



NIPPON SANSO HOLDINGS

Q2 FYE2024 Consolidated Financial Results Earnings Announcement

(Six months ended September, 2023)

October 31, 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

● 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 (Updated)	FYE2024 (Previous)	Unit : ¥ bn.	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.)	Full-term Assumption (Apr.-Mar.)		Currency	Revenue
USD	131.25	135.30	136.85	136.00	139.63	142.61			(Announced on October 31, 2023) 142.61	(Announced on May 11, 2023) 130	USD	+2.2	+0.28
EUR	138.75	139.14	140.83	141.62	151.89	154.81			154.81	140	EUR	+1.9	+0.25
SGD	94.97	97.12	98.61	99.05	103.66	105.79			105.79	97.1			
AUD	92.52	93.51	93.16	92.67	91.94	93.44			93.44	93.5			
CNY	19.71	19.91	19.81	19.71	19.67	19.87			19.87	19.9			

● 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.

Contents

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Appendix

1. Strategic overview

Key Highlights

- ✓ Expand and accelerate **Operational Excellence**
- ✓ **Continue** price management
- ✓ Explore **Carbon Neutrality**-related business opportunities
- ✓ Seize business opportunities in the **Electronics industry**
- ✓ Enhance and continue to improve **profitability**

Our Medium-term Management plan:

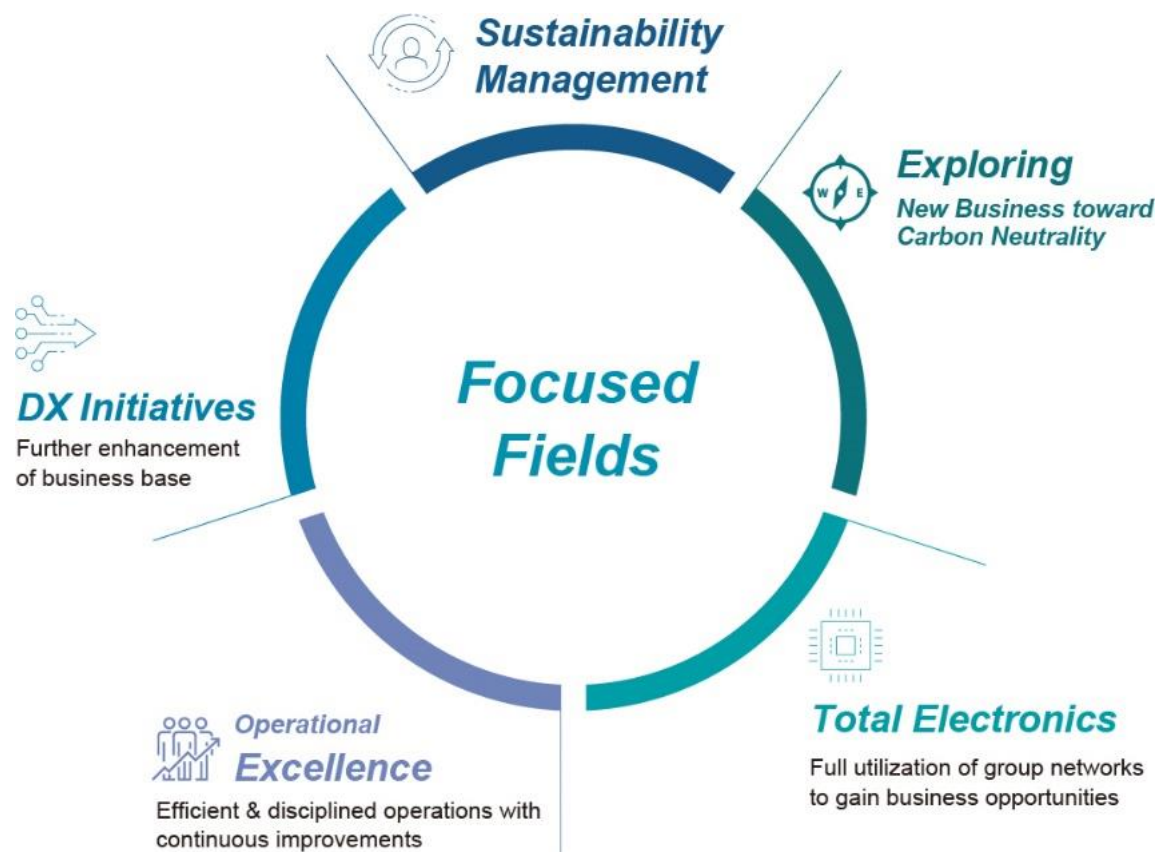
NS Vision 2026 | Enabling the Future

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.



Non-financial KPI target in NS Vision 2026

Environment

<Environment>

- Reduction rate of GHG emissions
(Base year: FYE2019^{*1})
- GHG reduced contribution exceeds GHG emission (Scope 1+2)
- Breakdown information : Please see the details [here](#).
(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

<HR>

- Rate of female employees
- Rate of female management posts

Governance

<Compliance>

- Rate of receiving compliance training^{*2}

FYE2023 Actual	FYE2026 Target
12.3% down	18% down
X > Y	X > Y
7,308	
5,868	
1.56	≤ 1.6
19.9%	≥ 22%
14.5%	≥ 18%
99.7%	100%

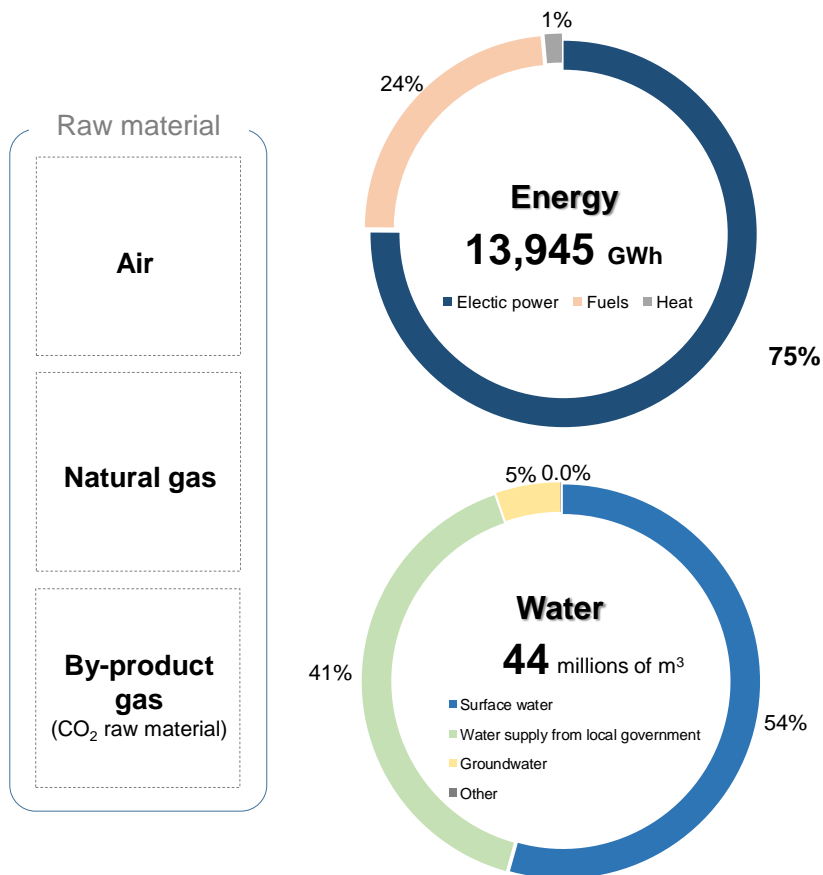
*1 The figure for the volume of GHG emissions for FYE2019, which is the reference value, calculates the actual GHG emissions in FYE2019 plus the following:
1) estimated emissions in the European segment in FYE2019 and 2) estimated emissions of the U.S. HyCO business in FYE2019. and 3) Others

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

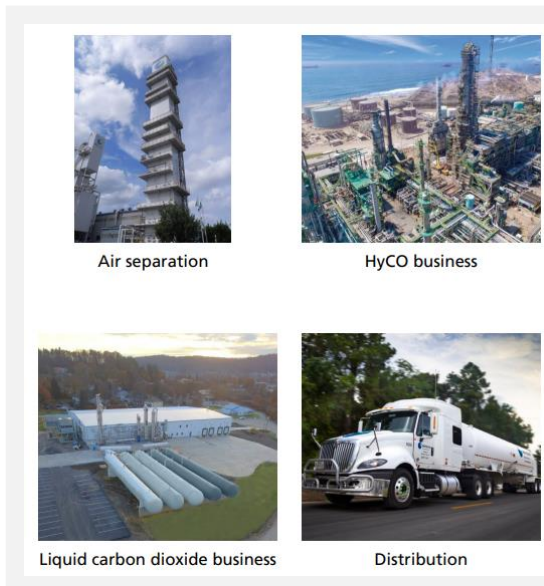
Material balance & Environmental contribution

Input

Energy and resource inputs in business activities

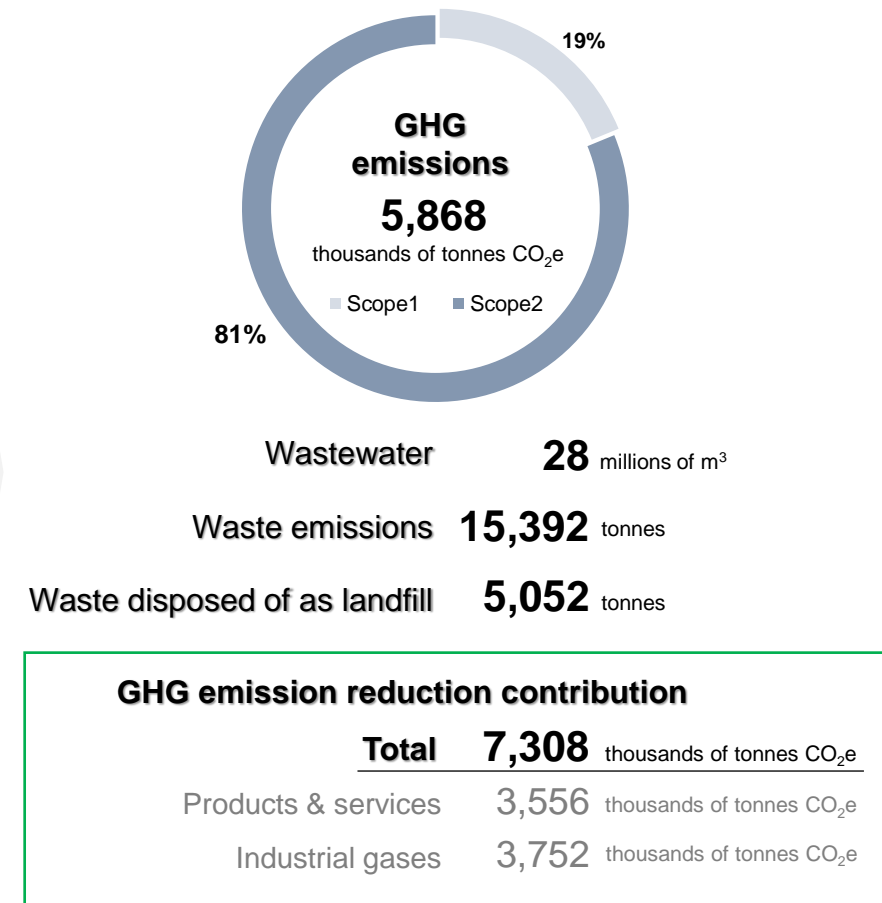


Business activities



Output

Environmentally hazardous substances generated by business activities



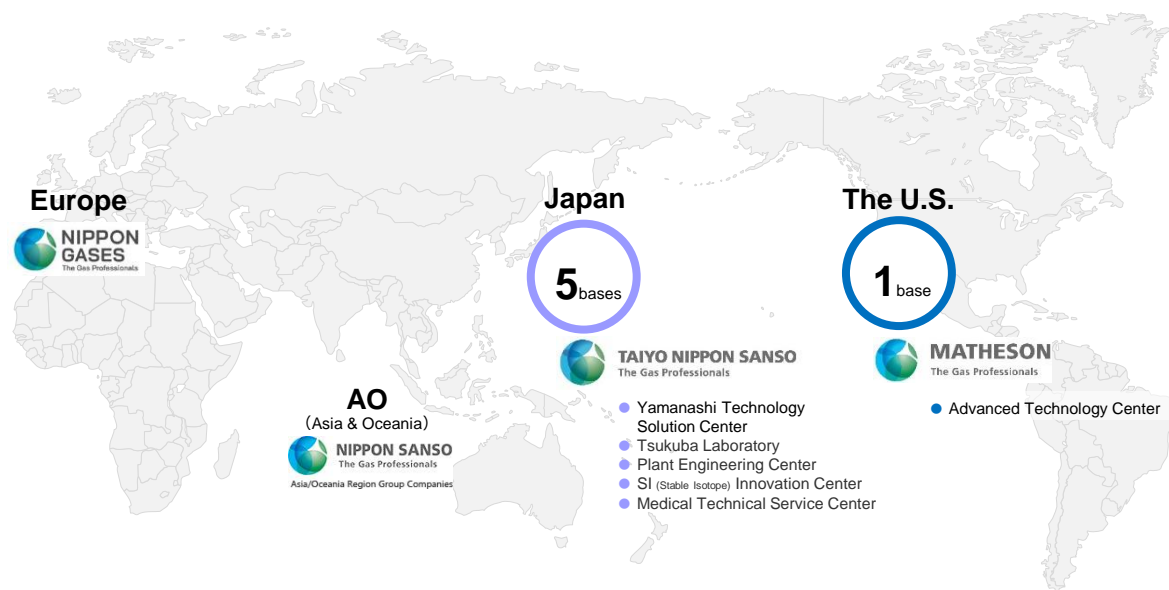
(Note) For details on the reporting data, please refer to P1, "[Sustainability Data](#)" in our Integrated Report 2023.

R & D investments unleash Gas Opportunities

By quickly understanding customer needs and expectations, our group's R&D capabilities are continually enhanced with the support of each region's R&D center. In the realm of Carbon Neutrality and Electronics, we actively engage in strategic alliances and collaborations to address our customers' challenges effectively and provide innovative solutions.

Our Group's R&D centers

As of September 30, 2023



- Groupwide R&D functions are primarily located in Japan and the U.S.
- Found on R&D applications and initiatives in line with market demand and customer requirements

- Collaboration with Sarralle :
Combining the Company's knowledge of hydrogen combustion (hydrogen burners) in industrial furnaces with our own oxygen combustion technology, the world's first advanced technology that uses only green hydrogen as fuel in the steelmaking process was introduced, along with ladle preheating equipment from ArcelorMittal, a global leading steel company.



- R&D of high-purity Gases & Equipment for the electronics industry (U.S.: Advanced Technology Center)



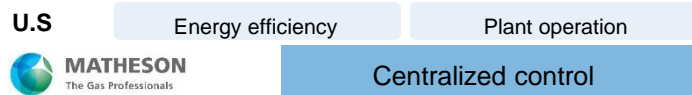
Digital Transformation (DX)

Using Digitalization to advance and improve our key focused fields: Total Electronics, Operational Excellence, Sustainability, and Carbon Neutrality.

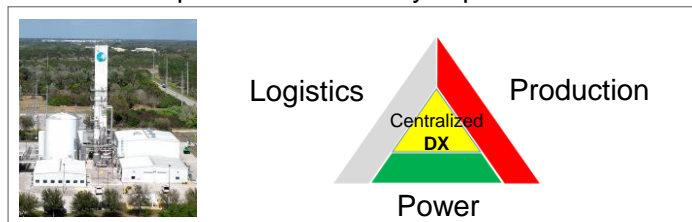
Industrial Gas business domain



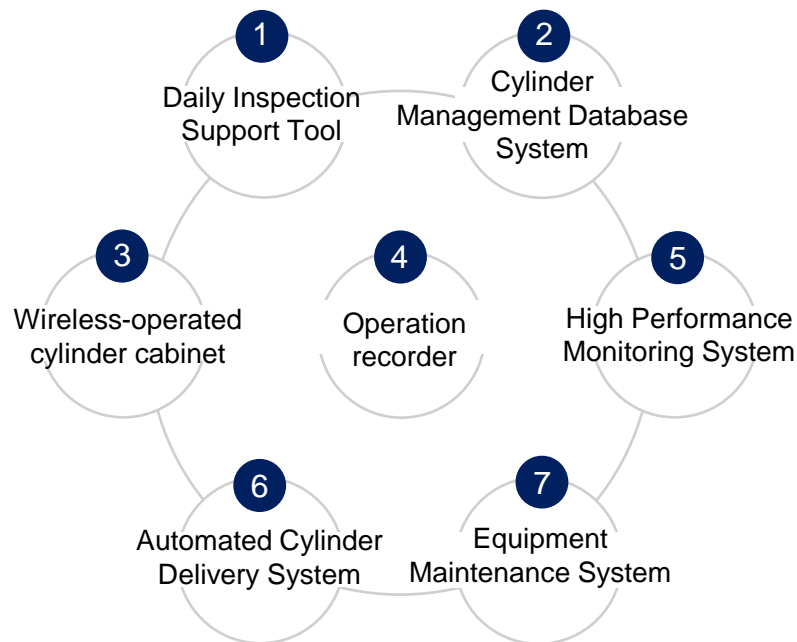
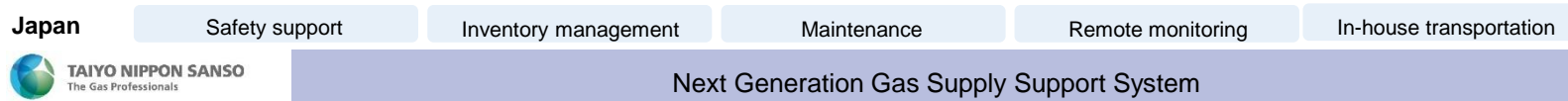
Online video subscription service on the Safety Training for handling high-compressed gases



Data-driven power management and operational efficiency improvement



Electronics business domain



Conceptual diagram of the IGSS system

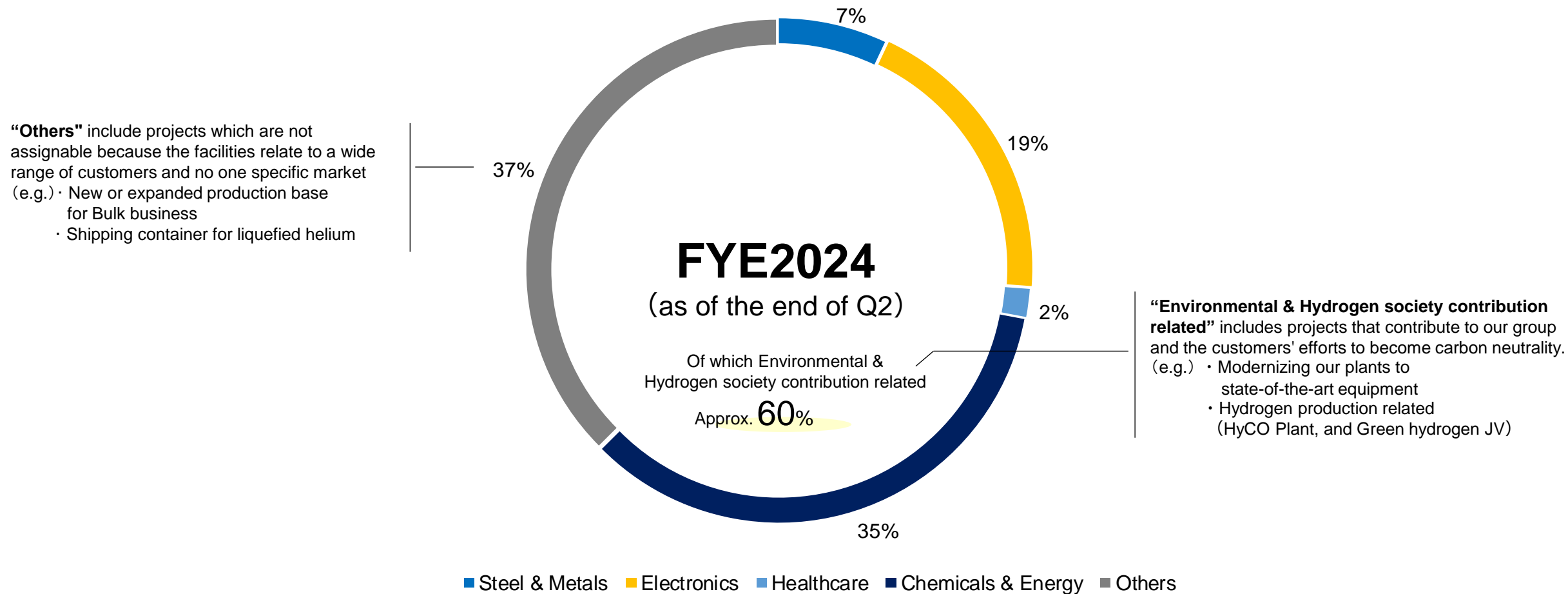
Gas Handling Know-how (Our invisible assets) × Digital technology (Power of Digital)

IGSS : Intelligent Gas Supplying System



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 which have been approved by the Board of directors of each our group company, but have not yet been placed in service. The size of each project is over approx. ¥500mn., \$4mn. or €4mn.

Summary : Progress toward Financial targets

Steadily implement strategies to achieve the profitability targets outlined in the final year of NS Vision 2026.

Keep eye out demand trends

- Uncertain economic environment continues: Geopolitical risks, fluctuations in currency rates, inflation, and energy prices
- Slow recovery in semiconductor industry: Continue to closely watch the operating conditions of our major customers in East Asia
- Business confidence remains muted

Continue right operation

- Emphasize and communicate the value of our products to our customers through effective marketing
- Optimize the operating structure and business portfolio
e.g.) Business integration between Astomos Retailing and our home use LP gas business subsidiary in Japan (scheduled in January 2024), etc.

Find business opportunities

- Expand our technological fields by working with customers and partners who aim to realize a CN^{*1} society
*1 CN : Carbon Neutral
- Actively market innovative products created with our own technologies
e.g.) Water-¹⁸O production, Compound semiconductor equipment (MOCVD^{*2} equipment), etc.
*2 MOCVD : Metal Organic Chemical Vapor Deposition (Crystal growth method using organometal and gases as raw materials)

2. Integrated Report

Improving to fruitful report for our stakeholders



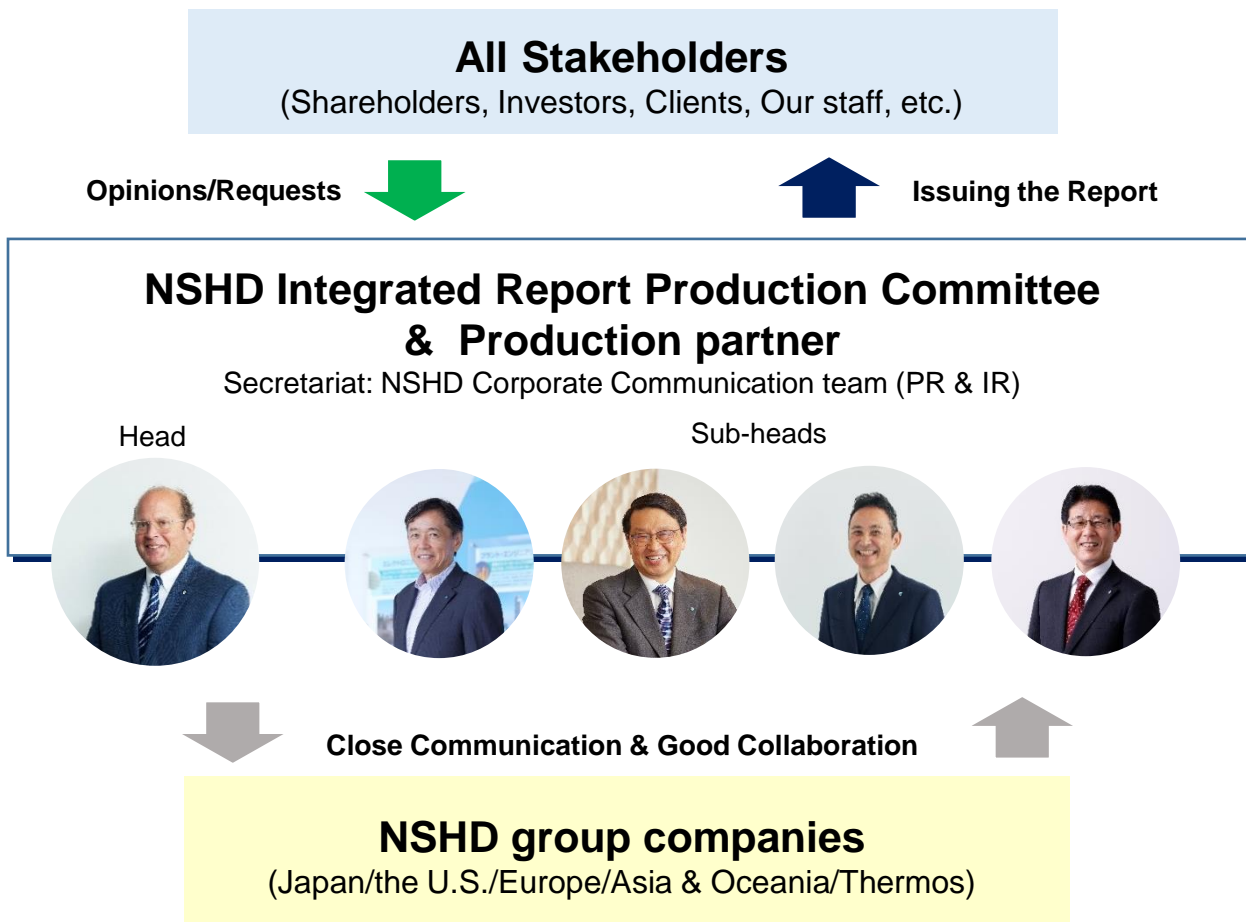
NSHD Integrated Report 2023

(Released on September 26, 2023.)

Please jump to the access webpage.> [Link](#).



Production process for 2023 edition



3. Q2 FYE2024

Business performance

-1. Q2 Quarter Period performance

Consolidated results

	FYE2023	FYE2024	YoY		% Change exc. FX
	Q2 (Jul.-Sep.)	Q2 (Jul.-Sep.)	Difference	% Change	
(Unit: ¥ bn.)					
Revenue	297.6	303.6	+6.0	+2.0%	-2.7%
Core operating income	25.9	40.9	+15.0	+57.9%	+50.3%
Core OI margin	8.7%	13.5%			
Non-recurring profit and loss	0.4	-0.0	-0.4		
Operating income (IFRS)	26.3	40.8	+14.5	+54.8%	
OI margin	8.9%	13.5%			
EBITDA margin	17.6%	22.6%			
Finance costs	-2.2	-5.5	-3.3		
Income before income taxes	24.1	35.3	+11.2	+46.6%	
Income tax expenses	5.6	10.4	+4.8		
Net income	18.4	24.8	+6.4	+34.8%	
(Attribution of net income)					
Net income attributable to owners of the parent	17.8	23.9	+6.1	+34.3%	
NI margin	6.0%	7.9%			
Net income attributable to non-controlling interests	0.5	0.9	+0.4		

Japan

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	
	Q2 (Jul.- Sep.)	Q2 (Jul.- Sep.)		% Change	% Change <i>exc. FX</i>
Revenue	99.2	94.5	-4.7	-4.7%	-4.8%
Segment income	6.7	10.0	+3.3	+50.3%	+50.2%
Segment OI margin	6.8%	10.7%			
EBITDA margin	11.5%	15.4%			

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 due to rising costs
- Soft shipment volumes of specialty gases
- Firm electronics-related equipment and installation sales
- Reorganized a consolidated on-site business subsidiary to joint operation structure

United States

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	% Change exc. FX
	Q2 (Jul.- Sep.)	Q2 (Jul.- Sep.)		% Change	
Revenue	77.0	87.4	+10.4	+13.5%	+8.5%
Segment income	6.7	12.2	+5.5	+81.5%	+76.2%
Segment OI margin	8.8%	14.0%			
EBITDA margin	22.4%	26.4%			

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

- Lower shipment volumes of core products such as air separation gases
- Sales price revisions due to rising costs and other factors
- In equipment and installation, both industrial gas and electronics-related sales increased

Europe

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	
	Q2 (Jul.- Sep.)	Q2 (Jul.- Sep.)		% Change	% Change <i>exc. FX</i>
Revenue	71.3	74.2	+2.9	+4.1%	-8.0%
Segment income	7.0	13.2	+6.2	+86.3%	+64.4%
Segment OI margin	9.9%	17.8%			
EBITDA margin	21.8%	30.6%			

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

- Lower shipment volumes of core products such as air separation gases
- Revision of sales prices due to falling energy prices
- Strong sales of gas-related and homecare-related equipment
- Productivity initiatives contributed to solid business performance

Asia & Oceania

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	
	Q2 (Jul.- Sep.)	Q2 (Jul.- Sep.)		% Change	% Change <i>exc. FX</i>
Revenue	42.5	39.6	-2.9	-6.8%	-9.7%
Segment income	4.3	4.4	+0.1	+2.6%	+0.7%
Segment OI margin	10.2%	11.2%			
EBITDA margin	15.6%	17.6%			

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

- Soft shipment volumes of core products such as air separation gases
- Sales price revisions due to rising costs and other factors
- Sales volume was soft in LP gas, of which a large portion of sales are in the Australia region
- In the electronics-related business, softness in both gas and equipment as a result of inventory adjustments and postponement of capital investment due to customer's demand

Thermos

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	
	Q2 (Jul.- Sep.)	Q2 (Jul.- Sep.)		% Change	% Change <i>exc. FX</i>
Revenue	7.4	7.7	+0.3	+3.4%	+2.5%
Segment income	1.3	1.4	+0.1	+7.0%	+3.6%
Segment OI margin	18.0%	18.6%			
EBITDA margin	22.9%	23.6%			

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

- In Japan, the revenue from the Sports bottles and others was firm
- Overseas, revenues were generally soft
- Production costs increased mainly due to the weak JPY

3. Q2 FYE2024

Business performance

-2. First half Cumulative performance

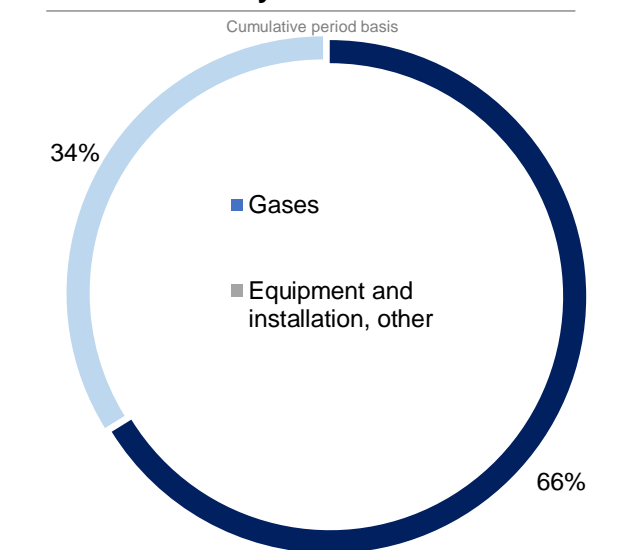
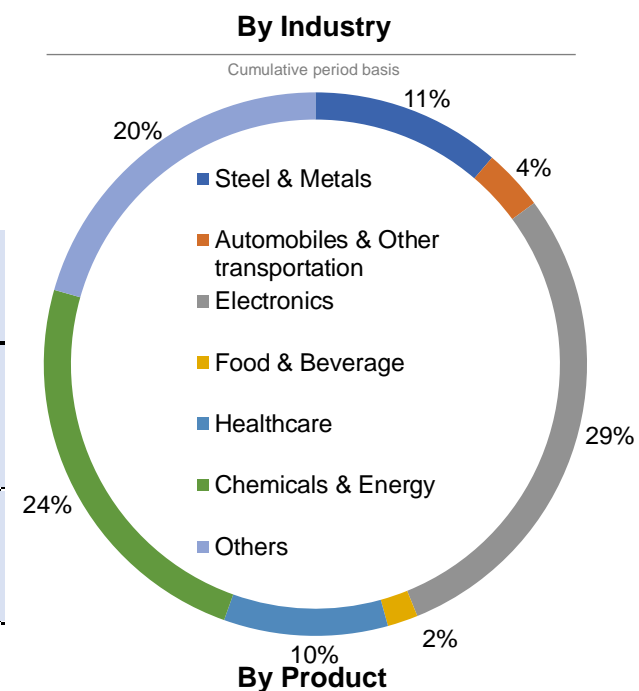
Consolidated results

	FYE2023	FYE2024	YoY		% Change exc. FX
	1H	1H	Difference	% Change	
(Unit: ¥ bn.)	(Apr.- Sep.)	(Apr.- Sep.)			
Revenue	573.6	612.5	+38.9	+6.8%	+2.2%
Core operating income	56.1	81.6	+25.5	+45.3%	+37.9%
Core OI margin	9.8%	13.3%			
Non-recurring profit and loss	-2.3	-0.0	+2.3		
Operating income (IFRS)	53.8	81.5	+27.7	+51.4%	
OI margin	9.4%	13.3%			
EBITDA margin	18.9%	22.3%			
Finance costs	-4.2	-10.0	-5.8		
Income before income taxes	49.6	71.5	+21.9	+44.1%	
Income tax expenses	13.2	21.1	+7.9		
Net income	36.4	50.4	+14.0	+38.5%	
(Attribution of net income)					
Net income attributable to owners of the parent	35.1	48.5	+13.4	+38.1%	
NI margin	6.1%	7.9%			
Net income attributable to non-controlling interests	1.2	1.8	+0.6		
Forex (Unit: JPY)					
(average rate during the period)					
USD	135.30	142.61			
EUR	139.14	154.81			
AUD	93.51	93.44			



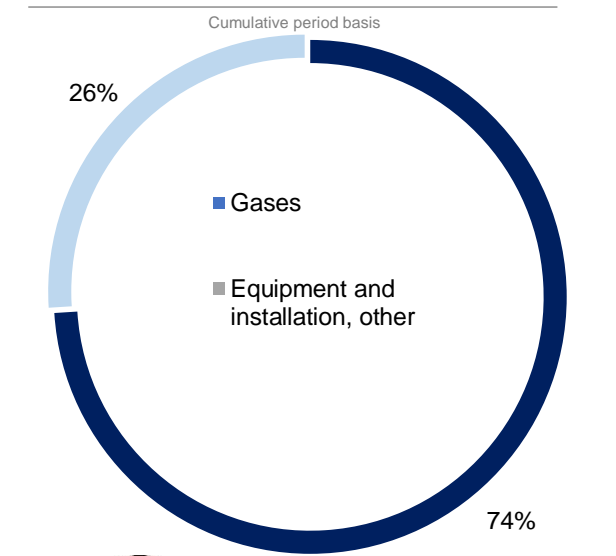
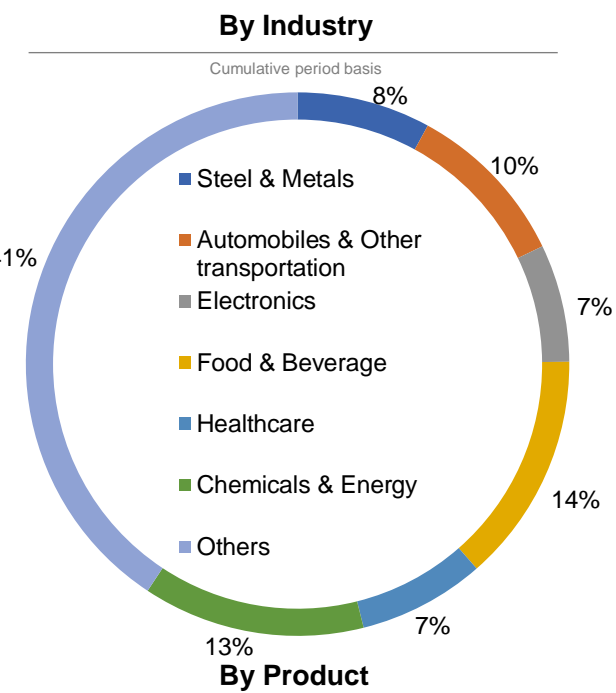
Japan

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	
	1H (Apr.- Sep.)	1H (Apr.- Sep.)		% Change	% Change <i>exc. FX</i>
Revenue	194.4	202.1	+7.7	+4.0%	+4.0%
Segment income	12.7	21.3	+8.6	+67.7%	+67.4%
Segment OI margin	6.5%	10.6%			
EBITDA margin	11.4%	15.1%			



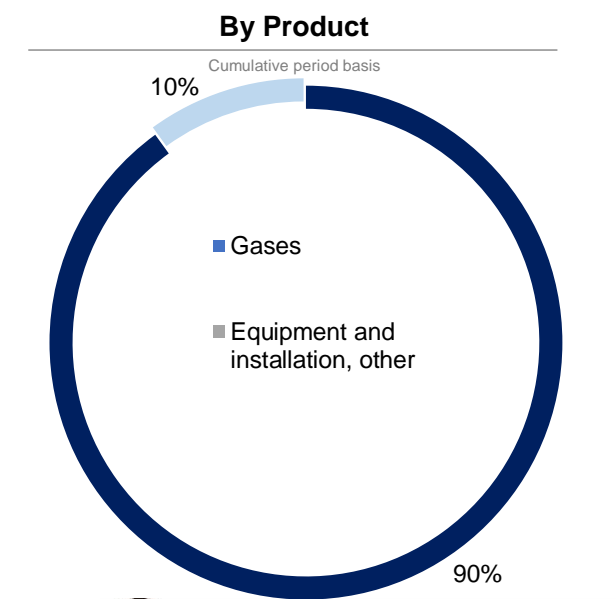
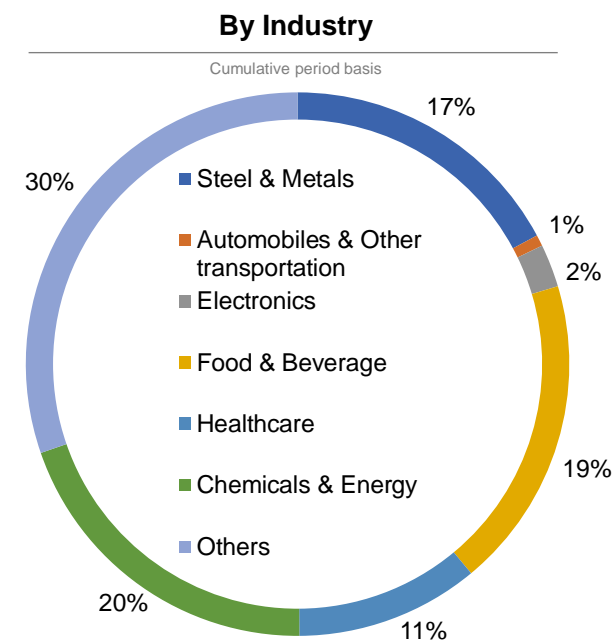
United States

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	
	1H (Apr.- Sep.)	1H (Apr.- Sep.)		% Change	% Change <i>exc. FX</i>
Revenue	145.9	169.5	+23.6	+16.1%	+10.2%
Segment income	16.0	23.4	+7.4	+45.8%	+38.1%
Segment OI margin	11.0%	13.8%			
EBITDA margin	24.9%	26.4%			



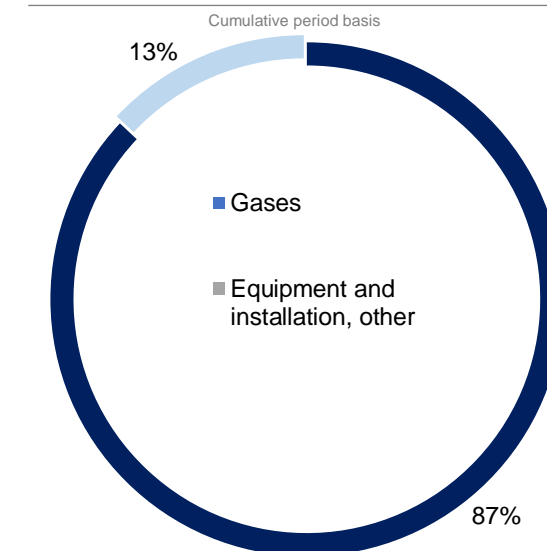
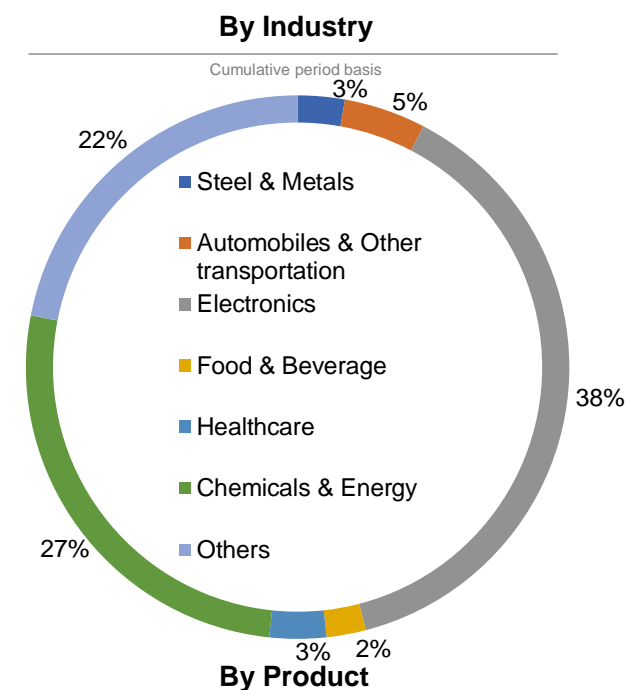
Europe

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	
	1H (Apr.- Sep.)	1H (Apr.- Sep.)		% Change	% Change <i>exc. FX</i>
Revenue	136.3	147.3	+11.0	+8.1%	-2.8%
Segment income	15.9	26.3	+10.4	+65.7%	+48.6%
Segment OI margin	11.7%	17.9%			
EBITDA margin	24.1%	30.5%			



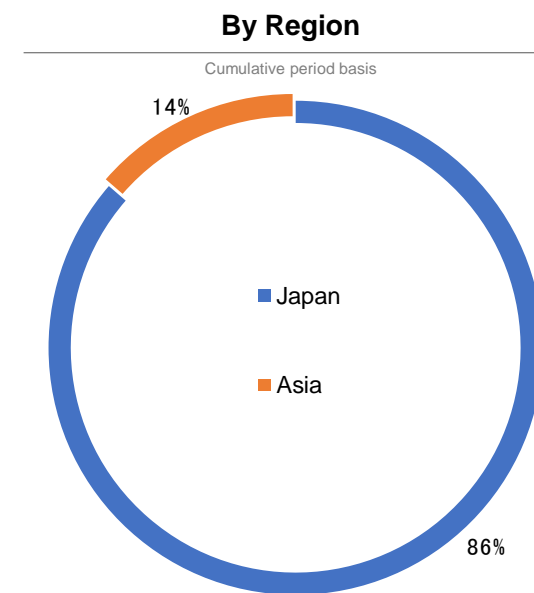
Asia & Oceania

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	
	1H (Apr.- Sep.)	1H (Apr.- Sep.)		% Change	% Change <i>exc. FX</i>
Revenue	81.8	78.1	-3.7	-4.5%	-7.1%
Segment income	8.9	8.5	-0.4	-4.2%	-6.0%
Segment OI margin	10.9%	11.0%			
EBITDA margin	16.5%	17.3%			



Thermos

(Unit: ¥ bn.)	FYE2023	FYE2024	Difference	YoY	
	1H (Apr.- Sep.)	1H (Apr.- Sep.)		% Change	% Change <i>exc. FX</i>
Revenue	15.1	15.3	+0.2	+1.1%	+0.4%
Segment income	3.3	2.8	-0.5	-13.3%	-16.2%
Segment OI margin	21.8%	18.7%			
EBITDA margin	26.5%	23.7%			



4. FYE2024 Full-term forecast

Consolidated forecast

	FYE2023 Full-term	FYE2024 Full-term forecast	YoY		FYE2024 Full-term forecast (previous)
		(Announced on October 31, 2023)	Difference	% Change	(Announced on May 11, 2023)
(Unit: ¥ bn.)					
Revenue	1,186.6	1,230.0	+43.4	+3.7%	1,160.0
Core operating income	123.1	155.0	+31.9	+25.9%	127.5
Core OI margin	10.4%	12.6%			11.0%
Non-recurring profit and loss	-3.5	8.0	+11.5		—
Operating income (IFRS)	119.5	163.0	+43.5	+36.4%	127.5
OI margin	10.1%	13.3%			11.0%
EBITDA margin	19.3%	21.6%			20.2%
Finance costs	-14.0	-24.0	-10.0		-25.5
Income before income taxes	105.5	139.0	+33.5	+31.7%	102.0
Income tax expenses	29.5	38.5	+9.0		28.5
Net income	75.9	100.5	+24.6	+32.3%	73.5
(Attribution of net income)					
Net income attributable to owners of the parent	73.0	97.0	+24.0	+32.7%	70.5
NI margin	6.2%	7.9%			6.1%
Net income attributable to non-controlling interests	2.8	3.5	+0.7		3.0
Forex (Unit: JPY)					
USD	136.00	142.61			130
(average rate during the period)					
EUR	141.62	154.81			140
AUD	92.67	93.44			93.5

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)

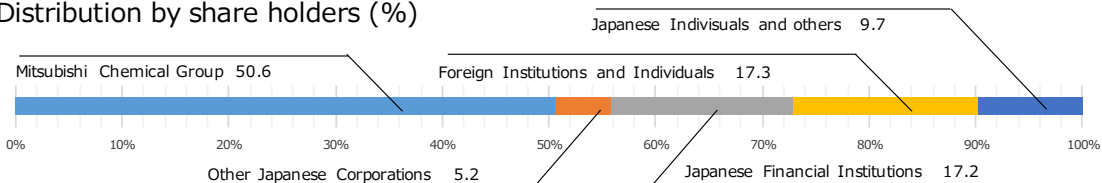
Company Name	Nippon Sanso Holdings Corporation
Founded	October 30, 1910
Headquarters	1-3-26 Koyama Shinagawa-ku, Tokyo 142-0062, Japan
TEL	81-3-5788-8500
	Representative Director, President CEO
Representative	Toshihiko Hamada
Common stock	37.3 billion yen

Stock information

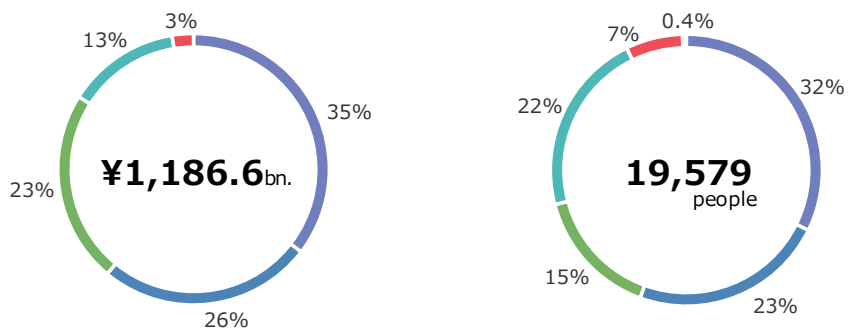
(As of March 31, 2023)

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	¥1,230.0 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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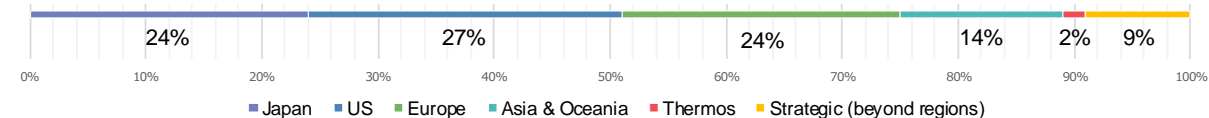
<HR>

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

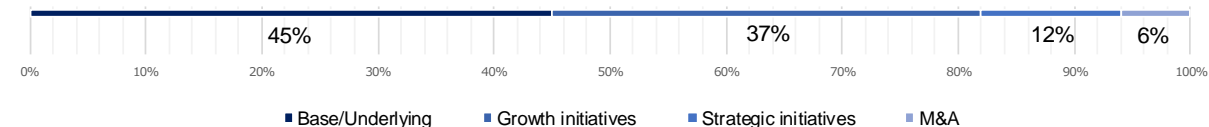
Capital allocation

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

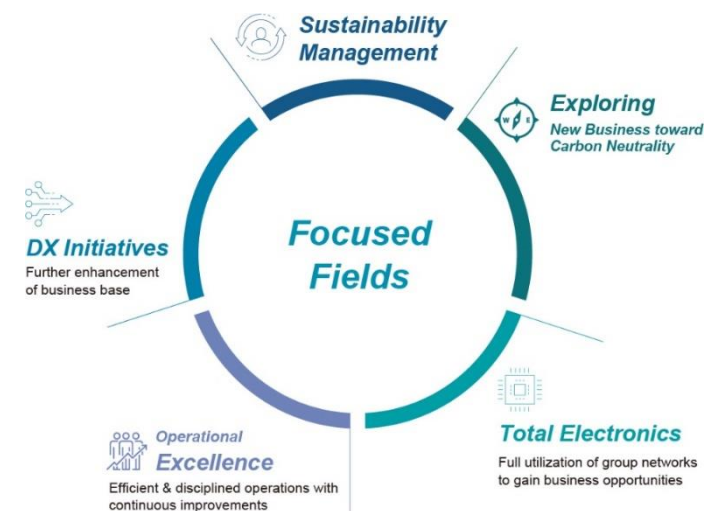
Composition ratio by Business



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 1H	FYE2024 1H	YoY Difference
(Unit: ¥ bn.)			
Core operating income	56.1	81.6	+25.5
Non-recurring profit and loss	-2.3	-0.0	+2.3
Operating income (IFRS)	53.8	81.5	+27.7

Items (Unit : ¥ bn.)

FYE2023 1H result		FYE2024 1H result	
Item	Amount	Item	Amount
Arbitration of Leasing facilities dispute (U.S.), etc.	-2.9	Total	-0.0
Gain on sales of overseas land (Asia & Oceania)	0.5		
Total	-2.3		

Key performance indicators

Item	Unit	FYE2023 1H	FYE2024 1H	FYE2023 Full-term
Basic earnings per share	JPY	81.22	112.16	168.85
Overseas sales ratio	%	64.4	65.5	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.	44.3	55.0	94.7
Depreciation and amortization	¥bn.	52.0	54.8	105.7
Free cash flow	¥bn.	29.8	32.3	89.8
Adjusted net D/E ratio	Times	0.88	0.72	0.81
Interest-bearing liabilities	¥bn.	964.4	1,045.5	941.7
Net interest-bearing liabilities	¥bn.	863.4	828.4	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	
	1H	1H	Difference	% Change
Income before income taxes	49.6	71.5	+21.9	+44.1%
Depreciation and amortization	52.0	54.8	+2.8	
Changes in working capital	-15.1	-27.4	-12.3	
Others	-14.3	-10.9	+3.4	
Cash flows from operating activities	72.1	87.9	+15.8	+22.0%
Capital expenditures	-42.6	-53.1	-10.5	
Investments and loans	-1.7	-1.8	-0.1	
Others (asset sales, etc.)	2.1	-0.6	-2.7	
Cash flows from investing activities	-42.2	-55.6	-13.4	+31.8%
Free cash flow	29.8	32.3	+2.5	+8.2%
Cash flows from financing activities	-25.4	44.7	+70.1	-

Condensed consolidated statements of Financial position

(Unit : ¥ bn.)	FYE2023	FYE2024	YoY		FYE2023	FYE2024	YoY
	Q4	Q2	Difference		Q4	Q2	Difference
Cash and cash equivalents	132.2	217.0	+84.8	Trade payables	128.1	120.5	-7.6
Trade receivables	243.5	260.7	+17.2	Interest-bearing liabilities	941.7	1,045.5	+103.8
Inventories	97.6	108.6	+11.0	Others	330.9	371.9	+41.0
Others	53.7	73.6	+19.9	Total liabilities	1,400.9	1,538.1	+137.2
Total current assets	527.0	660.0	+133.0	Share capital and capital surplus, etc	626.5	666.3	+39.8
Property, plant and equipment	776.1	835.3	+59.2	Other components of equity	97.7	186.4	+88.7
Goodwill	513.6	561.2	+47.6	Equity attributable to			
Intangible assets	242.3	254.1	+11.8	owners of parent	724.3	852.7	+128.4
Others	99.7	115.1	+15.4	Non-controlling interests	33.6	35.1	+1.5
Total non-current assets	1,631.8	1,765.8	+134.0	Total equity	757.9	887.8	+129.9
Total assets	2,158.9	2,425.9	+267.0	Total liabilities and equity	2,158.9	2,425.9	+267.0

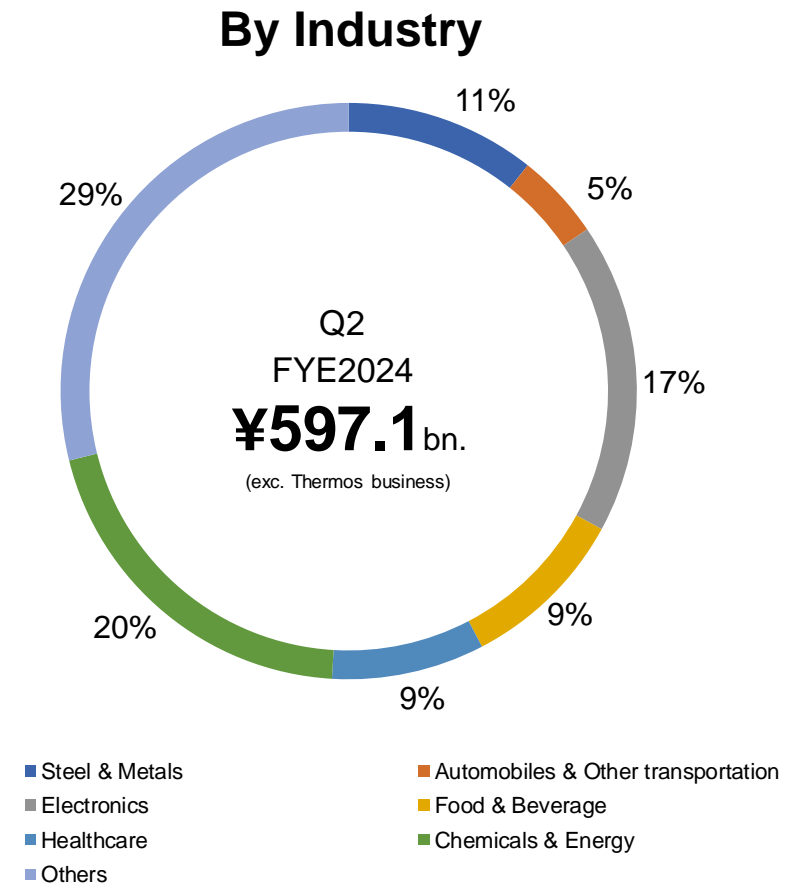
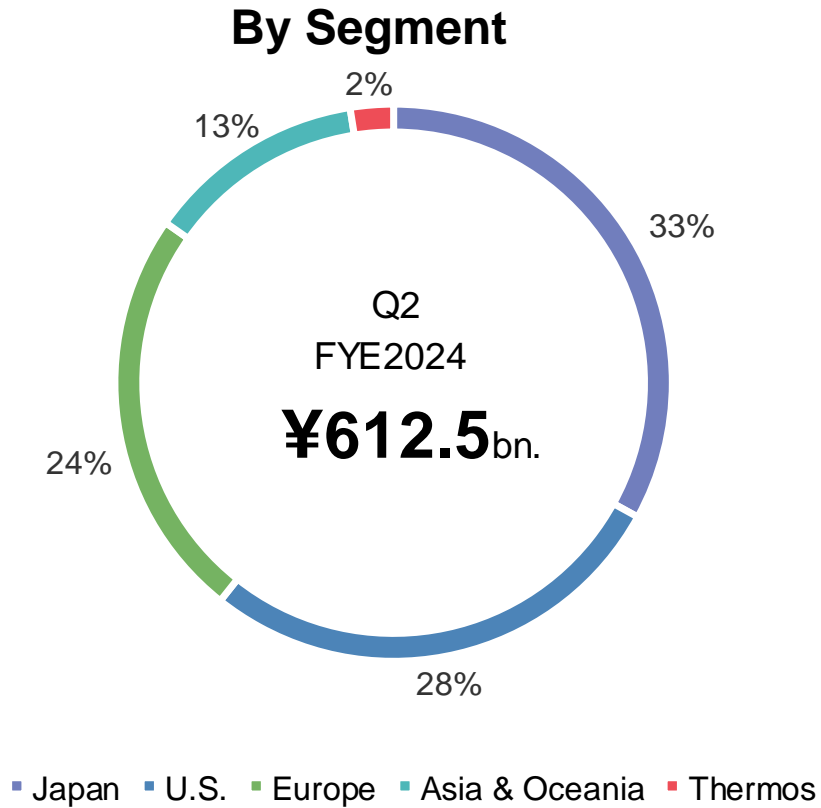
Note that foreign exchange rates resulted in an increase in both total assets and total liabilities and equity of approximately ¥159.2 billion. This mainly reflected foreign exchange rate changes, such as the JPY depreciation of ¥16.05 against the USD and the JPY depreciation of ¥12.28 against the EUR as of September 30, 2023, compared with the rates as of March 31, 2023.

Results overview by Segment

		FYE2023	FYE2024		YoY			
		1H	1H	Composition ratio	Difference	% Change	Forex impact	% Change exc. FX
		(Apr.- Sep.)	(Apr.- Sep.)					
(Unit: ¥ bn.)								
Japan	Revenue	194.4	202.1	33.0%	+7.7	+4.0%	+0.0	+4.0%
	Segment OI	12.7	21.3	26.1%	+8.6	+67.7%	+0.0	+67.4%
	Segment OI margin	6.5%	10.6%					
United States	Revenue	145.9	169.5	27.7%	+23.6	+16.1%	+7.8	+10.2%
	Segment OI	16.0	23.4	28.7%	+7.4	+45.8%	+0.8	+38.1%
	Segment OI margin	11.0%	13.8%					
Europe	Revenue	136.3	147.3	24.1%	+11.0	+8.1%	+15.3	-2.8%
	Segment OI	15.9	26.3	32.3%	+10.4	+65.7%	+1.8	+48.6%
	Segment OI margin	11.7%	17.9%					
Asia & Oceania	Revenue	81.8	78.1	12.8%	-3.7	-4.5%	+2.3	-7.1%
	Segment OI	8.9	8.5	10.5%	-0.4	-4.2%	+0.1	-6.0%
	Segment OI margin	10.9%	11.0%					
Thermos	Revenue	15.1	15.3	2.5%	+0.2	+1.1%	+0.0	+0.4%
	Segment OI	3.3	2.8	3.5%	-0.5	-13.3%	+0.1	-16.2%
	Segment OI margin	21.8%	18.7%					
Adjustment	Revenue	0.0	0.0	0.0%	-0.0	—		—
	Segment OI	-0.7	-0.9	-1.1%	-0.2	—		—
Consolidated total	Revenue	573.6	612.5	100.0%	+38.9	+6.8%	+25.7	+2.2%
	Core OI	56.1	81.6	100.0%	+25.5	+45.3%	+3.0	+37.9%
	Core OI margin	9.8%	13.3%					

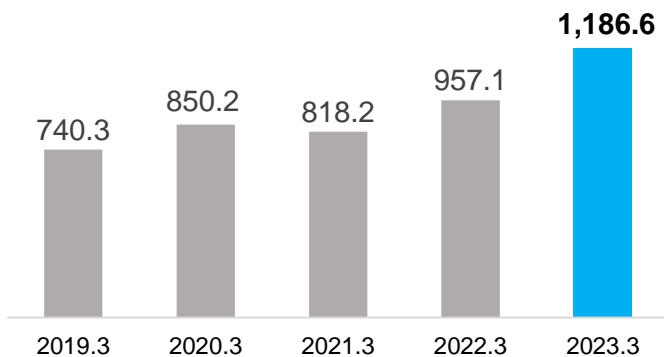


Revenue composition

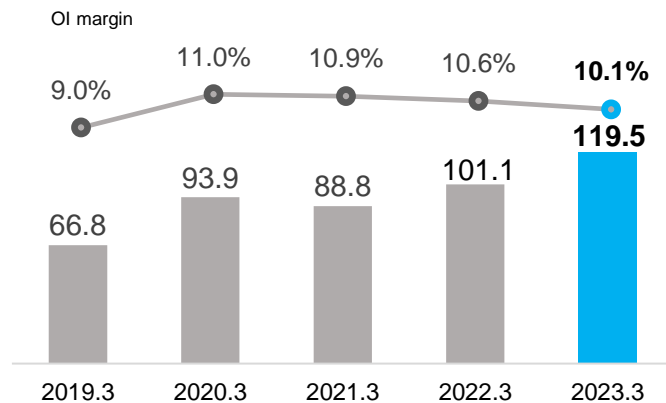


Business performance over the past five years

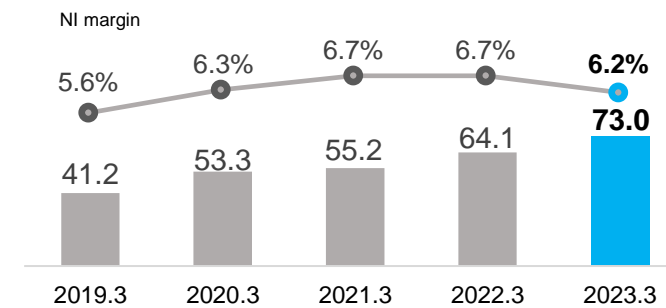
Revenue (¥ bn.)



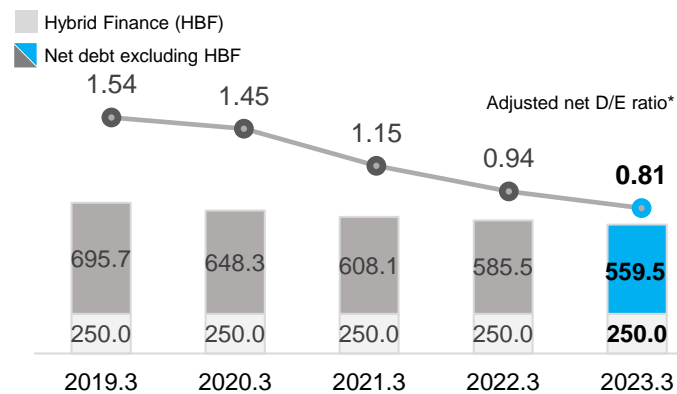
Operating income (IFRS) (¥ bn.)



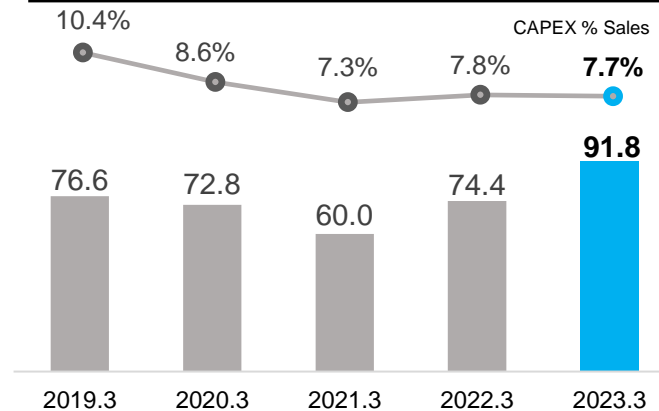
Profit attributable to owners of the parent (¥ bn.)



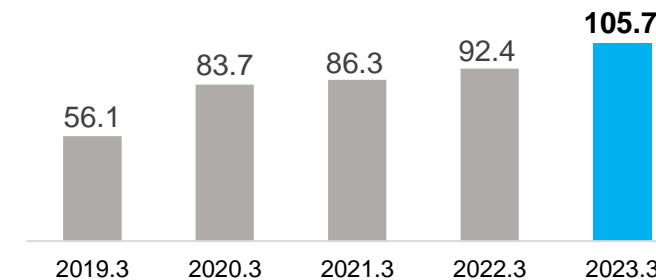
Net interest-bearing debts (¥ bn.)



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)

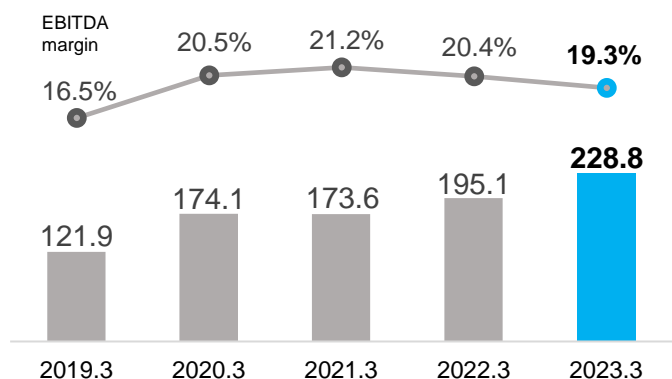
$$= \frac{\text{NOPAT (Net Operating Profit After Tax)}}{(\text{Interest-bearing debt} + \text{Total equity attributable to owners of parent})^*}$$

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

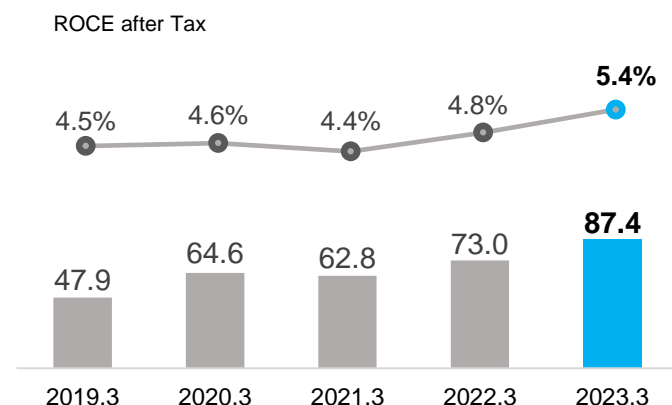
Indicator based on profitability and investment efficiency

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.

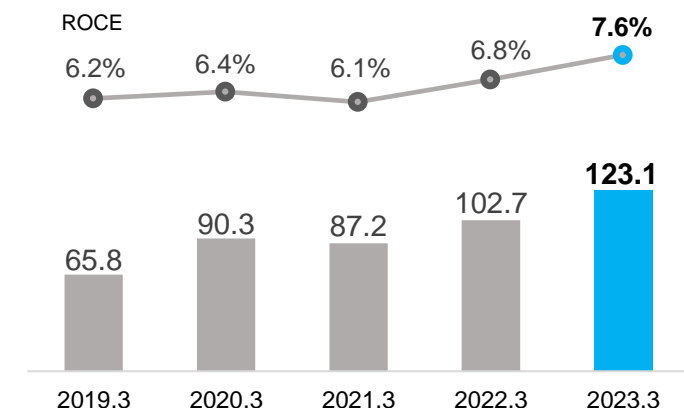
EBITDA margin and EBITDA (¥ bn.)



ROCE after Tax and NOPAT (¥ bn.)

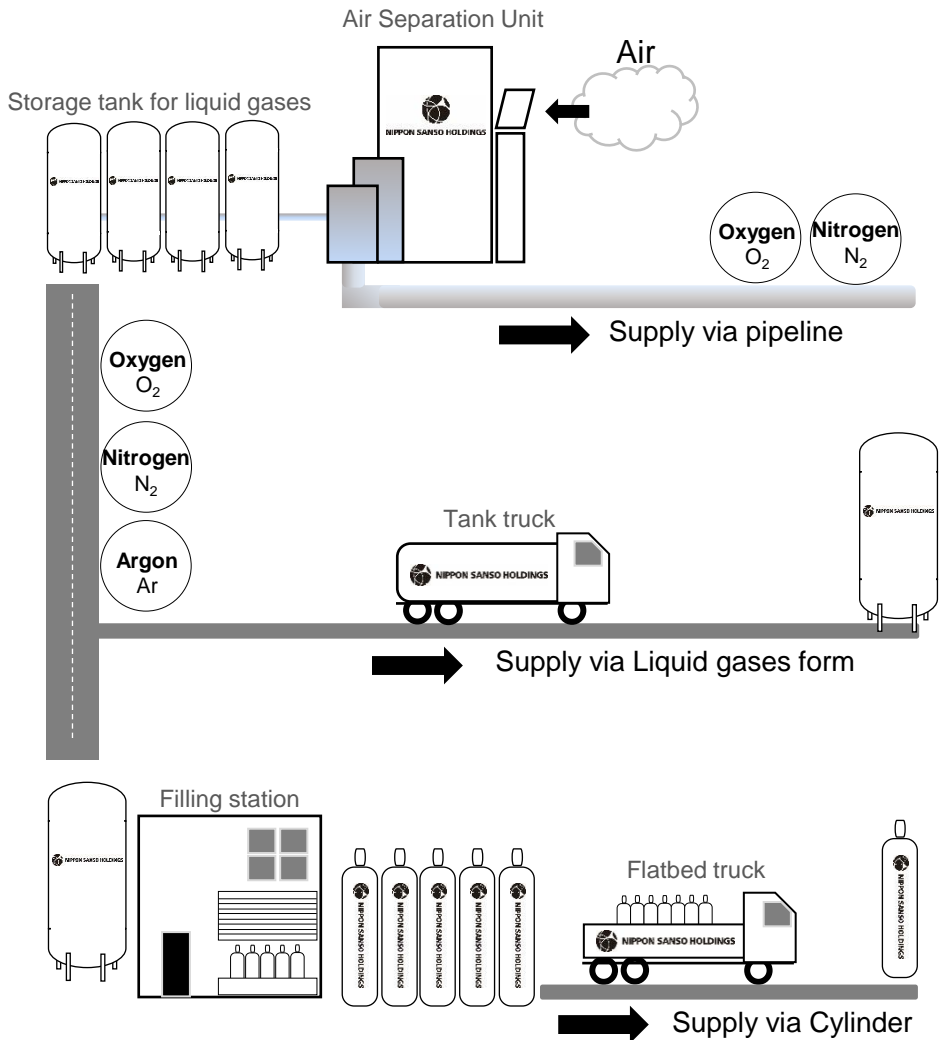


(Reference) ROCE and Core OI (¥ bn.)



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

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)

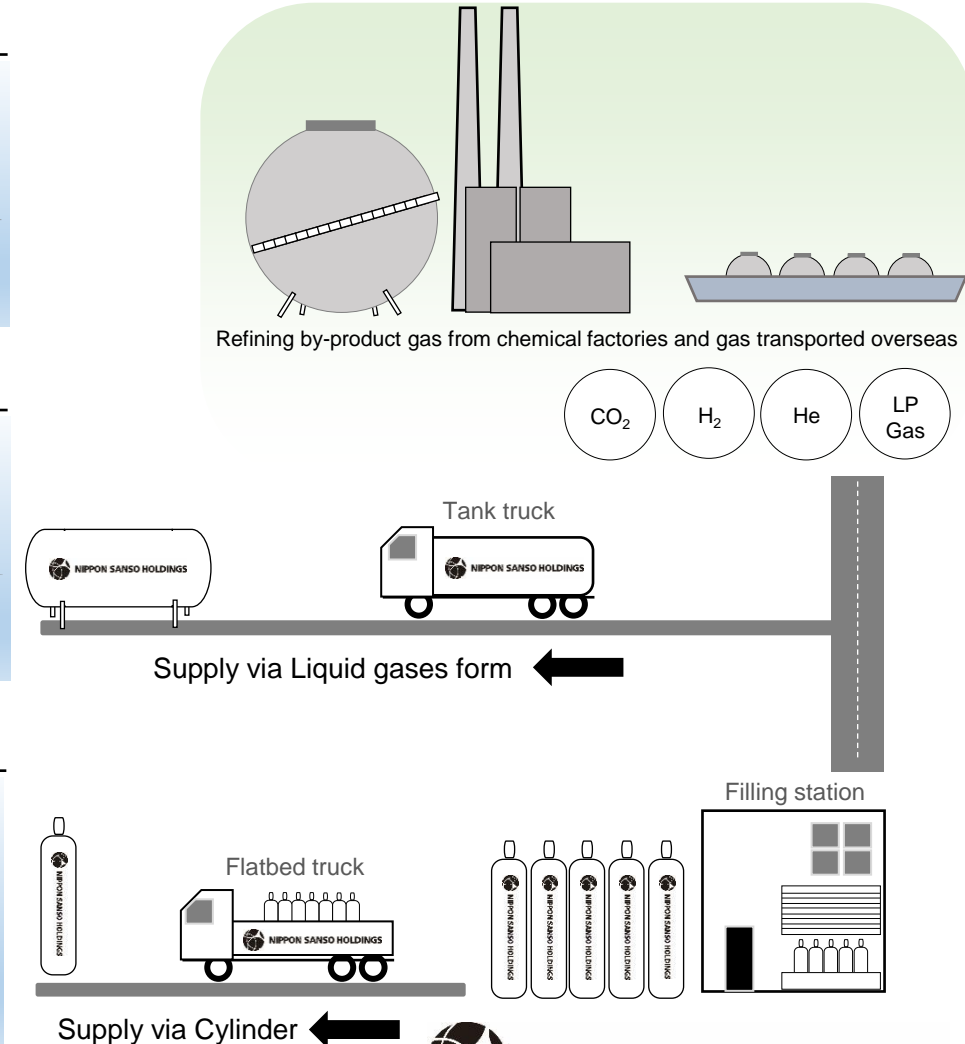
Packaged

Major supply destination (Sector)

**Homecare Advanced 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:

Public Relations for media

Public Relations

Tel : +81 (0)3-5788-8513

E-mail : Nshd.info@nipponsanso-hd.co.jp

Investor Relations for investors

Investor Relations

Tel: +81 (0)3-5788-8512

E-mail : Nshd.ir@nipponsanso-hd.co.jp

Upcoming IR events

Web IR Conference on Sustainability initiatives	December 6, 2023
Q3 FYE2024 Earnings Call	February 2, 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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