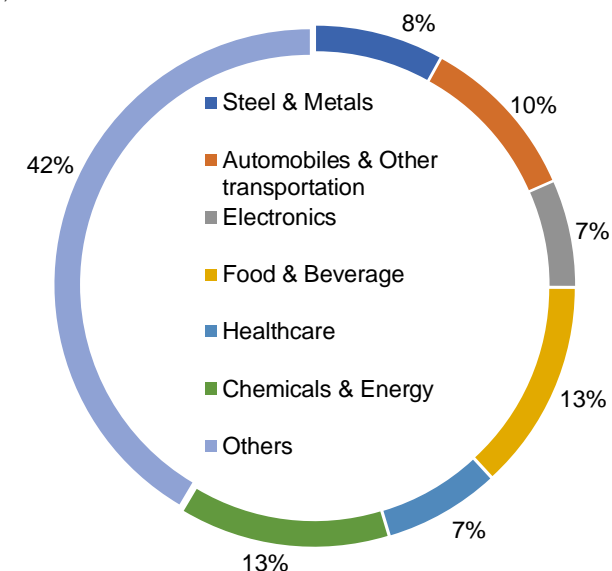
Business Performance

(Last three fiscal years)



Revenue composition by industry

(FYE2023 actual: Cumulative period basis)



United States : Main business initiatives

NS Vision 2026 : Five focused fields

Ongoing and/or FYE2024 Initiatives

Sustainability Management	<ul style="list-style-type: none"> • Improve employee safety awareness and reduce lost time injury rate • Identify renewable energy sources for Bulk production and Onsite generators • Assess actions to reduce water consumption in WRI Aqueduct high stress areas
Exploring New Business toward CN	<ul style="list-style-type: none"> • Integration of large-scale oxygen plants into sequestration technology chain • Pursue green hydrogen production opportunities
Total Electronics	<ul style="list-style-type: none"> • Expand production capacity of strategic semiconductor process gases • Continue improvement of capabilities to supply sub assemblies to major semi equipment manufacturers
Operational Excellence	<ul style="list-style-type: none"> • Achieve enhanced cost savings through “The Right Way” program • Offset cost increases and achieve profit improvement through price management
DX Initiatives	<ul style="list-style-type: none"> • Implement automation of material handling operations* • Reduce capital expenditure through automated cylinder management system

* material handling operations: Consistent handling of goods, including unloading, transshipment, pickup, transfer, loading, and shipping operations within the Company

Europe

What we need to accomplish

(Toward the final fiscal year in NS Vision 2026)

1. Optimize base business
2. Focus on human resource excellence
3. Reinforce governance
4. Accelerate Operational Excellence
5. Higher growth compared to peers

Segment strategy

Growth

- Focus on resilient markets
- Pursue M&A opportunities

Optimize Base Business

- Invest in gas application technology
- Evaluate market mix
- Realize optimal geographical footprints

Surrounding environment

(Our perspective as of the beginning of FYE2024)

Risks

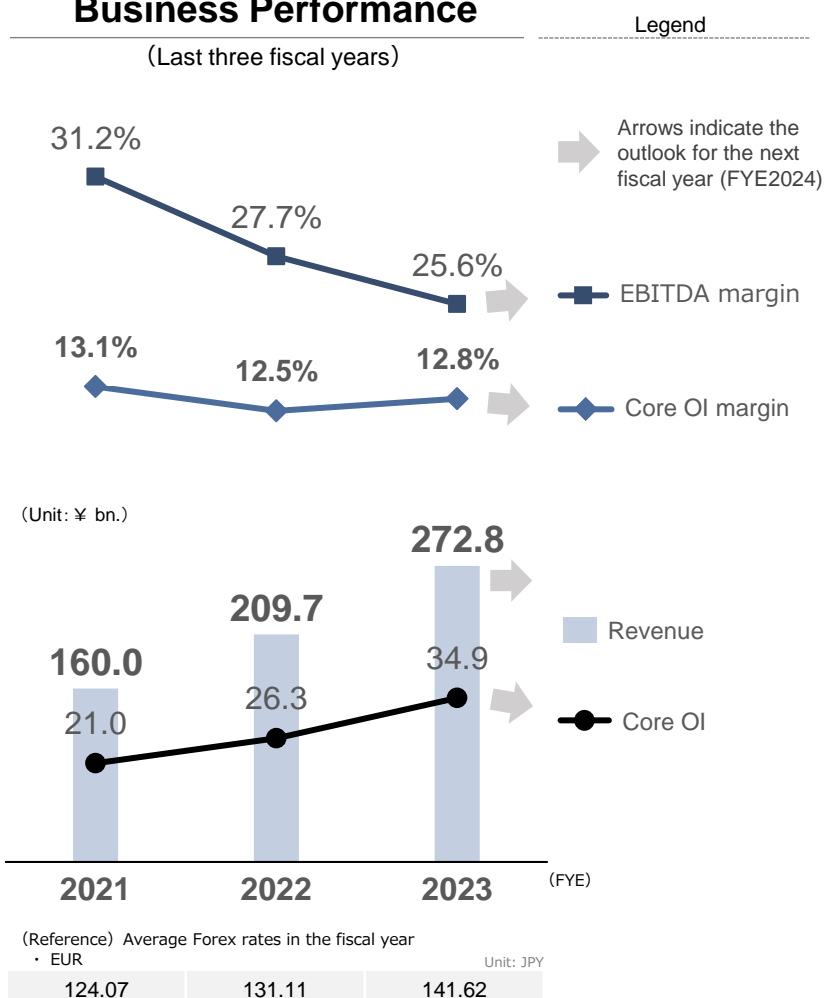
- Economic trends
- Energy price volatility (customer: production utilization, our side: cost impact)
- Shortage in/Inability to supply due to supply chain disruption

Opportunities

- Recovery in the European economy
- Business development & new business opportunities
- Government subsidized investments related to CN initiatives

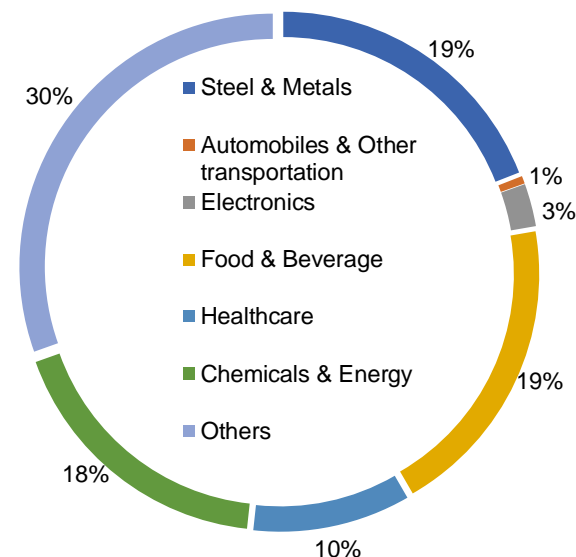
Business Performance

(Last three fiscal years)



Revenue composition by industry

(FYE2023 actual: Cumulative period basis)



Europe : Main business initiatives

NS Vision 2026 : Five focused fields

Ongoing and/or FYE2024 Initiatives

Sustainability Management	<ul style="list-style-type: none"> • Promote “Women's Sponsorship Program” • Continue “Safety First : Everyday, everywhere” campaign
Exploring New Business toward CN	<ul style="list-style-type: none"> • Focus on Oxy-fuel combustion technology • Pursue biomethane related new business • Participate in Green Hydrogen manufacturing project
Total Electronics	<ul style="list-style-type: none"> • Strengthen sales of electronics material gases
Operational Excellence	<ul style="list-style-type: none"> • Promotion of cost reduction and productivity management • Maintain robust price management to reflect volatile cost situation
DX Initiatives	<ul style="list-style-type: none"> • Utilization of DX in process automation for maintenance, transportation, and production plan analysis.

Asia & Oceania

What we need to accomplish

(Toward the final fiscal year in NS Vision 2026)

1. Tier 1 supplier in each region with diverse product line
2. Efficient & disciplined operations with continuous improvement and productivity enhancement initiatives
3. Improve revenue growth and OI margin.

Segment strategy

Growth

- Large scale onsite project and enlarge ASU capabilities
- New products & sales area expansion
- Pursue global HyCO Opportunities

Management

- Launch new management structure

Surrounding environment

(Our perspective as of the beginning of FYE2024)

Risks

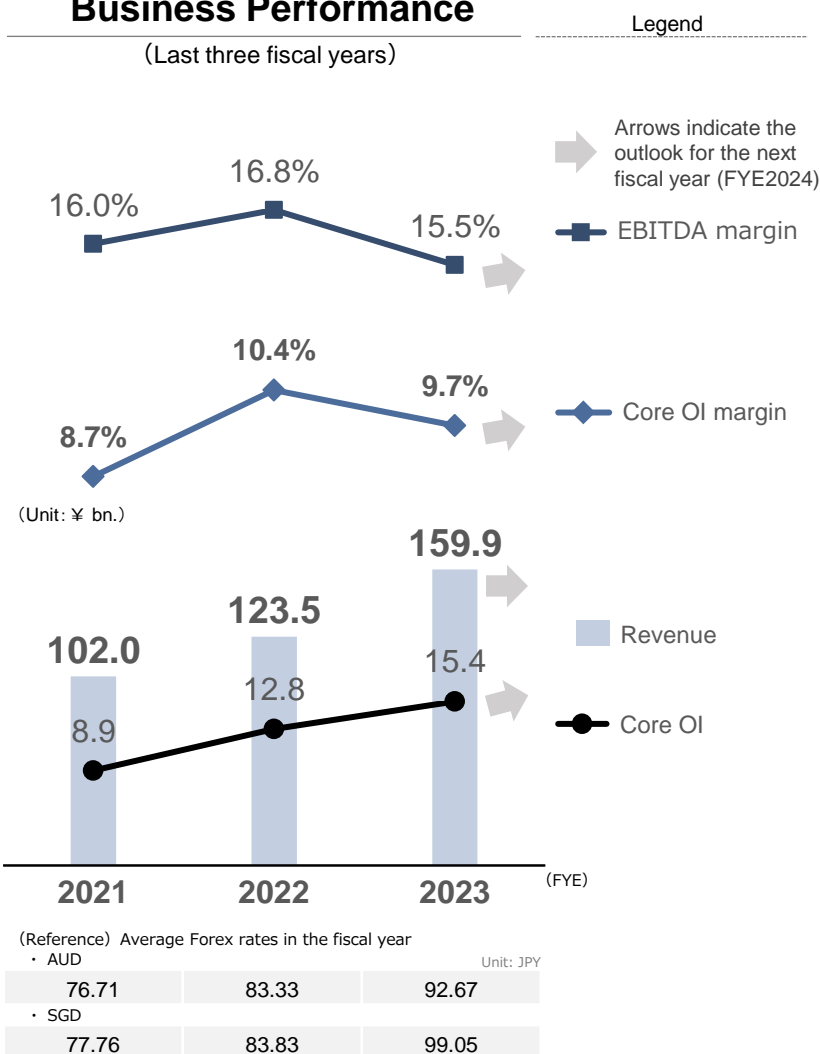
- Increase in power and logistics costs (production & transportation costs)
- Trade Friction
- Changes in government political & economic policies

Opportunities

- Continuing firm demand in the emerging markets
- Increase in demand for semiconductor specialty gases

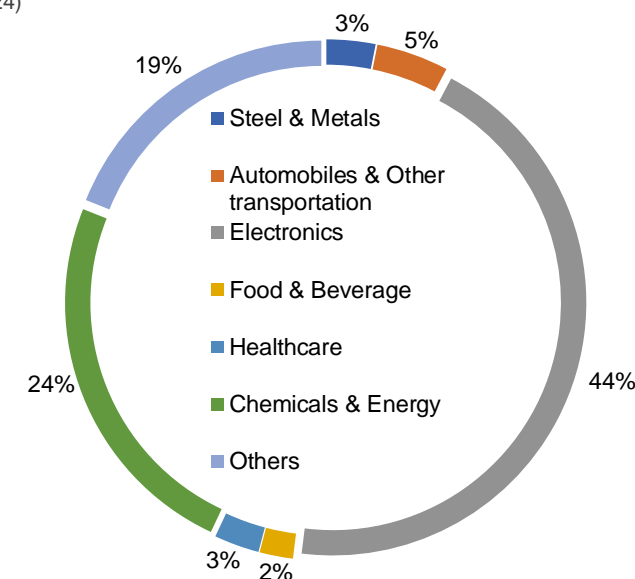
Business Performance

(Last three fiscal years)



Revenue composition by industry

(FYE2023 actual: Cumulative period basis)



Asia & Oceania : Main business initiatives

NS Vision 2026 : Five focused fields

Ongoing and/or FYE2024 Initiatives

Sustainability Management	<ul style="list-style-type: none"> Introduced sub-segment management structure to strengthen governance <ul style="list-style-type: none"> ① SEA&I : Southeast Asia and India ② EAE : East Asia Electronics ③ CIG : China Industrial Gases ④ OIG : Oceania Industrial Gases
Exploring New Business toward CN	<ul style="list-style-type: none"> Proactively promote our group's technologies that contribute to reduce environmental impact (i.e. Oxy-fuel combustion, Argon welding, etc.)
Total Electronics	<ul style="list-style-type: none"> Strengthening the capability of the electronics business through collaboration between new sub-segments EAE and Japan Upgrade and expand semiconductor related material gas supply capability with optimal operation of manufacturing facilities
Operational Excellence	<ul style="list-style-type: none"> Improve and upgrade price management and cost control reflecting Europe/US/Japan initiatives
DX Initiatives	<ul style="list-style-type: none"> Upgrade and enhance IT security level throughout the segment Promote work saving and cost reduction by automating operation through DX

Thermos

What we need to accomplish

(Toward the final fiscal year in NS Vision 2026)

To grow sustainably and create value trusted company

Segment strategy

Growth

- New products, direct operating stores, e-commerce platform business expansion
- Develop an interactive communication system with customers
- Increase Thermos brand awareness and maximize the brand equity

Surrounding environment

(Our perspective as of the beginning of FYE2024)

Risks

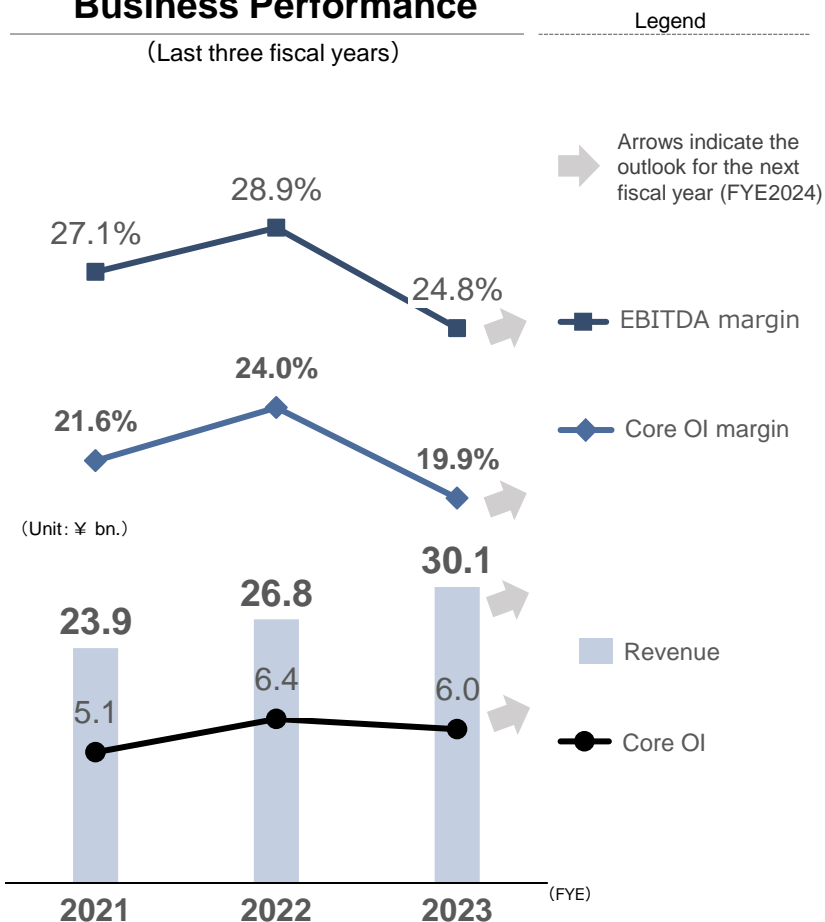
- Increasing costs in raw material & energy due to yen depreciation, etc.
- Surging labor costs in overseas production plants

Opportunities

- Demand increase for portable containers due to price increases for plastic bottled beverages
- Inbound demand from visitors to Japan
- Increasing attention and interest in sustainable products due to growing awareness on environmental issues

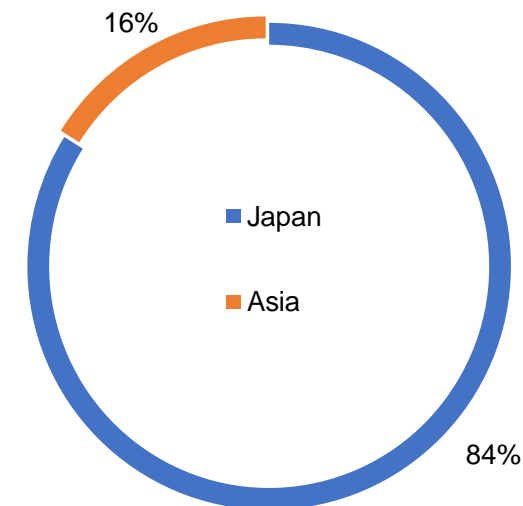
Business Performance

(Last three fiscal years)



Revenue composition by industry

(FYE2023 actual: Cumulative period basis)



Thermos : Main business initiatives

NS Vision 2026 : Five focused fields

Ongoing and/or FYE2024 Initiatives

Sustainability Management

- Promote sustainable beverage containers to contribute to waste reduction
- Improve work environment through employee safety training and optimization of manufacturing facilities
- Active promotion of HR diversity (train female managers, hiring people with disabilities, etc.)

Exploring New Business toward CN

- Reduction of energy consumption through production optimization

Operational Excellence

- Reduce procurement cost for raw material
- Streamline production processes

DX Initiatives

- Expand E-commerce business in growing markets

1. FYE2023
Overview

2. FYE2024
Business Plan

3. Financial Profile

4. Q&A Session

3. Financial Profile



Executive Officer,
Group Finance &
Accounting Office, and CFO

Alan Draper

Financial management | Optimal Fund allocation

Basic Concept

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



Financial soundness

Leverage Reduction

— Reduction of financial expenses

Budget
Adjusted net D/E Ratio
(End of FYE2024)

0.85

- Fortifying the capital structure
- Debt ratio expected to temporarily increase due to the assumed impact of refinancing a tranche of hybrid debt to clean debt



Growth investment

Investment for Growth driver

— Achieve growth, profitability, and efficiency

Budget
CAPEX and investment
(Cash basis: ¥ bn.)

140.4

- Economies of scale x improve customer density
- Pursue group synergies and globalization efforts
- Prioritize and invest in projects with solid economic returns and earnings potential
- Seek M&A opportunities that improve customer density, expand geographic presence, or enhance technical capabilities



Shareholder Returns

Stable & business performance-linked

— Fulfillment of shareholders' and investors' expectations

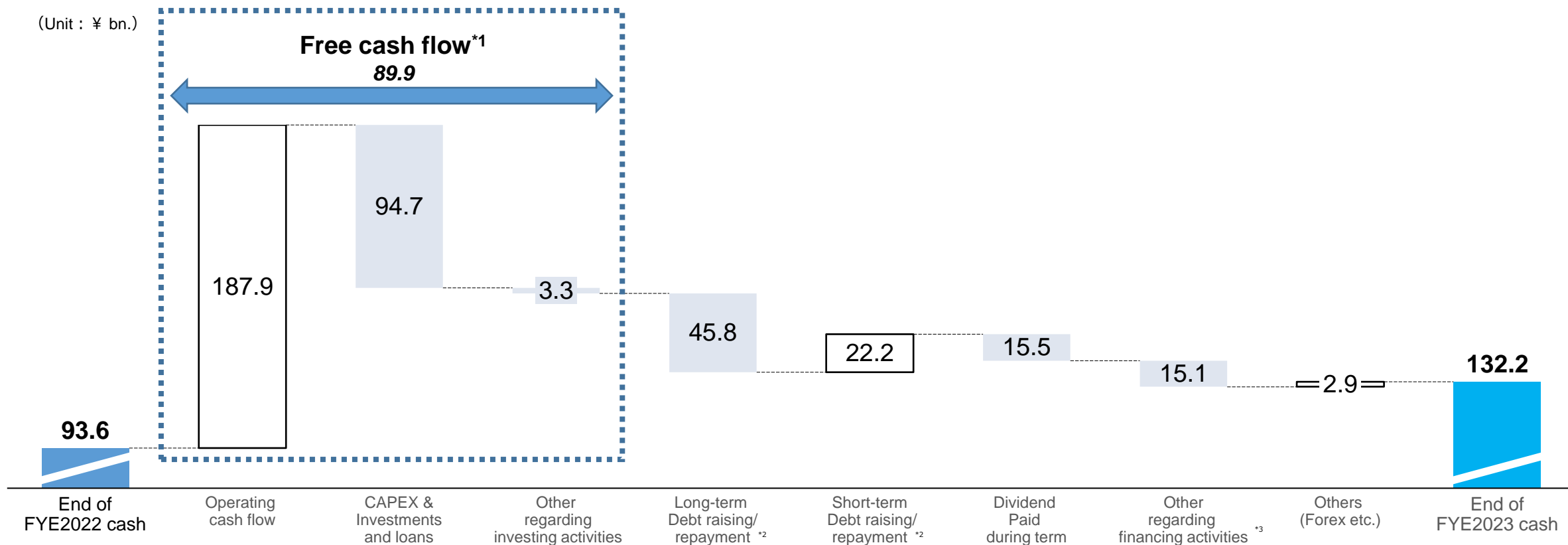
Budget
annual dividend
(¥)

40

- 9th consecutive year increasing shareholder dividend(planned)

Cash flow (Result for FYE2023 Full-term)

Strong operating cash flow performance enables high capital investment, dividend increases, and debt reduction.



*1 Free cash flow : Items reconstructed from consolidated statements of cash flows prepared in accordance with IFRS. Please refer to Appendix P.37.

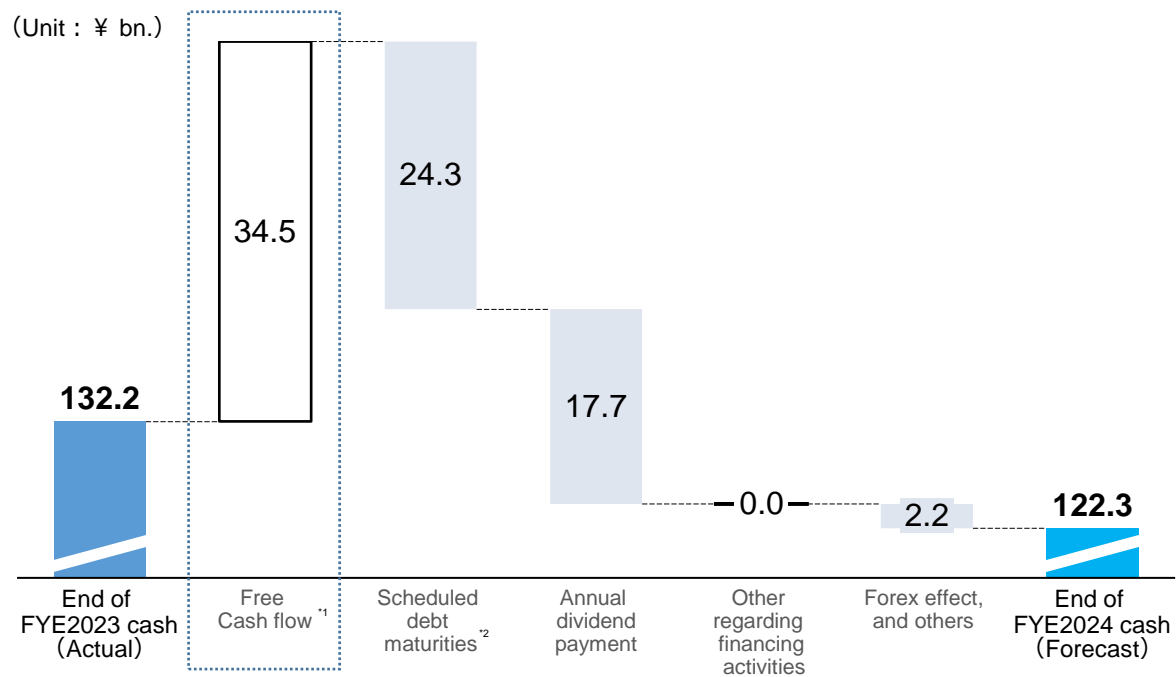
*2 Long-term Debt and Short-term Debt raising/repayment : Represents cash financed/paid.

*3 Other : Indicates items such as cash lease obligations, acquisition of investments.

Cash flow forecast / Dividend

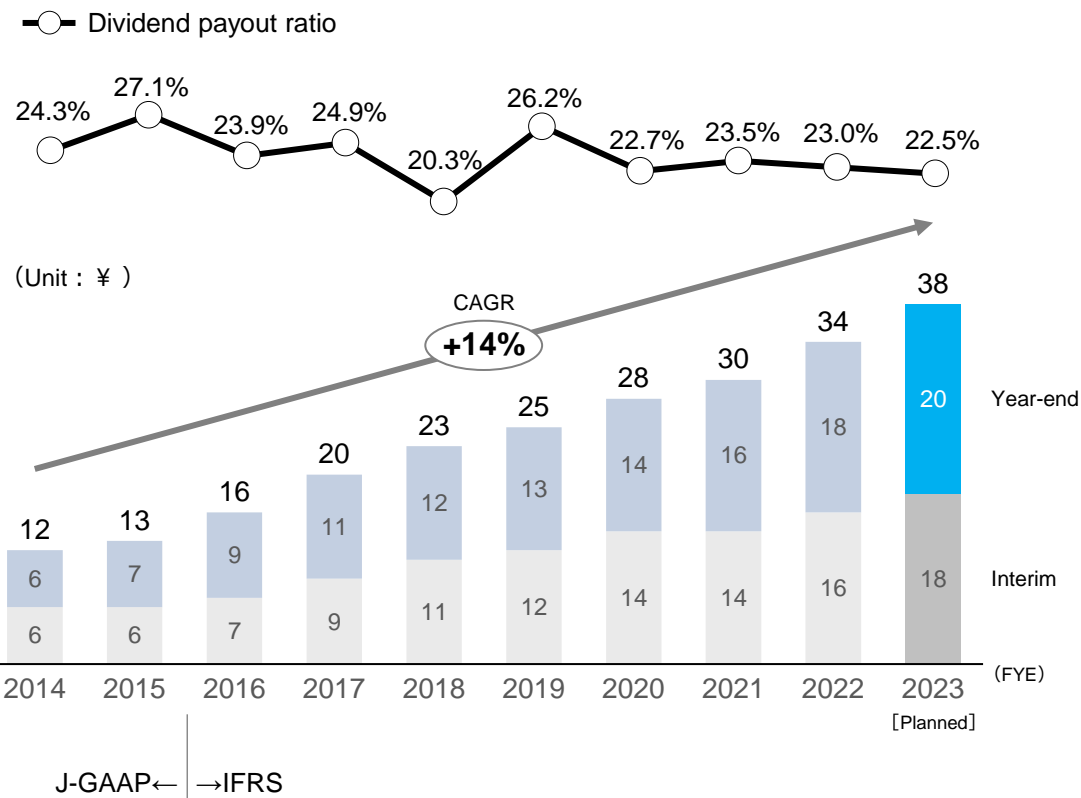
Cash flow forecast

Leveraging our strong cash generation to repay debt and invest in the future while returning profits to our shareholders



Dividend Trend

Stable and reliable dividend linked to performance



*1 Free cash flow : Cash flows from operating activities + (Announced) Divestiture Proceeds – CAPEX. Please refer to Appendix P.37.

*2 Scheduled debt maturities : Indicates cash paid (including Repayments of lease obligations)

Closing remarks



Representative Director,
President CEO

Toshihiko Hamada

The Gas Professionals

Q&A Session



Representative Director,
President CEO

Toshihiko Hamada



Member of the Board,
Representative Director
and President of Taiyo
Nippon Sanso Corporation

Kenji Nagata



Member of the Board,
Chairman and CEO,
Matheson Tri-Gas, Inc

Thomas Scott Kallman



Member of the Board,
Chairman and President,
Nippon Gases
Euro-Holding S.L.U.

Eduardo Gil Elejoste



Senior Executive Officer,
Group Corporate Planning
Office

Tsutomu Moroishi



Representative Director
and President of
Thermos K.K.

Yuji Kataoka



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

Takeshi Miki



Executive Officer,
Group Finance &
Accounting Office,
and CFO

Alan Draper

Appendix

Corporate Information

(As of March 31, 2023)

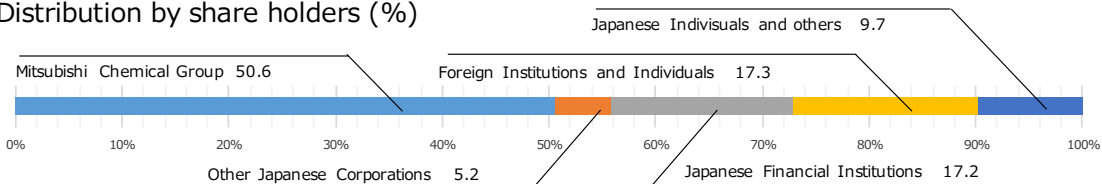
Company Name	Nippon Sanso Holdings Corporation
Founded	October 30, 1910
Headquarters	1-3-26 Koyama Shinagawa-ku, Tokyo 142-0062, Japan
TEL	81-3-5788-8500
	Representative Director, President CEO
Representative	Toshihiko Hamada
Common stock	37.3 billion yen

Stock information

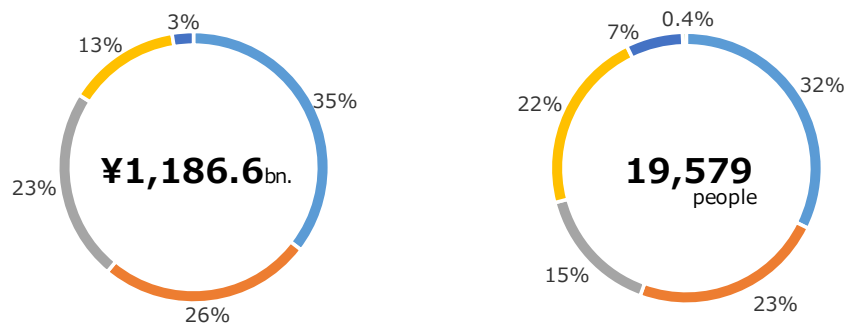
(As of March 31, 2023)

Number of shares	433,092,837
Number of shareholders	14,743
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)



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

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	¥1,160.0 bn.	Net income attributable to owners of the parent	¥70.5 bn.
Operating income	¥127.5 bn.	EPS	¥162.87

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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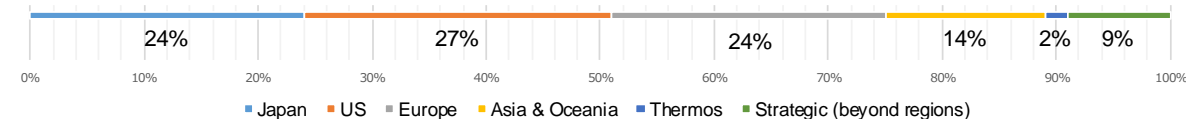
<HR>

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

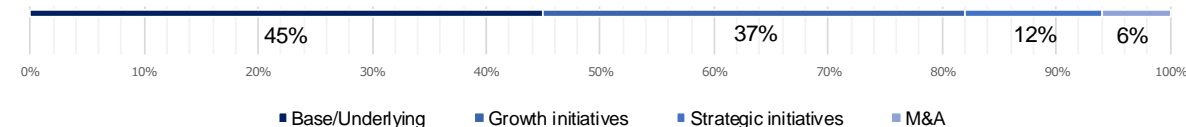
Capital allocation

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



Free cash flow and Debt situation

(Unit : ¥ bn.)	FYE2022	FYE2023	YoY		FYE2024	Budget's YoY	
	Full-term	Full-term	Difference	% change	Full-term forecast	Difference	% change
Income before income taxes	91.6	105.5	+13.9	+15.2%	102.0	-3.5	-3.3%
Depreciation and amortization	92.4	105.7	+13.3		106.7	+1.0	
Changes in working capital	-20.6	-22.2	-1.6		-5.5	+16.7	
Others	-14.6	-1.0	+13.6		-32.1	-31.1	
Cash flows from operating activities	148.7	187.9	+39.2	+26.4%	171.1	-16.8	-9.0%
Capital expenditures	-74.4	-91.8	-17.4		-140.4	-48.6	
Investments and loans	-2.0	-2.9	-0.9		—	+2.9	
Others (asset sales, etc.)	5.6	-3.3	-8.9		3.8	+7.1	
Cash flows from investing activities	-70.8	-98.0	-27.2	+38.4%	-136.6	-38.6	+39.3%
Free cash flow	77.9	89.8	+11.9	+15.4%	34.5	-55.3	-61.6%
(Debt situation)							
Net interest-bearing liabilities	835.5	809.5	-26.0		784.5	-25.0	
(Of which, hybrid financing amount)	250.0	250.0	—		250.0	—	
Adjusted net D/E ratio	0.94	0.81	-0.13		0.85	+0.04	



Debt/Equity Performance (FYE2023)

Net D/E ratio

(General net D/E ratio)

1.12

(YoY basis: 21 bps improvement)

Adjusted net D/E ratio

0.81

(YoY basis: 13 bps improvement)

Financial management net D/E ratio

(Our internal financial discipline indicator)

0.86

(YoY basis: 11 bps improvement)

Forecast at the End of FYE2024

(March 31, 2024)

0.85

$$\frac{\text{Net interest-bearing debt}}{\text{Total equity attributable to owners of parent}}$$

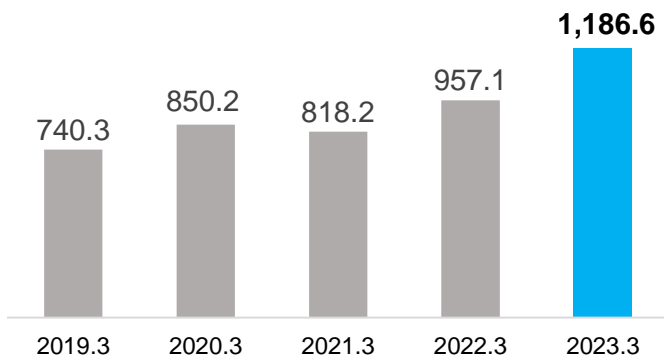
$$\frac{\text{Net interest-bearing debt} - \text{Equity-type debt}^*}{\text{Total equity attributable to owners of parent} + \text{Equity-type debt}^*}$$

$$\frac{\text{Net interest-bearing debt} - \text{Lease obligations} - \text{Equity-type debt}^*}{\text{Total equity attributable to owners of parent} - \text{Other components of equity} + \text{Equity-type debt}^*}$$

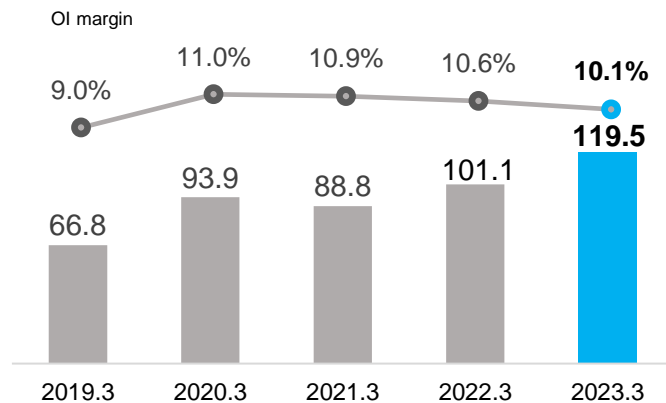
* Equity-type debt : Our internal name of amount which is 50% of the amount raised through hybrid financing (¥250 bn.) is accepted as "capital" by rating agencies.

Business performance over the past five years

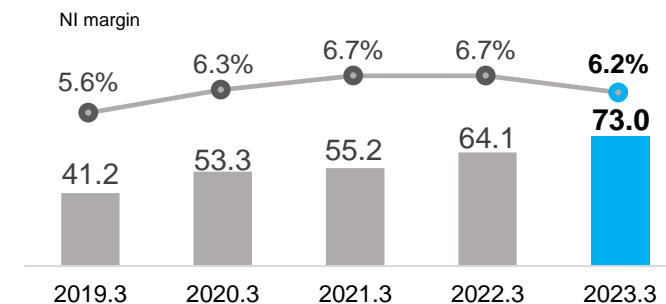
Revenue (¥ bn.)



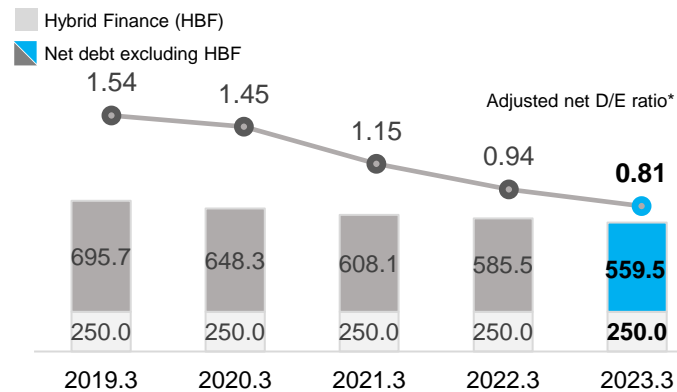
Operating income (IFRS) (¥ bn.)



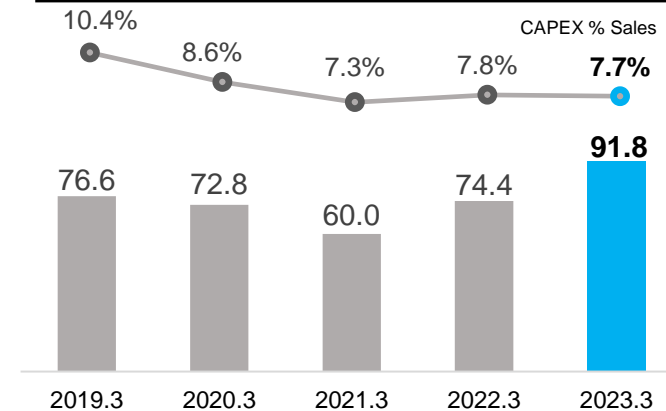
Profit attributable to owners of the parent (¥ bn.)



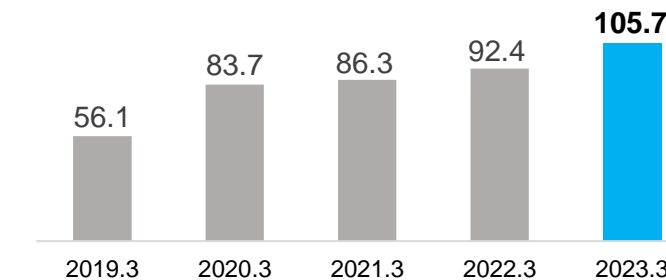
Net interest-bearing debts (¥ bn.)



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)

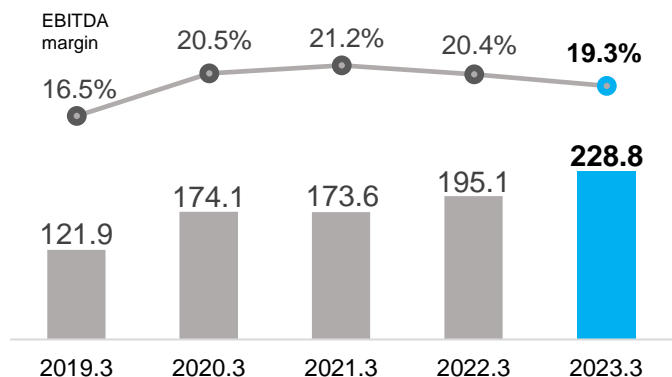
$$= \frac{\text{NOPAT (Net Operating Profit After Tax)}}{(\text{Interest-bearing debt} + \text{Total equity attributable to owners of parent})^*}$$

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

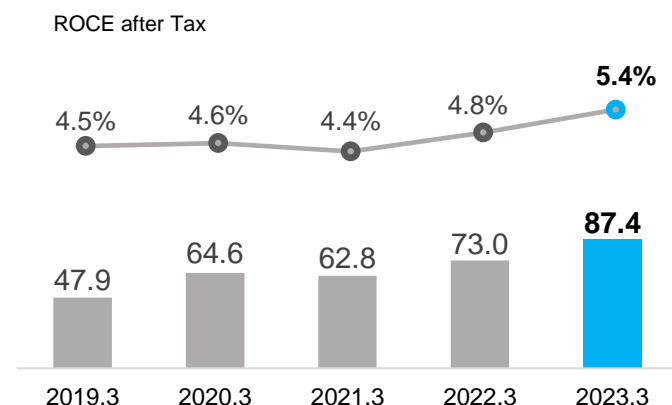
Indicator based on profitability and investment efficiency

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.

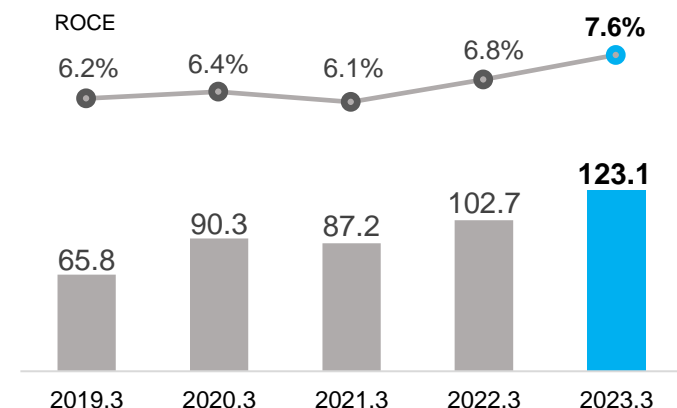
EBITDA margin and EBITDA (¥ bn.)



ROCE after Tax and NOPAT (¥ bn.)

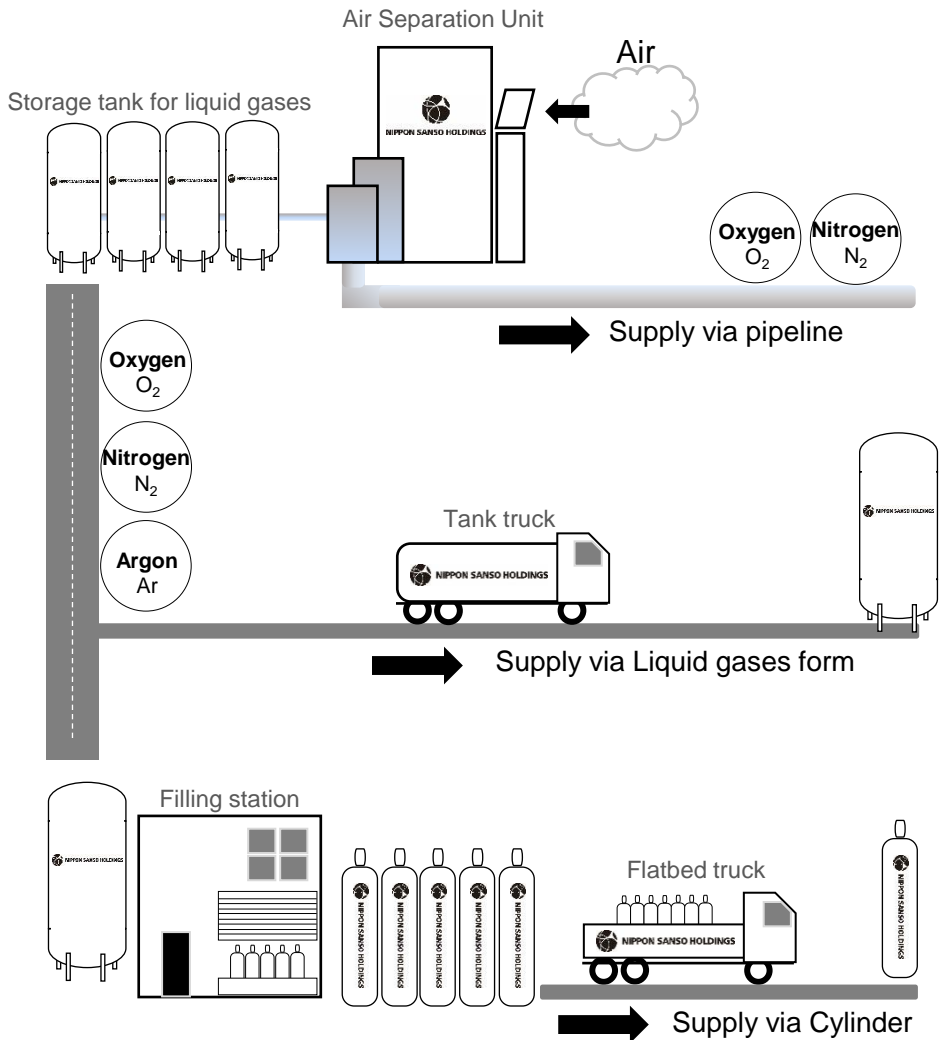


(Reference) ROCE and Core OI (¥ bn.)



Industrial gas supply system

Air Separation Gases



On-site

Major supply destination (Sector)

Steel Petrochemical Refinery

We establish 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 Pharmaceutical Glass/Paper
machinery Medical Food/
LCP Photovoltaics beverage
Semiconductor**

We install 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)

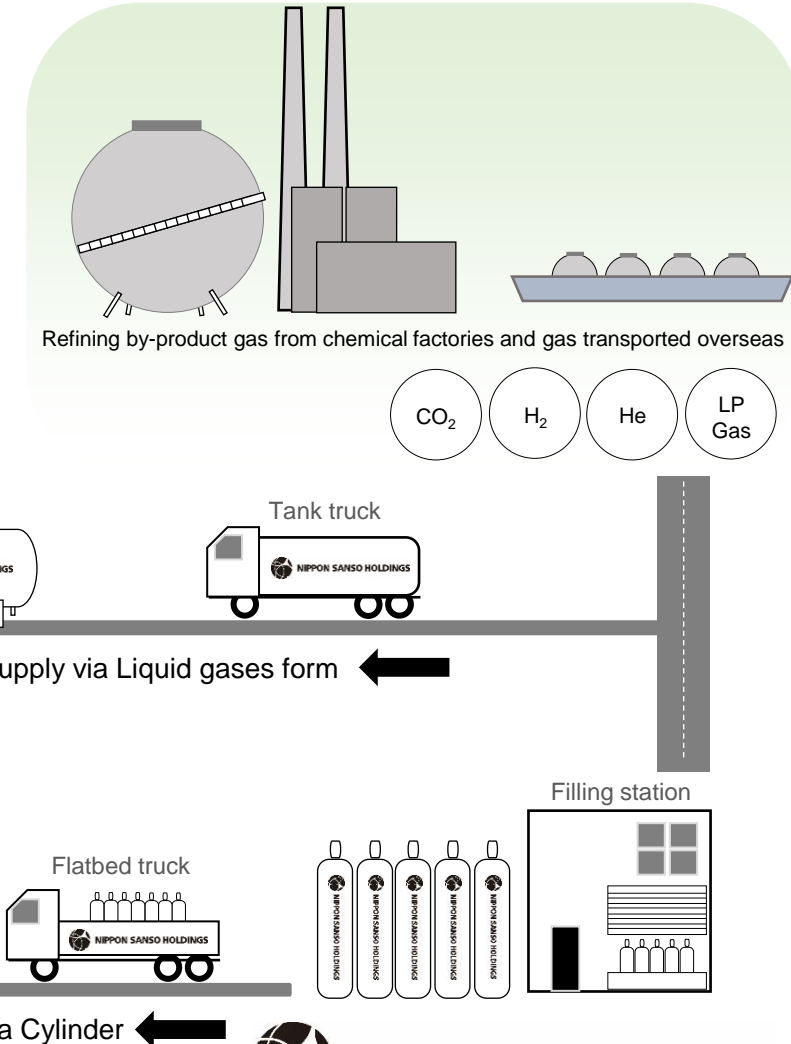
Packaged

Major supply destination (Sector)

**Homecare Advanced Sanitation
Engineering medicine Construction/
development R&D 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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Tel : +81 (0)3-5788-8513
E-mail : Nshd.info@nipponsanso-hd.co.jp

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Investor Relations,
Group Finance & Accounting Office
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E-mail : Nshd.ir@nipponsanso-hd.co.jp

Upcoming IR events

Annual Shareholder meeting	June 20, 2023
Q1 FYE2024 Earnings Call	July 28, 2023

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

NIPPON SANSO Holdings Corporation
(Ticker:4091.T)

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





NIPPON SANZO HOLDINGS

The Gas Professionals

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