

# **Supplementary Materials for Consolidated Business Performance**

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**The First Three Quarters  
of FYE2021**

**Nippon Sanso Holdings Corporation**

**February 2, 2021**



**NIPPON SANSO HOLDINGS**

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# 1-1. Overview of business performance (YTD)

| (Billions of yen)  | FYE2020<br>Q3 result<br>Margin | FYE2021<br>Q3 result<br>Margin | YoY Change<br>% Change |
|--|--------------------------------|--------------------------------|------------------------|
| <b>Revenue</b>   | <b>633.4</b>                   | <b>592.2</b>                   | <b>-41.2</b><br>-6.5%  |
| <b>Core operating income</b>                               | <b>68.2</b><br>10.8%           | <b>60.4</b><br>10.2%           | <b>-7.8</b><br>-11.4%  |
| Non-recurring profit and loss                              | 3.6                            | 2.6                            | -1.0                   |
| <b>Operating income</b>                                    | <b>71.8</b><br>11.4%           | <b>63.1</b><br>10.7%           | <b>-8.7</b><br>-12.2%  |
| Finance costs  | -10.9                          | -8.4                           | +2.5                   |
| <b>Income before income taxes</b>                          | <b>60.9</b>                    | <b>54.7</b>                    | <b>-6.2</b>            |
| Income tax expenses  | -18.3                          | -16.4                          | +1.9                   |
| Net income   | 42.5                           | 38.2                           | -4.3                   |
| (Attribution of net income)                                |                                |                                |                        |
| <b>Net income attributable to owners<br/>of the parent</b> | <b>41.3</b><br>6.5%            | <b>37.3</b><br>6.3%            | <b>-4.0</b><br>-9.8%   |
| Net income attributable to non-controlling interests       | 1.1                            | 0.9                            | -0.2                   |

Foreign currency translations (average rate during the period)

| Unit : JPY | USD    | EUR    | SGD   | AUD   |
|------------|--------|--------|-------|-------|
| FYE2020 Q3 | 108.89 | 121.12 | 79.59 | 74.93 |
| FYE2021 Q3 | 105.54 | 122.61 | 76.92 | 74.75 |



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# 1-1. Overview of business performance (YTD)

## 【Revenue】

| (Billions of yen)                | FYE2020<br>Q3 result | FYE2021<br>Q3 result | Difference | % Change |
|----------------------------------|----------------------|----------------------|------------|----------|
| Gas Business in Japan            | 260.2                | <b>242.2</b>         | -18.0      | -6.9%    |
| Gas Business in the U.S.         | 148.8                | <b>139.3</b>         | -9.5       | -6.4%    |
| Gas Business in Europe           | 125.3                | <b>115.9</b>         | -9.4       | -7.5%    |
| Gas Business in Asia and Oceania | 79.1                 | <b>77.0</b>          | -2.1       | -2.6%    |
| Thermos Business                 | 19.8                 | <b>17.6</b>          | -2.2       | -11.2%   |
| Revenue Total                    | 633.4                | <b>592.2</b>         | -41.2      | -6.5%    |

## 【Operating income】

| (Billions of yen)                | FYE2020<br>Q3 result | FYE2021<br>Q3 result | Difference | % Change |
|----------------------------------|----------------------|----------------------|------------|----------|
| Gas Business in Japan            | 19.9                 | <b>19.1</b>          | -0.8       | -4.2%    |
| Gas Business in the U.S.         | 16.7                 | <b>16.0</b>          | -0.7       | -4.2%    |
| Gas Business in Europe           | 19.2                 | <b>14.5</b>          | -4.7       | -24.1%   |
| Gas Business in Asia and Oceania | 8.1                  | <b>8.1</b>           | -0.0       | -0.4%    |
| Thermos Business                 | 6.0                  | <b>3.5</b>           | -2.5       | -41.3%   |
| Eliminations or Corporate        | -1.9                 | <b>-0.9</b>          | +1.0       | -        |
| Core operating income Total      | 68.2                 | <b>60.4</b>          | -7.8       | -11.4%   |
| Non-recurring profit and loss    | 3.6                  | <b>2.6</b>           | -1.0       | -        |
| Operating income Total           | 71.8                 | <b>63.1</b>          | -8.7       | -12.2%   |



## 1-2. Business Performance by Segment: Gas Business in Japan (YTD)

| (Billions of yen) |                                   |                              |                             | FYE2020<br>Q3 result | FYE2021<br>Q3 result | Difference | % Change |        |
|-------------------|-----------------------------------|------------------------------|-----------------------------|----------------------|----------------------|------------|----------|--------|
| Revenue           | Gases                             | Packaged                     | Air separation gases, other | 11.4                 | 10.1                 | -1.3       | -11.0%   |        |
|                   |                                   |                              | Packaged subtotal           | 11.4                 | 10.1                 | -1.3       | -11.0%   |        |
|                   |                                   | Bulk                         | Air separation gases        | 36.4                 | 34.0                 | -2.4       | -6.7%    |        |
|                   |                                   |                              | Carbon dioxide              | 17.8                 | 16.7                 | -1.1       | -6.4%    |        |
|                   |                                   |                              | Helium                      | 3.4                  | 3.8                  | +0.4       | +14.5%   |        |
|                   |                                   |                              | Other gases                 | 7.5                  | 6.5                  | -1.0       | -12.9%   |        |
|                   |                                   |                              | Bulk subtotal               | 65.2                 | 61.2                 | -4.0       | -6.2%    |        |
|                   |                                   | On-site                      | Air separation gases        | 53.7                 | 48.5                 | -5.2       | -9.7%    |        |
|                   |                                   |                              | Other gases                 | 4.8                  | 4.5                  | -0.3       | -6.1%    |        |
|                   |                                   |                              | On-site subtotal            | 58.5                 | 53.1                 | -5.4       | -9.4%    |        |
|                   |                                   | LP gas                       |                             |                      | 20.3                 | 17.2       | -3.1     | -15.4% |
|                   |                                   | Specialty gases              |                             |                      | 19.7                 | 20.1       | +0.4     | +2.4%  |
|                   |                                   |                              |                             | Subtotal             | 175.3                | 161.9      | -13.4    | -7.7%  |
|                   | Equipment and installation, other | Gas-related and plant, other |                             | 55.3                 | 50.6                 | -4.7       | -8.5%    |        |
|                   |                                   | Electronics-related          |                             | 11.1                 | 13.3                 | +2.2       | +19.0%   |        |
|                   |                                   | Welding and cutting-related  |                             | 18.3                 | 16.3                 | -2.0       | -10.8%   |        |
|                   |                                   | Subtotal                     |                             | 84.8                 | 80.3                 | -4.5       | -5.4%    |        |
| Revenue Total     |                                   |                              |                             | 260.2                | 242.2                | -18.0      | -6.9%    |        |
| Segment income    |                                   |                              |                             | 19.9                 | 19.1                 | -0.8       | -4.2%    |        |

### Reasons for changes in revenue

- Bulk & On-site (Air separation gases): Demand decreased sharply across the manufacturing sector as a whole.
- Equipment and installation, other (Electronics-related): Sales of Equipment and installation for semiconductor manufacturers increased.

### Reason for change in segment income

- In bulk gases, earnings decreased mainly due to a decrease in revenue from air separation gases.
- Lower costs due to falling fuel prices.
- In Electronics related, earnings increased due to an increase in revenue from Equipment and installation.

## 1-2. Business Performance by Segment: Gas Business in the U.S. (YTD)

| (Billions of yen) |                                      |                             |                             | FYE2020<br>Q3 result | FYE2021<br>Q3 result | Difference | % Change |        |
|-------------------|--------------------------------------|-----------------------------|-----------------------------|----------------------|----------------------|------------|----------|--------|
| Revenue           | Gases                                | Packaged                    | Air separation gases, other | 36.1                 | 30.4                 | -5.7       | -15.7%   |        |
|                   |                                      |                             | Packaged subtotal           | 36.1                 | 30.4                 | -5.7       | -15.7%   |        |
|                   |                                      | Bulk                        | Air separation gases        | 27.7                 | 25.5                 | -2.2       | -7.9%    |        |
|                   |                                      |                             | Carbon dioxide              | 19.3                 | 18.0                 | -1.3       | -7.1%    |        |
|                   |                                      |                             | Helium                      | 4.3                  | 5.4                  | +1.1       | +25.0%   |        |
|                   |                                      |                             | Other gases                 | 6.6                  | 8.5                  | +1.9       | +27.8%   |        |
|                   |                                      |                             | Bulk subtotal               | 58.2                 | 57.6                 | -0.6       | -1.1%    |        |
|                   |                                      | On-site                     | Air separation gases        | 7.1                  | 6.5                  | -0.6       | -8.2%    |        |
|                   |                                      |                             | Other gases                 | 9.9                  | 8.9                  | -1.0       | -10.4%   |        |
|                   |                                      |                             | On-site subtotal            | 17.0                 | 15.4                 | -1.6       | -9.5%    |        |
|                   |                                      | LP gas                      |                             |                      | 2.8                  | 2.5        | -0.3     | -11.9% |
|                   |                                      | Specialty gases             |                             |                      | 4.9                  | 4.9        | +0.0     | +0.0%  |
|                   |                                      |                             | Subtotal                    | 119.3                | 111.0                | -8.3       | -6.9%    |        |
|                   | Equipment and installation,<br>other | Electronics-related         |                             | 3.5                  | 4.5                  | +1.0       | +28.5%   |        |
|                   |                                      | Welding and cutting-related |                             | 25.9                 | 23.7                 | -2.2       | -8.5%    |        |
|                   |                                      | Subtotal                    |                             | 29.5                 | 28.3                 | -1.2       | -4.0%    |        |
| Revenue Total     |                                      |                             |                             | 148.8                | 139.3                | -9.5       | -6.4%    |        |
| Segment income    |                                      |                             |                             | 16.7                 | 16.0                 | -0.7       | -4.2%    |        |

\*Impact of foreign currency translation: Negative impacts of ¥4.57 billion on revenue and ¥0.52 billion on segment income

### Reasons for changes in revenue

- Packaged & Bulk: Demand decreased sharply across the manufacturing sector as a whole.
- Helium: Revenue increased due to pricing effects.
- On-site: Revenue decreased due to low levels of operation.
- Welding and cutting-related: Revenue decreased due to a soft demand for automobile and construction industry.

### Reason for change in segment income

- In bulk gases, earnings decreased mainly due to a decline in revenue from air separation gases.
- Earnings decreased due to a decline in revenue from packaged gases and welding and cutting-related business.
- Temporary income and removal of prior-year amounts from non-operating transactions.
- Rationalization.

## 1-2. Business Performance by Segment: Gas Business in Europe (YTD)

| (Billions of yen) |                                      |                              |                             | FYE2020<br>Q3 result | FYE2021<br>Q3 result | Difference | % Change |       |
|-------------------|--------------------------------------|------------------------------|-----------------------------|----------------------|----------------------|------------|----------|-------|
| Revenue           | Gases                                | Packaged                     | Air separation gases, other | 31.0                 | 27.4                 | -3.6       | -11.5%   |       |
|                   |                                      |                              | Packaged subtotal           | 31.0                 | 27.4                 | -3.6       | -11.5%   |       |
|                   |                                      | Bulk                         | Air separation gases        | 28.9                 | 27.6                 | -1.3       | -4.5%    |       |
|                   |                                      |                              | Carbon dioxide              | 18.7                 | 17.0                 | -1.7       | -8.8%    |       |
|                   |                                      |                              | Helium                      | 5.9                  | 5.5                  | -0.4       | -6.5%    |       |
|                   |                                      |                              | Other gases                 | 5.3                  | 5.3                  | -0.0       | -0.6%    |       |
|                   |                                      |                              | Bulk subtotal               | 58.9                 | 55.5                 | -3.4       | -5.7%    |       |
|                   |                                      | On-site                      | Air separation gases        | 16.4                 | 15.3                 | -1.1       | -7.2%    |       |
|                   |                                      |                              | Other gases                 | 2.8                  | 2.5                  | -0.3       | -10.1%   |       |
|                   |                                      |                              | On-site subtotal            | 19.3                 | 17.8                 | -1.5       | -7.6%    |       |
|                   |                                      | Specialty gases              |                             |                      | 5.0                  | 4.9        | -0.1     | -2.5% |
|                   |                                      | Subtotal                     |                             |                      | 114.3                | 105.8      | -8.5     | -7.5% |
|                   | Equipment and installation,<br>other | Gas-related and plant, other |                             | 8.6                  | 8.0                  | -0.6       | -6.4%    |       |
|                   |                                      | Welding and cutting-related  |                             | 2.3                  | 2.0                  | -0.3       | -12.2%   |       |
|                   |                                      | Subtotal                     |                             | 10.9                 | 10.1                 | -0.8       | -7.7%    |       |
| Revenue Total     |                                      |                              | 125.3                       | 115.9                | -9.4                 | -7.5%      |          |       |
| Segment income    |                                      |                              |                             | 19.2                 | 14.5                 | -4.7       | -24.1%   |       |

\*Impact of foreign currency translation: Positive impacts of ¥1.54 billion on revenue and ¥0.23 billion on segment income

\*The financial information presented under FYE2020 Q3 results differs from the information previously disclosed in FYE2020 Q3 because product aggregation categories were revised in the term under review.

### Reasons for changes in revenue

- Packaged: Lower revenue centered on air separation gases, in addition to soft sales mainly in the refrigerant gas business (next-generation refrigerant gas) in Italy.
- Bulk & On-site: Demand decreased sharply across the manufacturing sector as a whole. (large impact on business results due to the spread of COVID-19)

### Reason for change in segment income

- Earnings decreased due to a large decline in revenue across Bulk, Packaged and all other areas generally.
- Earnings decreased due to soft sales in the refrigerant gas business (next-generation refrigerant gas) .
- In bulk gases, earnings increased due to pricing effects.



## 1-2. Business Performance by Segment: Gas Business in Asia and Oceania (YTD)

| (Billions of yen) |                                   |                              |                             | FYE2020<br>Q3 result | FYE2021<br>Q3 result | Difference | % Change |        |
|-------------------|-----------------------------------|------------------------------|-----------------------------|----------------------|----------------------|------------|----------|--------|
| Revenue           | Gases                             | Packaged                     | Air separation gases, other | 2.7                  | 2.6                  | -0.1       | -5.5%    |        |
|                   |                                   |                              | Packaged subtotal           | 2.7                  | 2.6                  | -0.1       | -5.5%    |        |
|                   |                                   | Bulk                         | Air separation gases        | 12.3                 | 11.0                 | -1.3       | -10.8%   |        |
|                   |                                   |                              | Carbon dioxide              | 1.3                  | 1.3                  | -0.0       | -4.7%    |        |
|                   |                                   |                              | Helium                      | 4.1                  | 4.1                  | +0.0       | +0.2%    |        |
|                   |                                   |                              | Other gases                 | 2.0                  | 2.1                  | +0.1       | +2.4%    |        |
|                   |                                   |                              | Bulk subtotal               | 19.9                 | 18.5                 | -1.4       | -6.7%    |        |
|                   |                                   | On-site                      | Air separation gases        | 2.7                  | 2.6                  | -0.1       | -4.8%    |        |
|                   |                                   |                              | On-site subtotal            | 2.7                  | 2.6                  | -0.1       | -4.8%    |        |
|                   |                                   | LP gas                       |                             |                      | 11.2                 | 10.8       | -0.4     | -3.2%  |
|                   |                                   | Specialty gases              |                             |                      | 20.5                 | 23.8       | +3.3     | +15.8% |
|                   | Subtotal                          |                              |                             | 57.2                 | 58.5                 | +1.3       | +2.2%    |        |
|                   | Equipment and installation, other | Gas-related and plant, other |                             | 12.8                 | 10.6                 | -2.2       | -16.7%   |        |
|                   |                                   | Electronics-related          |                             | 5.2                  | 4.3                  | -0.9       | -16.7%   |        |
|                   |                                   | Welding and cutting-related  |                             | 3.7                  | 3.4                  | -0.3       | -8.7%    |        |
|                   |                                   | Subtotal                     |                             | 21.8                 | 18.5                 | -3.3       | -15.3%   |        |
| Revenue Total     |                                   |                              |                             | 79.1                 | 77.0                 | -2.1       | -2.6%    |        |
| Segment income    |                                   |                              |                             | 8.1                  | 8.1                  | -0.0       | -0.4%    |        |

\*Impact of foreign currency translation: Negative impacts of ¥1.03 billion on revenue and ¥0.07 billion on segment income

### Reasons for changes in revenue

- Bulk: In the Philippines, shipment volume decreased, as demand fell sharply in response to the impact of city lockdowns. Revenue similarly decreased in other regions as well.
- Specialty gases: Shipments were favorable in China and Taiwan.

### Reason for change in segment income

- Earnings increased due to an increase in revenue from specialty gases in China and Taiwan.
- Profitability improved in the LP gas business in Australia.
- Earnings decreased due to a decrease in revenue in South East Asia as a whole.



## 1-2. Business Performance by Segment: Thermos Business (YTD)

| (Billions of yen) |               | FYE2020<br>Q3 result | FYE2021<br>Q3 result | Difference | % Change |
|-------------------|---------------|----------------------|----------------------|------------|----------|
| Revenue           | Japan         | 17.2                 | 15.1                 | -2.1       | -12.4%   |
|                   | Overseas      | 2.6                  | 2.5                  | -0.1       | -3.8%    |
|                   | Revenue Total | 19.8                 | 17.6                 | -2.2       | -11.2%   |
| Segment income    |               | 6.0                  | 3.5                  | -2.5       | -41.3%   |

\*Impact of foreign currency translation: Negative impacts of ¥0.07 billion on revenue and ¥0.01 billion on segment income

### Reasons for changes in revenue

- Japan: Sales opportunities were lost due to restrictions on movement and voluntary suspension of business activities at retail stores, resulting in a decrease in shipment volume. Meanwhile, stay-at-home demand supported firm sales of frying pans and tumblers.
- Overseas: Revenue decreased due to a decline in shipment volume in various regions.

### Reason for change in segment income

- Japan: Earnings from the main products such as portable mugs decreased due to a substantial decline in revenue, as the Group was unable to capitalize on sales opportunities associated with periods of high demand such as the leisure season.
- Overseas: In addition to adjustments to operation levels at production plants, sales slowed at group companies accounted for by the equity.

## 2-1. Full-Year Forecast for FYE2021 (YTD)

| (Billions of yen)   | FYE2020<br>Result<br>Margin | FYE2021<br>Forecast<br>(Announced Feb.2)<br>Margin | YoY Change<br>% Change | FYE2020<br>Forecast<br>(Announced May12, 2020)<br>Margin |
|---|-----------------------------|--|------------------------|--|
| <b>Revenue</b>  | <b>850.2</b>                | <b>802.0</b>                                       | <b>-48.2</b><br>-5.7%  | <b>830.0</b>   |
| <b>Core operating income</b>                                      | <b>90.3</b><br>10.6%        | <b>83.0</b><br>10.3%                               | <b>-7.3</b><br>-8.1%   | <b>82.0</b><br>9.9%                                      |
| Non-recurring profit and loss                                     | 3.5                         | 1.6  | -1.9                   | —  |
| <b>Operating income</b>   | <b>93.9</b><br>11.0%        | <b>84.6</b><br>10.5%                               | <b>-9.3</b><br>-9.9%   | <b>82.0</b><br>9.9%                                      |
| Finance costs   | -14.7                       | -11.7  | +3.0                   | -14.5  |
| <b>Income before income taxes</b>                                 | <b>79.1</b>                 | <b>72.9</b>  | <b>-6.2</b>            | <b>67.5</b>  |
| Income tax expenses   | -24.0                       | -23.3  | -0.7                   | -21.5  |
| <b>Net income</b>   | <b>55.0</b>                 | <b>49.6</b>  | <b>-5.4</b>            | <b>46.0</b>  |
| (Attribution of net income)                                       |                             |  |                        |  |
| <b>Net income attributable to owners<br/>of the parent</b>        | <b>53.3</b><br>6.3%         | <b>48.1</b><br>6.0%                                | <b>-5.2</b><br>-9.8%   | <b>44.0</b><br>5.3%                                      |
| Net income for the year attributable to non-controlling interests | 1.6                         | 1.5  | -0.1                   | 2.0  |



Foreign currency translations (average rate during the period)

| Unit : JPY                               | USD    | EUR    |
|--|--------|--------|
| FYE2021 est. (announced on Feb. 2)       | 105    | 123    |
| FYE2021 est. (announced on May 12, 2020) | 108    | 120    |
| FYE2020 actual                           | 108.95 | 120.85 |



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## 2-2. Full-Year Forecast for FYE2021 by Segment (YTD)

### 【Revenue】

| (Billions of yen)                | FYE2020<br>Result | FYE2021<br>Forecast<br>(Announced Feb.2) | Difference | % Change | FYE2021<br>Forecast<br>(Announced Jul.30, 2020) |
|----------------------------------|-------------------|--|------------|----------|---|
| Gas Business in Japan            | 356.1             | <b>330.9</b>                             | -25.2      | -7.1%    | 356.0   |
| Gas Business in U.S.             | 198.8             | <b>186.5</b>                             | -12.3      | -6.2%    | 192.0   |
| Gas Business in Europe           | 165.5             | <b>157.7</b>                             | -7.8       | -4.7%    | 153.0   |
| Gas Business in Asia and Oceania | 104.5             | <b>102.3</b>                             | -2.2       | -2.1%    | 103.0   |
| Thermos Business                 | 25.1              | <b>24.6</b>                              | -0.5       | -2.1%    | 26.0  |
| Revenue Total                    | 850.2             | <b>802.0</b>                             | -48.2      | -5.7%    | 830.0   |

### 【Operating income】

| (Billions of yen)                | FYE2020<br>Result | FYE2021<br>Forecast<br>(Announced Feb. 2) | Difference | % Change | FYE2021<br>Forecast<br>(Announced Jul.30, 2020) |
|----------------------------------|-------------------|---|------------|----------|---|
| Gas Business in Japan            | 28.7              | <b>27.2</b>                               | -1.5       | -5.4%    | 31.2  |
| Gas Business in U.S.             | 22.2              | <b>21.4</b>                               | -0.8       | -3.9%    | 16.3  |
| Gas Business in Europe           | 24.8              | <b>21.0</b>                               | -3.8       | -15.5%   | 19.8  |
| Gas Business in Asia and Oceania | 9.9               | <b>9.5</b>                                | -0.4       | -4.5%    | 10.3  |
| Thermos Business                 | 7.2               | <b>5.7</b>                                | -1.5       | -21.1%   | 6.3   |
| Eliminations or Corporate        | -2.6              | <b>-1.8</b>                               | +0.8       | -        | -1.9  |
| Core operating income Total      | 90.3              | <b>83.0</b>                               | -7.3       | -8.1%    | 82.0  |
| Non-recurring profit and loss    | 3.5               | <b>1.6</b>                                | -1.9       | -        | -   |
| Operating income Total           | 93.9              | <b>84.6</b>                               | -9.3       | -9.9%    | 82.0  |



(Reference Materials)

# Breakdown for revenue disclosure categories for each segment

The breakdown for revenue disclosure categories for each segment is listed in the below chart.

| Revenue disclosure category       |                              | Breakdown  |
|-----------------------------------|------------------------------|--|
| Gases                             |                              | Industrial gases such as oxygen, nitrogen, and argon, LP gases, specialty gases  |
|                                   | Packaged                     | Gas filling containers (cylinders) are delivered to the customer, and the gas is supplied according to method of use                             |
|                                   | Air separation gases, other  | All gases including air separation gases (oxygen, nitrogen, argon that are created by separation from the atmosphere)                            |
|                                   | Bulk                         | A storage tank for liquified gas is installed within the customer's facility, and the gas is supplied according to method of use                 |
|                                   | Air separation gases         | Oxygen, nitrogen, argon  |
|                                   | Carbon dioxide               | Carbon dioxide gas, dry ice  |
|                                   | Helium                       | Helium gas   |
|                                   | Other gases                  | Other gases such as hydrogen   |
|                                   | On-site                      | A gas production facility is established in an area adjacent to the customer, and the gas is constantly supplied using a directly connected pipe |
|                                   | Air separation gases         | Oxygen, nitrogen, argon  |
|                                   | Other gases                  | Other gases such as hydrogen and carbon monoxide   |
|                                   | LP gas                       | Propane gas, butane gas  |
|                                   | Specialty gases              | Mainly, gases for electronic materials that are used in the manufacture of semiconductors or LCD panels, standard gas, high-purity gas           |
| Equipment and installation, other |                              | Ancillary equipment for gas usage, refining equipment to raise gas purity level, construction for equipment installation, and other equipment    |
|                                   | Gas-related and plant, other | Gas-related supply facilities and gas abatement equipment, air separation units, and other equipment   |
|                                   | Electronics-related          | Construction for equipment and pipe installation toward electronics, refining equipment for removing impurities, and other equipment             |
|                                   | Welding and cutting-related  | Equipment, apparatuses, welding rods and other items (hard goods) used in metal processing including gas welding and cutting                     |

## Non-recurring Income and Expense Items (YTD)

| (Billions of yen)                    | FYE2020<br>Q3 result | FYE2021<br>Q3 result | YoY change  |
|--------------------------------------|----------------------|----------------------|-------------|
| Core operating income                | 68.2                 | 60.4                 | -7.8        |
| <b>Non-recurring profit and loss</b> | <b>3.6</b>           | <b>2.6</b>           | <b>-1.0</b> |
| Operating income                     | 71.8                 | 63.1                 | -8.7        |

### 【Non-recurring Income and Expense Items】

| FYE2020 Q3 result   |                             | FYE2021 Q3 result         |                             |
|---|-----------------------------|---------------------------|-----------------------------|
| Item  | Amount<br>(Billions of yen) | Item                      | Amount<br>(Billions of yen) |
| Gain on sales of domestic land, etc.                              | 6.5                         | Settlement of legal claim | 2.7                         |
| Restructuring-related expenses for the alfi business (Thermos)    | -0.5                        | Others                    | -0.1                        |
| Impairment loss associated with the sale of an affiliated company | -2.3                        |                           |                             |
| <b>Total</b>  | <b>3.6</b>                  | <b>Total</b>              | <b>2.6</b>                  |

# Condensed Consolidated Statements of Cash Flows (YTD)

| (Billions of yen)                               |                               | FYE2020<br>Q3 result | FYE2021<br>Q3 result | YoY change |
|---|-------------------------------|----------------------|----------------------|------------|
|   | Income before income taxes    | 60.9                 | 54.7                 | -6.2       |
|   | Depreciation and amortization | 63.0                 | 64.1                 | +1.1       |
|   | Changes in working capital    | -8.2                 | -10.4                | -2.2       |
|   | Others                        | -18.4                | -19.7                | -1.3       |
| <b>(1) Cash flows from operating activities</b> |                               | 97.2                 | 88.5                 | -8.7       |
|   | Capital expenditures          | -54.3                | -43.8                | +10.5      |
|   | Investments and loans         | -0.5                 | -0.6                 | -0.1       |
|   | Others (asset sales, etc.)    | 9.8                  | 0.3                  | -9.5       |
| <b>(2) Cash flows from investing activities</b> |                               | -45.1                | -44.1                | +1.0       |
| <b>Free cash flow (1+2)</b>                     |                               | 52.1                 | 44.4                 | -7.7       |
| <b>Net interest-bearing liabilities</b>         |                               | 942.6                | 883.3                | -59.3      |
| <b>Adjusted net D/E ratio</b>                   |                               | 1.48                 | 1.29                 | -0.19      |

Net interest-bearing liabilities: interest-bearing liabilities - cash and cash equivalents

Adjusted net D/E ratio: (Net interest-bearing debt – equity-type debt<sup>\*1</sup>) / (equity attributable to owners of parent + equity-type debt<sup>\*1</sup>)

<sup>\*1</sup> Equity-type debt: the amount of debt procured by Hybrid finance<sup>\*2</sup> that has been recognized as equity credit by rating agencies (50% of the procured amount).

<sup>\*2</sup> 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.



# Condensed Consolidated Statements of Financial Position

| (Billions of yen)               |                                | FYE2020<br>Result | FYE2021<br>Q3 result | YoY Change |  | FYE2020<br>Result                      | FYE2021<br>Q3 result | YoY Change |       |
|---------------------------------|--------------------------------|-------------------|----------------------|------------|--|--|----------------------|------------|-------|
|                                 | Cash and cash equivalents      | 100.0             | 95.6                 | -4.4       |  | Interest-bearing liabilities           | 998.3                | 979.0      | -19.3 |
|                                 | Trade receivables              | 179.2             | 179.7                | +0.5       |  | Trade payables                         | 93.8                 | 90.8       | -3.0  |
|                                 | Inventories                    | 65.8              | 73.9                 | +8.1       |  | Others                                 | 218.7                | 228.4      | +9.7  |
|                                 | Others                         | 22.1              | 25.2                 | +3.1       | <b>Total liabilities</b>                       | 1,311.0                                | 1,298.2              | -12.8      |       |
| <b>Total current assets</b>     |                                | 367.3             | 374.5                | +7.2       |  | Share capital and capital surplus, etc | 472.7                | 497.4      | +24.7 |
|                                 | Property, plant and equipment* | 655.1             | 656.6                | +1.5       |  | Other components of equity             | -63.4                | -35.9      | +27.5 |
|                                 | Goodwill                       | 419.2             | 437.6                | +18.4      | <b>Equity attributable to owners of parent</b> | 409.3                                  | 461.5                | +52.2      |       |
|                                 | Intangible assets              | 232.0             | 233.1                | +1.1       | <b>Non-controlling interests</b>               | 31.3                                   | 29.6                 | -1.7       |       |
|                                 | Others                         | 77.8              | 87.4                 | +9.6       |  |  |                      |            |       |
| <b>Total non-current assets</b> |                                | 1,384.4           | 1,414.9              | +30.5      | <b>Total equity</b>                            | 440.6                                  | 491.1                | +50.5      |       |
| <b>Total assets</b>             |                                | 1,751.7           | 1,789.4              | +37.7      | <b>Total liabilities and equity</b>            | 1,751.7                                | 1,789.4              | +37.7      |       |

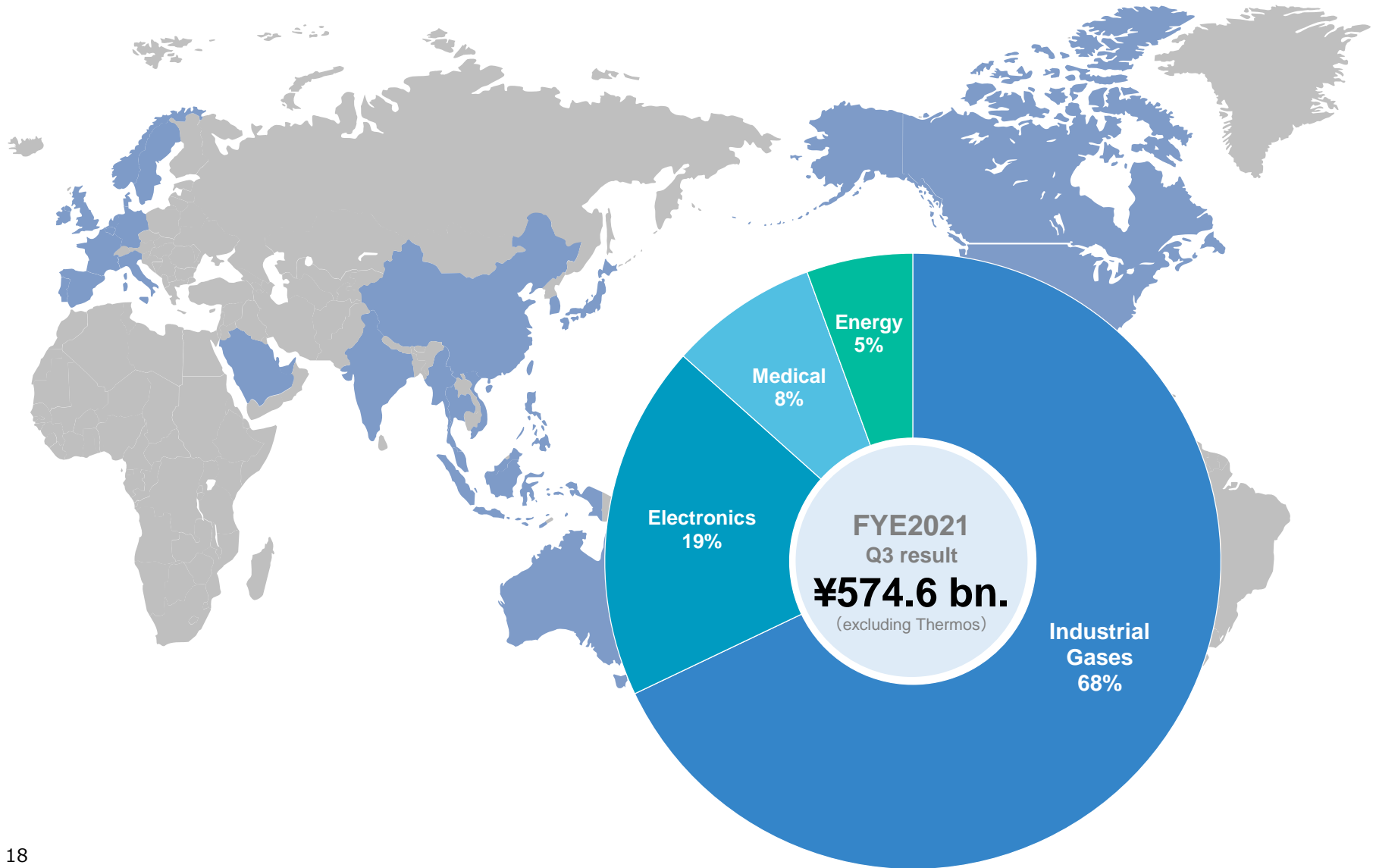
# Key Performance Indicators [Consolidated] (YTD)

|  | FYE2020<br>Q3 result | FYE2021<br>Q3 result | FYE2020<br>Result | FYE2021<br>Forecast |
|--|----------------------|----------------------|-------------------|---------------------|
| Basic earnings per share (Yen)                               | 95.57                | 86.24                | 123.26            | 111.15              |
| Overseas sales ratio   | 56.2%                | 56.5%                | 55.5%             | 56.1%               |
| ROE  | -                    | -                    | 13.1%             | 11.1%               |
| ROCE   | -                    | -                    | 6.4%              | 5.9%                |
| Annual dividends per share (Yen)                             | -                    | -                    | 28                | 28                  |
| Dividend payout ratio  | -                    | -                    | 22.7%             | 25.2%               |
| Capital expenditures<br>(fund basis) (Millions of yen)       | 54,389               | 43,865               | 72,810            | 68,300              |
| Investments and loans*<br>(Millions of yen)                  | 548                  | 644                  | 733               | -                   |
| Depreciation and amortization<br>(Millions of yen)           | 63,073               | 64,120               | 83,798            | 86,000              |
| Free cash flow<br>(Millions of yen)                          | 52,169               | 44,415               | 87,455            | 66,200              |
| Balance of interest-bearing liabilities<br>(Millions of yen) | 1,016,408            | 979,020              | 998,389           | 938,000             |
| Net interest-bearing liabilities<br>(Millions of yen)        | 942,616              | 883,349              | 898,384           | 859,800             |

\* Investment and loans shown above represent investment and loans under cash flows from investing activities (purchase of investment securities, purchase of shares of subsidiaries, and payments for acquisition of businesses).

# Sales mix by business (YTD)

(exc. Thermos business)



# Our Gas Supply Structure

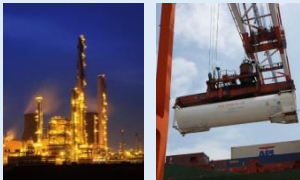
## Separate gases



Air separation unit (ASU)

Oxygen Nitrogen Argon

## Other gases



Chemical plant off gas Import from overseas in containers, etc.

Carbon dioxide gas Hydrogen Helium  
LPG Specialty gases Acetylene



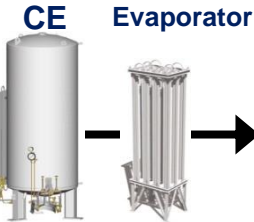
Supplied via pipeline (on-site)

Oxygen Nitrogen Argon



Tanker trucks (bulk gases)

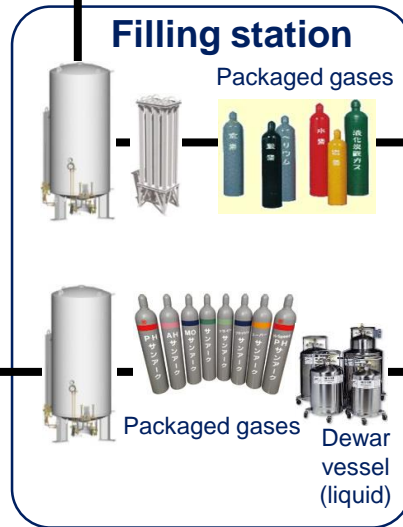
Oxygen Nitrogen Argon



Supply via cylinders (packaged gases)



Oxygen Nitrogen Argon



Supply via tanker trucks, cylinders (bulk and packaged gases)



Carbon dioxide gas Hydrogen Helium  
LPG Specialty gases Acetylene

Customers

- Steel and nonferrous metals
- Electronics
- Petroleum and chemicals
- Automobiles and industrial machinery
- Glass and paper
- Medical care
- Food
- Other

# Disclaimer

These materials are not intended for purposes of disclosure for securities transactions, and it is impossible to guarantee that the information contained in this presentation is accurate and complete.

This presentation and report contain forward-looking statements (estimates and forecasts) regarding the future plans, strategies, activities and performance of Nippon Sanso Holdings Corporation. Forward-looking statements reflect management's assumptions and beliefs based on information available as of the time of writing. Actual results reflect a variety of risk and uncertainties. These risks and uncertainties include, but are not limited to, changes in general economic and specific market conditions, currency exchange rate fluctuations, tax systems, and regulations.

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**NIPPON SANSO HOLDINGS**