IR Conference on Sustainability initiatives

December 5, 2025
Tokyo, Japan

NIPPON SANSO

The Gas Professionals

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- **Financial information**

NSHD’s financial statements are prepared in accordance with international Financial Reporting Standards (“IFRS”).

Contents

1. Sustainability Management Strategy

2. Measures to achieve Non-financial KPI

3. Business Opportunities in Carbon Neutrality

Appendix

(Information)
In this slide deck, the term "Carbon Neutrality (Neutral)" appears frequently, so the abbreviation "CN" is used for the sake of readability and visibility. Please be aware of this in advance.

Opening remarks

1. Sustainability Management Strategy

Enhancing Corporate value through Sustainability orientation

Our group's Mid-term management plan (MTP)

NS Vision 2026 | Enabling the Future

Oct. 2020
To a holding company structure
(Trade name changed in accordance with change of structure)

Apr. 2022

Mar. 2026

Apr. 2015
CSO* appointed
(* Chief Sustainability Officer)
Formulated materiality

Dec. 2018
Acquisition of European operations

Feb. 2019
Acquisition of U.S. HyCO business

Nov. 2019
Started disclosing information via website, etc., in support of TCFD.

Jul. 2020
Started our independent response to CDP

Feb. 2021
Establishment of corporate philosophy, vision, code of conduct and policies

Nov. 2021
Reinforcement of internal sustainability management system
(Group Sustainability Management Office established)

Dec. 2021
Updated our Materiality

Jan. 2022
Signed the United Nations Global Compact (UNGC)

Jun. 2021 and Jun. 2022
Review of Board composition

Jul. 2023
Launch of Sustainable Development Committee

Apr. 2024
Appointment of Regional CSOs

Aug. 2024
Participation in TNFD Forum and Registration as a TNFD Adopter

May 2022
MTP「NS Vision 2026」released

●Launch of 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

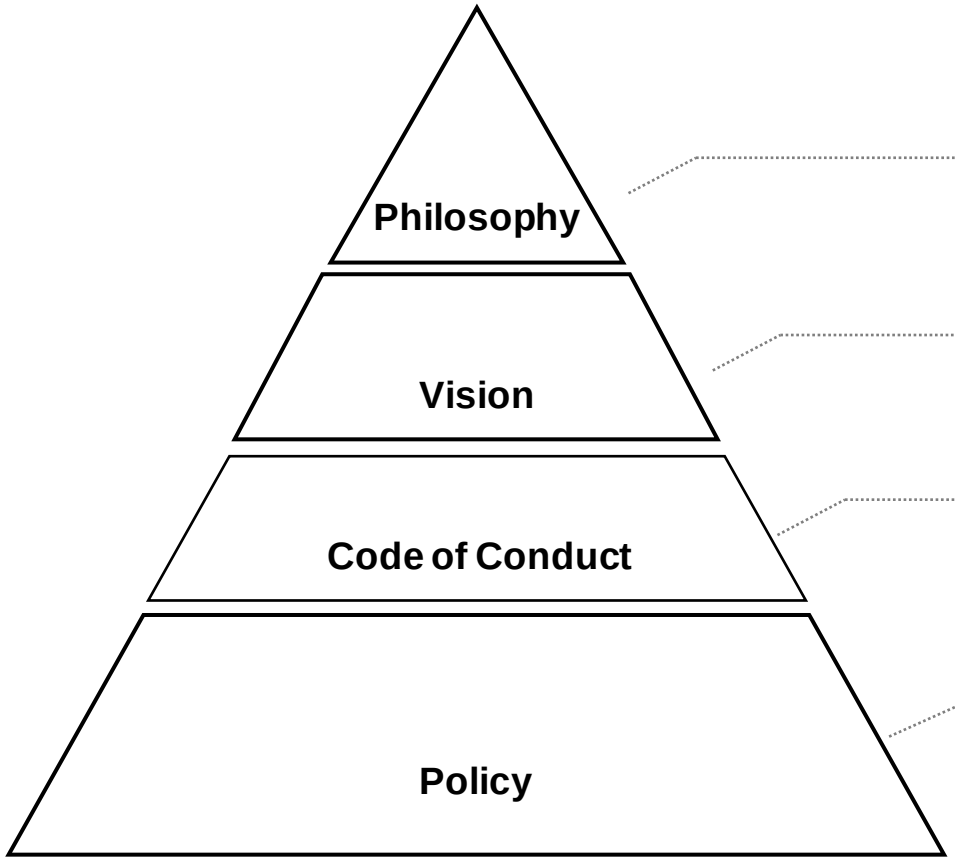
●Establishment and disclosure of non-financial KPI (see following pages)

● Publication of TCFD Scenario Analysis Results

Strengthening Initiatives in Sustainability
・Supplier Management (RBA) Project launched
・Human Rights Due Diligence Project launched

Reviewing initiatives under the current MTP and considering next steps

Laying the foundation for Sustainability Management



Each operating company formulates action guidelines, values, etc. as appropriate.

Our Group's Philosophy System

(established in Feb. 2021)

Proactive. Innovative. Collaborative.
Making life better through gas technology.
The Gas Professionals

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.

The contents of the Charter of Corporate Behavior (Keidanren) are largely covered in our Code of Conduct. Therefore, rather than establishing a new "Charter of Corporate Behavior," we have reviewed the current Code of Conduct, taking into account recent social trends.

12 policies developed for disclosure

- Anti Corruption Policy
- Environmental Policy
- Occupational Safety and Health/ Industrial Safety and Disaster Prevention Policy
- Product Safety and Quality Policy
- Intellectual Property Policy
- **Procurement Policy***
- **Global Policy on Respecting Human Rights, Contributing to Communities, Employment, Labor and Health***
- Global Competition Law Compliance Policy
- Global Tax Policy
- Investor Relations (IR) Policy
- Information Security Policy
- Internal Audit Policy

***Revised as of April 1, 2025**

To operate as a unified group

Sustainability Management and Operating Structure

Board of Directors (Nine Directors, five are outside directors)

Supervision

Reporting

Representative Director, President CEO

Management Committee
(Once a month in principle)

The committee deliberates and makes decisions on important matters related to the execution of duties by the Representative Director, President CEO.

* Once a year in principle

Global Strategy Review Committee*

Global Risk Management Committee*

Global Compliance Committee*

Reporting

Group Sustainability Management Office (GSMO)

CSO

Sustainable Development Committee

Technological Risk Liaison Committee

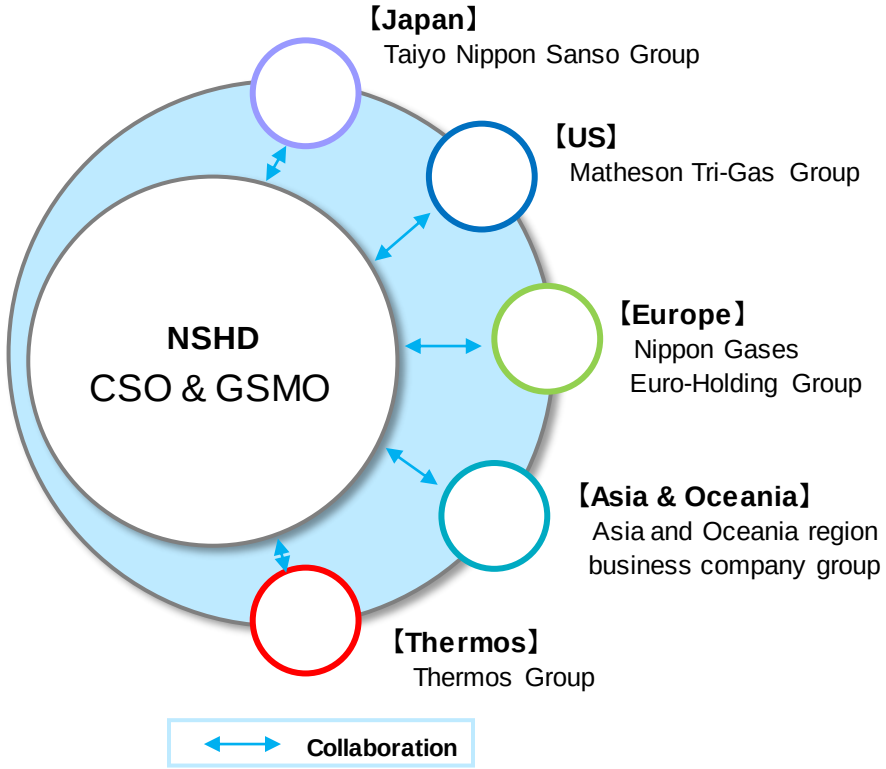
Meeting between NSHD and each operating company to determine specific measures to be taken

Japan / US / Europe / Asia & Oceania / Thermos

Major Non-financial matters & agendas for reporting and consideration in the Board of Directors (FYE2025)

- Development of Non-financial KPI
- CDP response policy
- Approval of Policy Revision
- Internal carbon pricing
- Non-financial program progress of each operating company
- Risk management for global environment issues

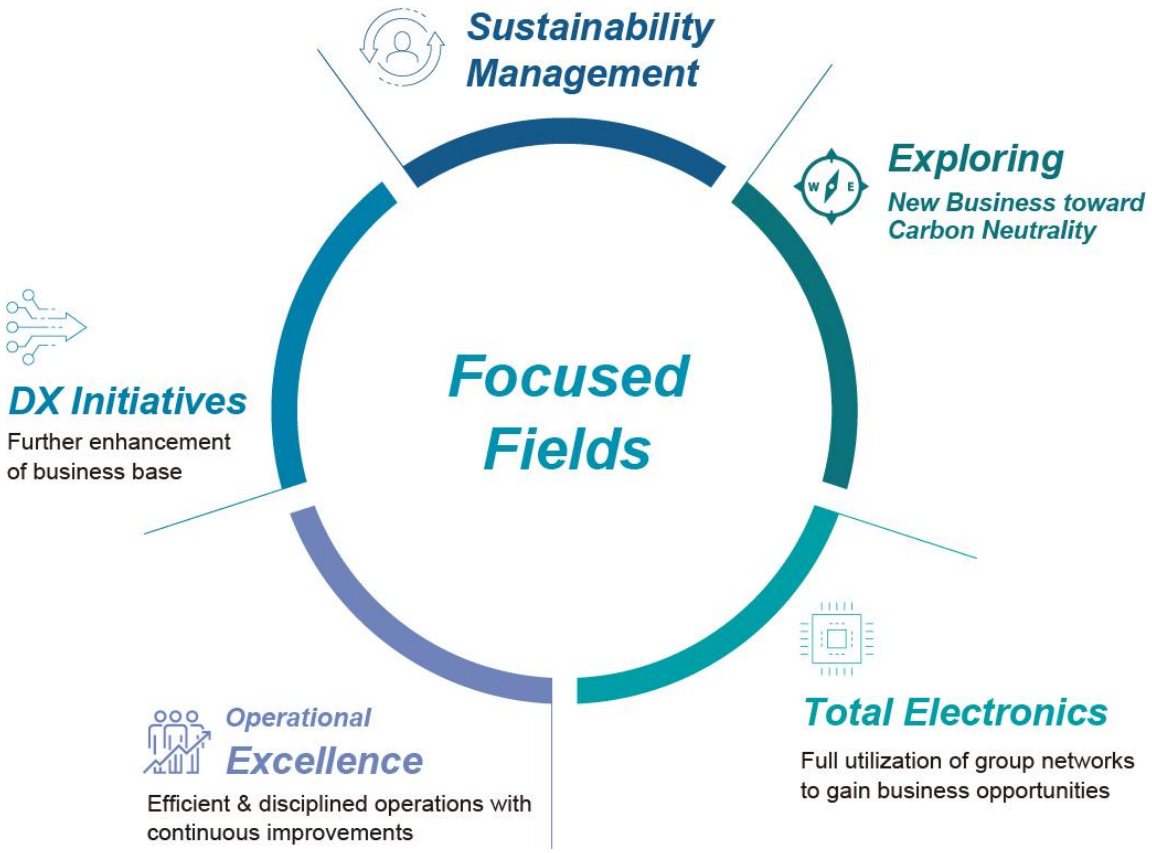
Group companies' Close collaborative relationship



Implement the five focused fields

Our Medium-Term Management Plan （4 years from FYE2023 to FYE2026）

NS Vision 2026 : Enabling the Future



Eight Non-financial programs ＆ NS Vision 2026 Non-financial KPI

	Non-Financial Programs	Non-Financial KPIs	NS Vision 2026 Final-Year Targets (FYE2026)	FYE2025 Results
E	**Carbon Neutral Program Ⅰ** Reduce the Group's GHG emissions	Reduction rate of GHG emissions *1	18%	21.2%
E	**Carbon Neutral Program Ⅱ** Reduce customer GHG emissions through environmental product offerings and applications	Lower customer GHG emissions	Lower customer GHG emissions through environmental product offerings and applications > NSHD Group GHG emissions	8,104,000 t> 5,258,000 t-CO_2e
E	**Sustainable Water Program** Effective use of water resources	Reduction rate of water withdrawals intensity, etc.	-	—
E	**Zero Waste Program** Reduction in waste emissions	Reduction rate of waste disposal intensity, etc.	-	—
S	**Safety First Program** Reduction in lost time indury rate	Lost time injury rate *2	≦1.6	1.85
S	**Quality Reliability Program** Reduction in number of claims about products, offerings and applications	Number of product complaints, etc.	-	—
S	**Talent Diversity Program** Utilization of diverse talent	Rate of female employees	≧22%	20.8%
S		Rate of female management posts	≧18%	16.7%
G	**Compliance Penetration Program** Compliance education and enforcement	Rate of receiving compliance training	100%	100%

*1 Reduction targets for a fiscal year are set with reference to the base year of FYE2019, with figures adjusted to reflect the acquisition of the European industrial gases business.
*2 This is an indicator that represents the frequency of occupational accidents. It is calculated as the number of employees injured in accidents that resulted in lost work time, divided by the total number of work hours, multiplied by one million hours.

Materiality & Eight Non-financial programs

Materiality（24items）

Preconditions for the Enterprise Existence
（3items）

- **Respect for Human Rights (UNGC)**
- **Safety & Security (SFP)**
- **Corporate Ethics (CPP)**

● the global environment related　● social systems related　● the Company and its organizational structure related

Importance to stakeholders ＼ Importance to NSHD	High（4items）	Very high（8items）	Extremely high（9items）
Extremely high（8items）		● Strengthening communication with stakeholders ● **Sustainable supply chain (QRP)** ● Contribution to regional & industrial development as social infrastructure ● **Diversity &inclusion (TDP)**	● **Product and service safety and quality (SFP)** ● **Providing products and services that contribute to resolving environmental and social issues (CNP Ⅱ)** ● **Climate change mitigation and adaptation (CNP Ⅰ／TCFD)** ● **Effective use of resources and prevention of pollution (ZWP／SWP)**
Very high（9items）	● **Conservation of water resources (SWP)** ● Coexistence with local communities	● **Pursuit of customer satisfaction (QRP)** ● Technology and R&D capabilities that support the creation of customer value & social value ● Promotion of initiatives for digital innovation ● Employee and family health	● Strengthening information security measures ● Improvement of productivity and promotion of production optimization ● **Development and maintenance of human resources (TDP)**
High（4items）	● Conservation of biodiversity (TNFD) ● Protection and effective utilization of intellectual property		● Improvement of employee engagement ● Provision of comfortable and prosperous lifestyles

●Eight Non-financial programs

1. **CNP Ⅰ**: Carbon Neutral Program I
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（Supplementary information）

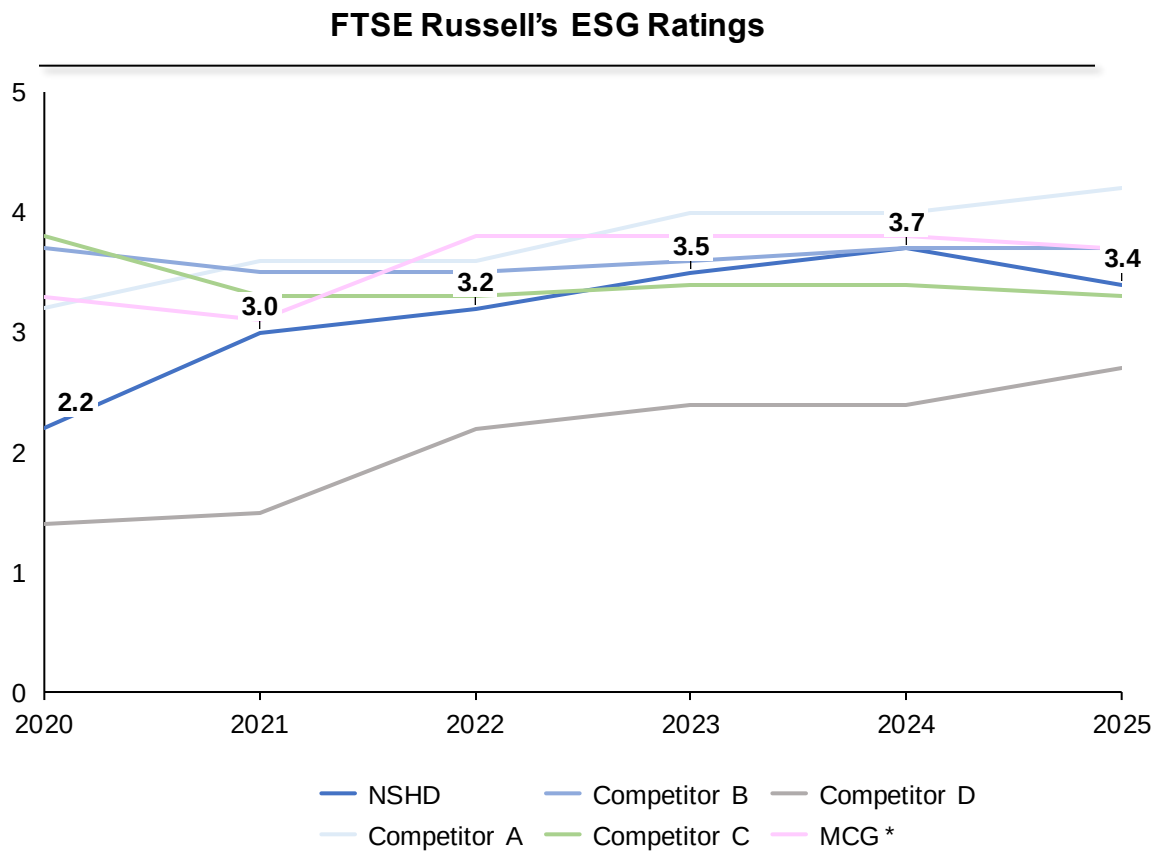
UNGC： United Nations Global Compact

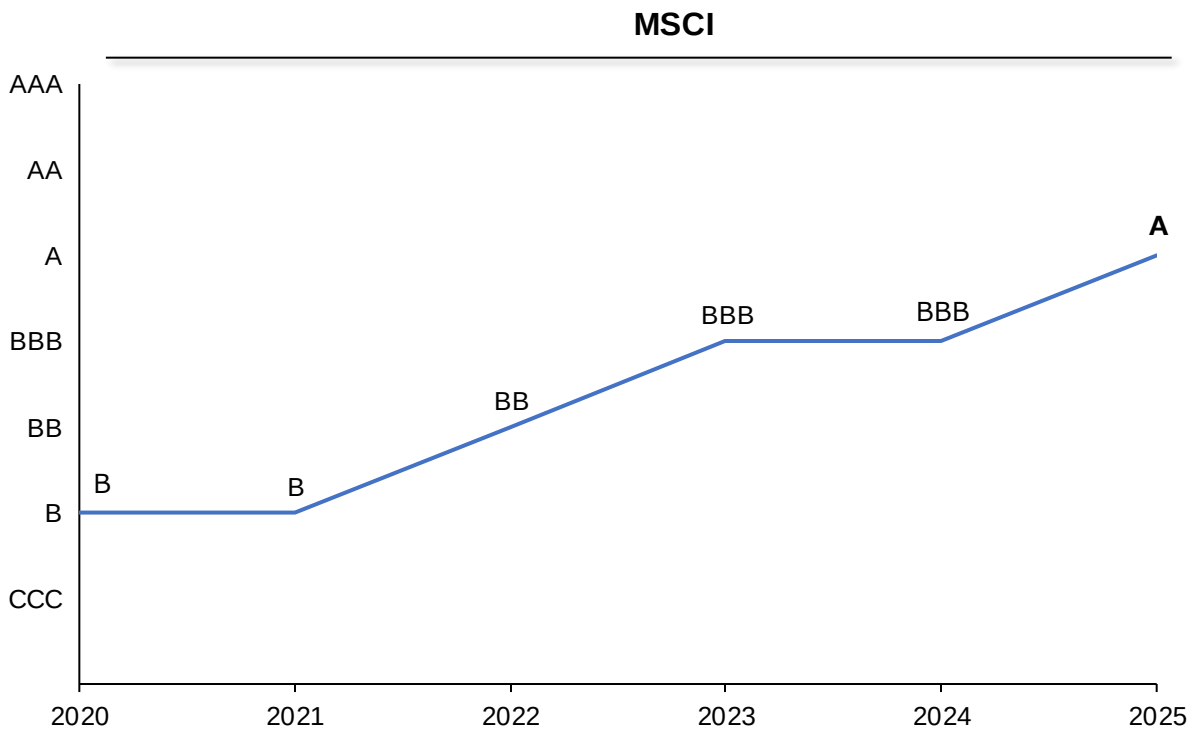
TCFD： Task Force on Climate-Related Financial Disclosures

TNFD： Task Force on Nature-Related Financial Disclosures (TNFD)

* This materiality is an updated version of the 2015 version, which was reviewed internally and approved by the Company's Board of Directors in Dec. 2021.

Non-financial related external evaluations (FTSE / MSCI)





- **CDP Climate Change 2024: Achieved A rating for the first time**
- **Selected as constituent for "FTSE4Good Index Series", "FTSE Blossom Japan Index"**
- **Selected in the list of the companies in "FT Asia-Pacific Climate Leaders 2025"**
- **Achieved "Star 3.5" in Nikkei SDGs Management Survey of FYE2026"**

* Mitsubishi Chemical Group Corporation

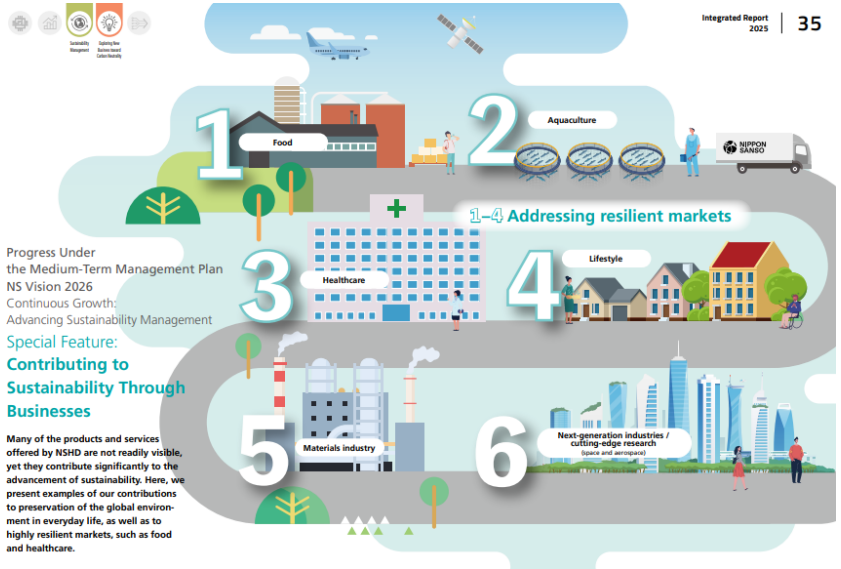
For more details, please refer to the Integrated Report 2025.

Expanding sustainability information disclosure in Integrated Reports

Examples of Enhanced Disclosure Items:

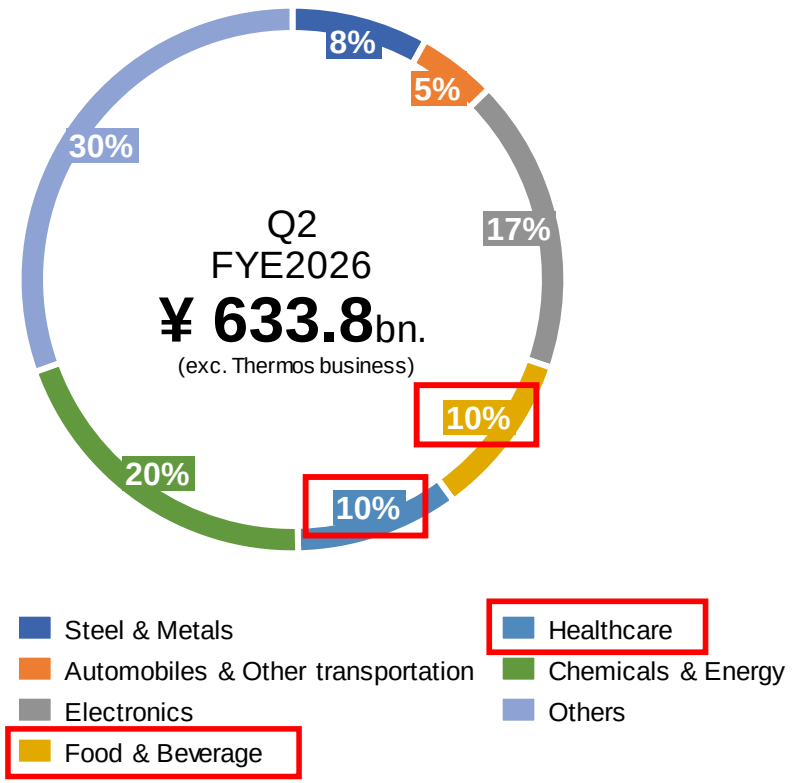
- ✓ Contribution to sustainable business (Resilient Markets)
- ✓ Human rights initiatives (Human Rights Due Diligence, sharing of "Procurement Guidelines," etc.)
- ✓ Engagement Survey
- ✓ Social contribution activities

  (Contributions to "Safety and Health," "Environmental Preservation," "Nurturing the Next Generation," "Disaster Relief Support," "Local Communities," etc.)



Contribution to Sustainable Business (Resilient Markets)

Sales Composition by Market
(Representative Resilient Markets: highlighted in red)



Sales to the food & beverage and healthcare markets account for approximately 20%

Value Creation by Market: Our Group's Contributions

Food & Beverage

Contributing to Reducing Food Loss by Minimizing Food Waste

1. Extending Shelf Life

Extending shelf life by controlling gases within packaging and utilizing frozen storage to prevent food degradation such as discoloration, oxidation, and bacterial growth

2. Maintaining Product Shape and Form by Minimizing Damage

Reducing product waste by using gas filling to prevent shape and form damage caused by pressure and impact between food items during transportation and in-store handling

Contributing to Sustainable Aquatic Resources

Contributing to the conservation of aquatic resources by supporting aquaculture operations through oxygen supply that enhances stocking density and growth rates

Healthcare

Treatment (From Hospitals to Home Healthcare)

Providing life-sustaining products such as medical gases centered on oxygen and ventilators to hospitals, while offering products and services for home healthcare that meet diverse needs, including equipment for home oxygen therapy and treatment of sleep apnea syndrome

Contributing to High Precision Diagnostics through Stable Isotope Supply

Supplying Water-^{18}O, used as a starting material for PET scan diagnostic agents for cancer and Alzheimer's disease diagnosis

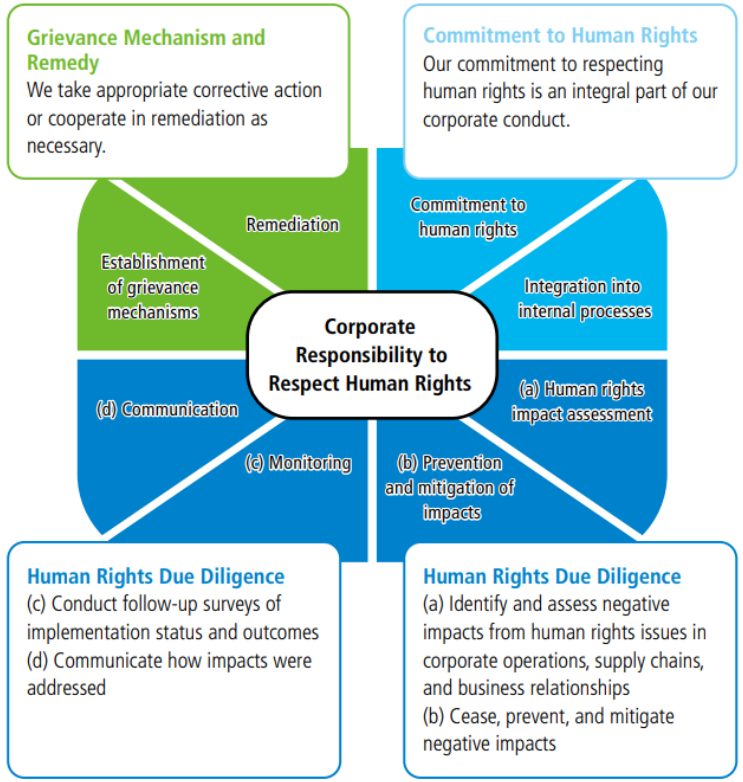
*Beyond the markets mentioned above, we provide diverse Thermos products such as stainless steel vacuum insulated bottles to the lifestyle market, contributing to reduced plastic bottle waste and energy conservation through heat retention and cooling capabilities.

Human Rights Initiatives, etc.

For more details, please refer to the Integrated Report 2025.

Human Rights Due Diligence Initiatives

- Established a Human Rights Due Diligence Project Team at Nippon Sanso Holdings
- Launched Human Rights Due Diligence to identify "salient human rights issues" in our business activities, with reference to the OECD Due Diligence Guidance and the UN Guiding Principles Reporting Framework



Supplier Management Initiatives

- Implemented an initiative across the entire Group to share the "Procurement Guidelines" to request that suppliers also give due consideration to human rights, occupational health and safety, etc
- Conducted evaluations based on the RBA* Code of Conduct to select suppliers with a certain level of track record

* Responsible Business Alliance (RBA):
An organization comprised of leading companies committed to improving social, environmental, and ethical conditions in global supply chains

Significance of Employee Engagement for Our Group

Approach to Employee Engagement

Improving employee engagement is essential for enhancing corporate value and achieving sustainable growth.

To measure the level of engagement between employees and the company such as whether all personnel can fully utilize their abilities and whether the Group Philosophy and Group Vision are well understood, we have been conducting an engagement survey targeting all Group employees since FYE2023.

In the survey for FYE2025, following initiatives by Group companies to improve engagement based on the previous survey results, overall engagement levels improved, particularly in areas such as diversity.

Examples of Initiatives to Promote Diversity

For more details, please refer to the Integrated Report 2025.

Employee Engagement Survey Results

(FYE)

(Unit: Pt)

Category	2023	2024	2025
Sustainable Engagement	78	80	81
Corporate Value, Goals and Objectives	69	76	78
Company Image	66	67	68
Leadership	57	60	62
CSV（Creating Shared Value）	77	78	79
Innovation	57	60	61
Productivity/Speed	69	71	71
Quality	70	74	75
Safety	84	85	85
Immediate Manager	77	77	77
Diversity	71	72	75
Communication	72	72	73
Well-being / Health	78	78	79
Talent Management	62	64	65
Performance Management	61	63	64

*Percentage of favorable responses (the ratio of people who answered either “agree” or “tend to agree”). Full score is 100 points.
*Utilizing the employee engagement survey provided by Willis Towers Watson

2. Measures to achieve Non-financial KPI

CNP Ⅰ：To reduce the Group's GHG emissions through our own efforts (1/2)

（Carbon Neutral Program Ⅰ）

Aiming for CN by 2050

Achieving CN through Technological breakthrough

Non-financial KPI

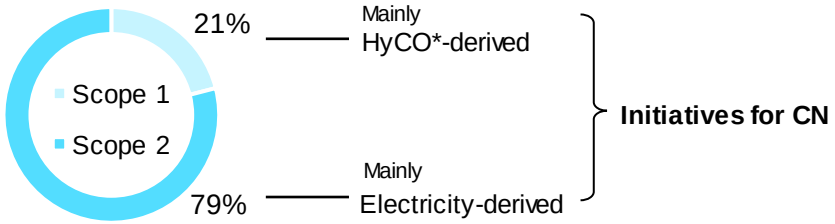
GHG emissions reduction target （Base year: FYE2019*）
（Greenhouse gas）

FYE2026：18% down, FYE2031：32% down

*Reduction targets for a fiscal year are set with reference to the base year of FYE2019, with figures adjusted to reflect the acquisition of the European industrial gases business.

Scenarios for achieving goals

●Composition of GHG emissions of our group (FYE2025）



Changes in power supply configuration are very relevant to GHG emissions

Estimates based on IEA emission factor projections
Source：IEA Carbon intensity of electricity generation in selected regions in the Sustainable Development Scenario, 2000-2040

*HyCO stands for hydrogen (H_2), carbon monoxide (CO), and syngas products.

Our measures

Further promotion of energy conservation & efficiency of energy use - Reduced energy consumption

①Replacement of Air Separation Units (ASUs)
②Reduction of electricity usage through digital solution technologies
③Streamlining of logistics and review of transport

Promotion of the use of renewable energy and green power
- Green Electricity Procurement

①Switch to electricity companies with low emissions coefficients
②Purchase green power certificates
③Introduce renewable energy

Carbon capture and offsets - Consideration of CCUS implementation

①Promote CO_2 capture
②Carbon offset through new technology, forest conservation, and tree-planting activities, etc.

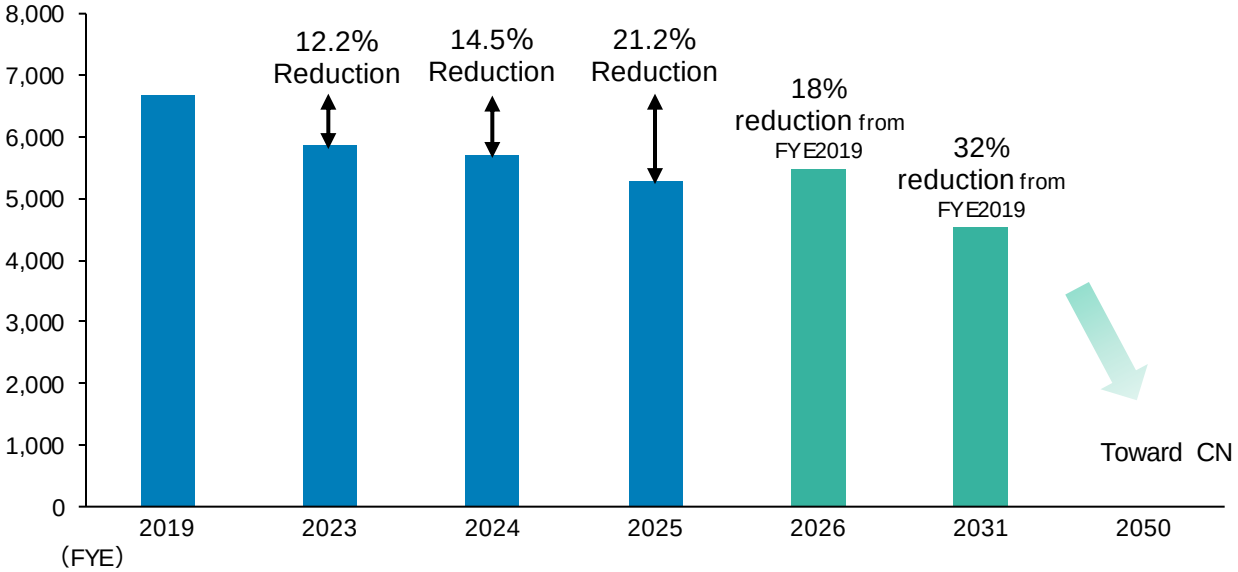
CNP Ⅰ：To reduce the Group's GHG emissions through our own efforts (2/2)

（Carbon Neutral Program Ⅰ）

Results

GHG Emission Reduction Targets

GHG emissions (Thousands of tonnes CO_2e)



Main factors of GHG Emission reduction

- ✓ Purchase of green power certificates (Guarantee of Origin)
- ✓ Replacement of air separation units and reduction of electricity usage through digital solution technologies

Continuous initiatives for further reduction

- ✓ Expand above initiatives across the Group
- ✓ Switch to electricity companies with low emissions coefficients
- ✓ Introduce renewable energy

*Base year FYE2019:
The actual results for FYE2019 plus GHG emissions from the U.S. HyCO business, the European business, U.S. transport, Asia and Oceania transport, U.S. subsidiaries (Continental Carbonic Products, Inc. (CCPI) + three business sites, and Western International Gas & Cylinders, Inc.), a Japanese subsidiary (Nippon Ekitan Corporation), and eight Nitrogen Generator Units (NGUs) in Asia and Oceania, and subtracted GHG emissions from Japanese subsidiaries (Sakai Gas Center, Inc. and Taiyo Nippon Sanso Energy Corporation).
*FYE2023: Added GHG emissions from U.S. subsidiaries (CCPI + three business sites, Western) and eight NGUs in Asia & Oceania, and subtracted GHG emissions from Japanese subsidiaries (Sakai Gas Center, Inc. and Taiyo Nippon Sanso Energy Corporation).
*FYE2024: Added GHG emissions from three CCPI business sites and eight NGUs in Asia and Oceania.

CNPⅡ：To reduce GHG emissions of customers through the promotion of our products (1/2)

（Carbon Neutral Program II）

Contribute to the reduction of global GHG emissions through the Group's products and technologies

Non-financial KPI

X: Lower customer GHG emissions through environmental product offerings and applications

Y: NSHD Group GHG emission (Scope 1＋2)

FYE2026： X＞Y

Scenarios for achieving goals

External environment

Social demands from the perspective of global environmental protection

Working toward Net Zero is a corporate imperative.

Technological evolution on the customer side

Drive toward carbon neutrality at customers dramatic technological development and rapid replacement of existing technologies

Our measures

Contribution by the Group's existing technologies

①Oxygen-enriched combustion in blast furnaces
②H_2 and NH_3 combustion in industrial furnaces
③Carbon capture and utilization (small scale)

Expansion of the Group's contribution area

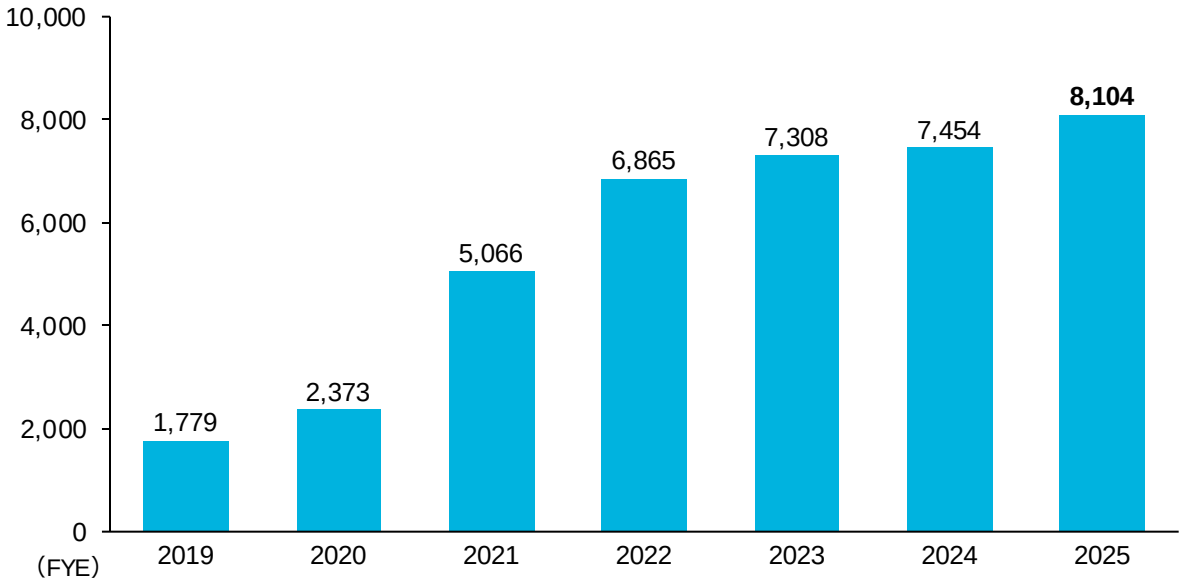
①Areas of contribution other than the above existing technologies
(In addition to in-house R&D, mutual collaboration with other companies through strategic alliances, etc.)
②Carbon capture and utilization (large scale)

CNPⅡ：To reduce GHG emissions of our customers through the promotion of our products (2/2)

（Carbon Neutral Program II）

Results

Reduction in GHG Emissions Through Environmental Product Offerings and Applications (Thousands of tonnes CO_2e)



GHG emissions of NSHD group (Scope 1+2)
FYE2025：5,258,000 t-CO_2e

Enhanced contribution to GHG emission reduction through products and services using the NSHD Group's proprietary technologies

- ✓ Combustion-type exhaust gas abatement system
- ✓ SF_6 recovery service
- ✓ SCOPE-Jet®
- ✓ MG Shield®
- ✓ New refrigerants
- ✓ Nitrogen gas supply system for laser processing (PSA)
- ✓ Shuttle Chef®
- ✓ Hydrogen station
- ✓ Oxygen-enriched combustion in blast furnaces
- ✓ Oxygen-enriched electric furnaces
- ✓ Argon (Ar) welding
- ✓ Bio-derived CO_2

ZWP: To preserve the global environment
（Zero Waste Program）

Zero Waste Program

Aiming to reduce waste emissions

Following the 3R's (Reduce, Reuse, Recycle) of waste disposal is a necessary, and we will work on proper management and recycling of waste to reduce emissions and build a resource cycle.

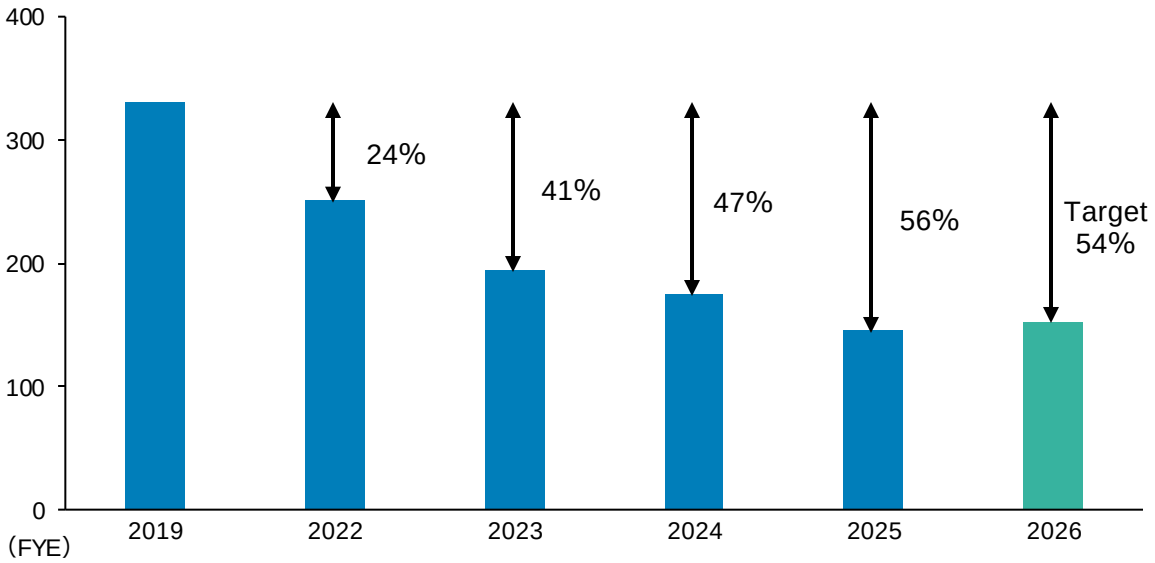
Initiatives in the Japan Segment

Launched HALD (Halve Amount of Landfill Disposal) initiative, aiming to halve the amount of industrial waste sent to landfills in the Japan segment by FYE2026

In FYE2025, we reduced the amount of waste sent to landfills to 56% compared to the baseline year (FYE2019), making steady progress toward achieving our goal

Results

Amount of Landfill Disposal（Japan Segment）



SWP: To preserve the global environment

（Sustainable Water Program ）

Sustainable Water Program

Aiming to minimize water risk

Effective use of water resources is a must, and we aim to conserve water resources in our corporate activities through efficient use of water.

Identify water risks and implement measures for high-risk sites

- Conduct an annual water stress survey using Aqueduct, a water risk assessment tool developed by the World Resource Institute, to identify production plants (ASU and HyCO plants) in high-risk areas.
- In production plants in high-risk areas, work to reduce water withdrawal and consumption by increasing the amount of water circulation, etc.

Results of Water Stress Level Survey for all of NSHD's production sites (129 sites)

Upper level: Water usage (thousand m³), lower level: Number of applicable / production sites

	High	High-medium	Medium	Medium-low	Low
Japan	0	0	1,456	1,566	46
	[0/21]	[0/21]	[9/21]	[11/21]	[1/21]
US	1,018	2,667	1,949	748	1,470
	[6/50]	[14/50]	[8/50]	[8/50]	[14/50]
Europe	3,770	0	5,707	0	15,104
	[9/33]	[0/33]	[9/33]	[0/33]	[15/33]
Asia & Oceania	875	113	361	612	1,497
	[6/23]	[1/23]	[5/23]	[6/23]	[5/23]
Thermos	0	0	61	0	101
	[0/2]	[0/2]	[1/2]	[0/2]	[1/2]
Total	5,663	2,780	9,534	2,926	18,218
	[21/129]	[15/129]	[32/129]	[25/129]	[36/129]

・Data as of FYE2025
・Reporting boundary: Production sites with ASU, HyCO, or liquid carbon dioxide facilities with annual water withdrawal of 20,000 m³ or more and Thermos

SFP: Ensure the safety of our workforce
（Safety First Program）

Safety First Program

Aiming to be a global leader in the industrial gas industry through safety

Non-financial KPI

FYE2026：Lost Time Injury Rate ≤ 1.6

Safety is the foundation of our company's existence, and in the spirit of **"Selling gases is Selling safety.",** we will strive to maintain a safe and reliable supply by further promoting safety.

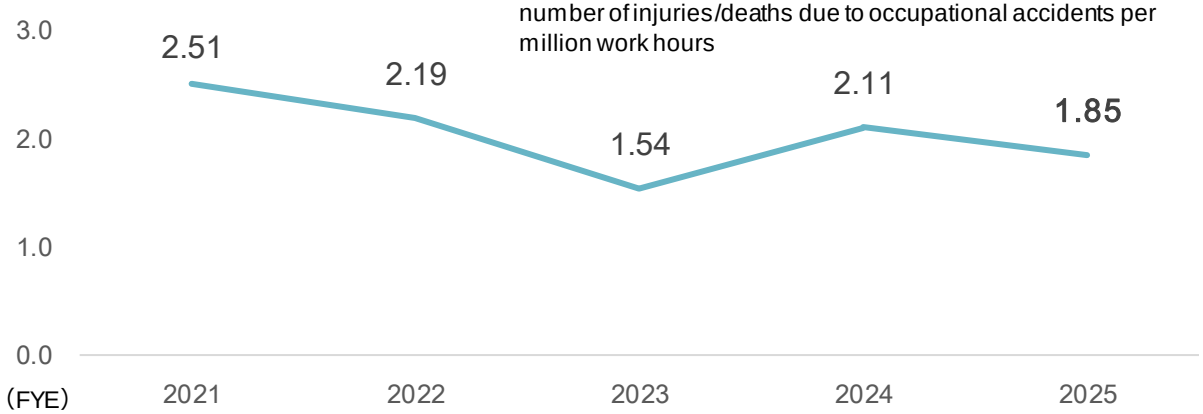
Specific measures to achieve

- ✓ Share information on accidents, occupational injuries, and best practices
- ✓ Improve security capabilities through the use of smart security (DX, AI, IoT)
- ✓ Enhancement of safety education
- ✓ Utilize TNSC's Technical Academies to foster safety culture and improve hazard sensitivity
- ✓ Promote investment in safety

Results

Lost-time injury rate*

*Lost-time injury rate expresses the frequency of accidents resulting in lost workdays in a fiscal year, calculated as the number of injuries/deaths due to occupational accidents per million work hours



Reporting boundary：Consolidated subsidiaries with production divisions in Japan and overseas

Strengthening safety management through initiatives such as launching "Hazard Awareness Training II" with a new hands-on hazard experience program.
In FYE2025, the rate decreased to 1.85 compared to the previous year, maintaining a downward trend over the medium to long term.

Lowering factors

- ✓ Strengthening safety patrol
- ✓ Thoroughgoing use of protective equipment

Continuously analyze the occurrence factor and make countermeasures to prevent and promote the education to employees for risk control.

QRP: Improve the reliability of our quality

（Quality Reliability Program）

Quality Reliability Program

Aiming to improve quality and reliability

Thoroughly promote awareness of the importance of quality, further raise the awareness of operations personnel, and promote the introduction of automated technologies.

Specific measures to achieve

- ✓ Thorough training on quality ethics and compliance
- ✓ Implementation of quality audit program
- ✓ Promote automation of testing, inspection, and analysis records, etc.
- ✓ Efforts to improve customer satisfaction through Semiconductor Specialty Gas Quality Committee (SSG-QC) activities

Efforts and Results

- ✓ We will promote a culture that emphasizes quality by keeping our important promises to customers and strive to further raise awareness among employees. We will also implement a series of initiatives with the aim of increasing quality and reliability by promoting the introduction of LIMS*1 and other automation technologies.
- ✓ We continue to focus on the quality audit program*2 being undertaken by the entire NSHD Group since FYE2023.
- ✓ Implementing the sharing of best practices and discussion of solutions to improve customer satisfaction through the activities of SSG-QC, composed of electronic materials gas manufacturing companies in the NSHD Group.

*1 Laboratory Information Management System
*2 Each operating company conducts a quality audit of their business sites once every three years based on important audit items set by NSHD.

TDP: Toward Human Resource Development that Supports and Generates Sustainable Growth
（Talent Diversity Program）

Talent Diversity Program

Launched a strategy to develop human resources for sustainable growth

Non-financial KPI

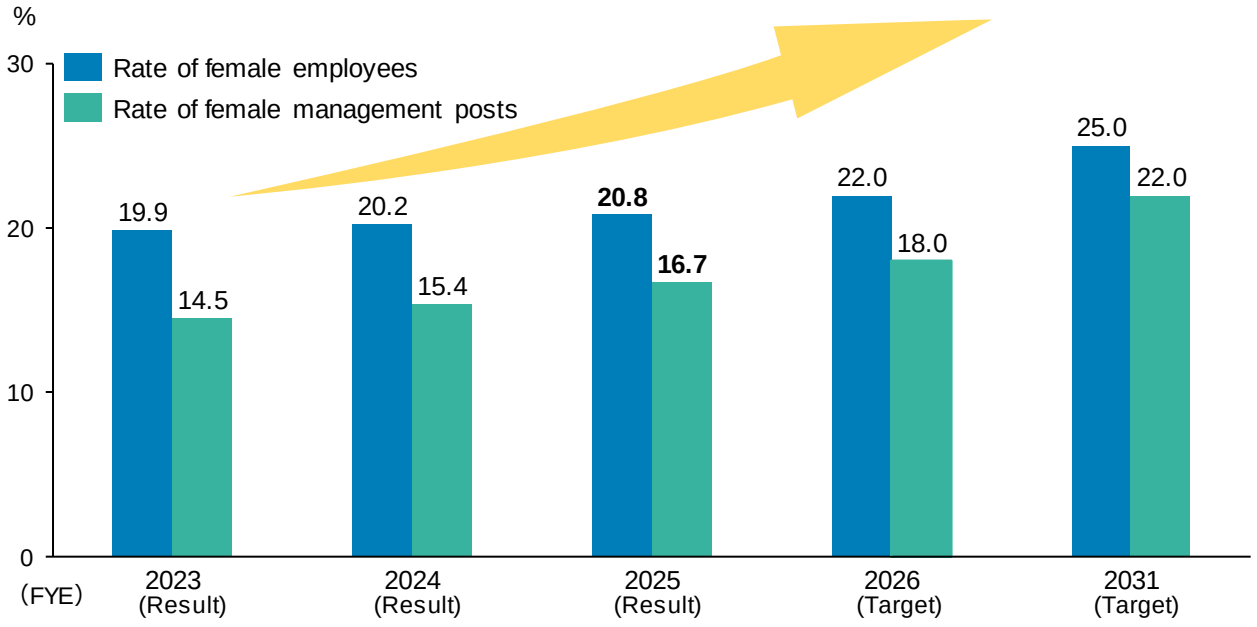
	FYE2026：	FYE2031：
Rate of female employees	22%	25%
Rate of female management posts	18%	22%

Promote the recruitment, development, and exchange of diverse human resources essential for sustainable growth

Specific measures to achieve

✓ To ensure the acceptance of a diverse workforce & ease of work.
✓ Promote cross-regional exchange of human resources
①Established task-based global teams that span regions
②Began to examine exchanging staff with operating companies

Female employee ratio, Female managers ratio



Major initiatives	
Japan	・Establishment of the Diversity & Inclusion Office ・Formulated the Taiyo Nippon Sanso Declaration on Diversity and Inclusion to promote diversity and inclusion
US	Strengthen activities in recruitment marketing
Europe	WING (Women's Ikigai Nippon Gases) Project (A human resource network comprising female employees for conducting women-centered events and training and promoting the presence of women)
Asia & Oceania	Promote Unity in Diversity program (educational activities for understanding different cultures, empowering women)

CPP: Toward Human Resource Development that Supports and Generates Sustainable Growth
（Compliance Penetration Program）

Compliance Penetration Program

Thoroughly adhere to the prerequisites
(corporate ethics, safety and security, and respect for human rights)
for maintaining corporate existence

Non-financial KPI

FYE2026：
Rate of receiving compliance training 100%

Promote the establishment of compliance by spreading awareness and acquiring correct knowledge of compliance

Specific measures to achieve
- ✓ Continue compliance training in each region to disseminate knowledge and corrective actions for all employees
- ✓ Prevention of compliance violations
- ✓ Detection of compliance violations through dissemination and operation of the internal reporting system

Initiatives

Conducted compliance training in each region and at each operating company.

Compliance training result (FYE2025)

Major Training Programs and Key Themes
Code of Conduct, Compliance Awareness, Respect for Human Rights, Antitrust Law, Subcontractor Act, Quality Compliance, Internal Reporting, Conflict of Interest, Personal Information Protection, Anti-Corruption, Bribery, Trade Secrets, Occupational Safety and Health Act, Employee Handbook, Contract Management (Case Studies), Fraud Awareness, Harassment Prevention, Workplace Harassment, Workplace Bullying, Offensive Behavior, Discrimination, Compliance Leadership and Commitment

Employee participation rate: 100% (FYE2025)

3. Business Opportunities in Carbon Neutrality

NS Vision 2026 Focused Fields : Exploring New Business toward Carbon Neutrality

Our thought

The value standard of “CN" and “Sustainability" will be added to the perspective of all activities.

Qualitative changes in the Value Chain adapted to the new society are essential.

1. Quick wins: Building on our track record of acquiring CN projects
2. Co-creation of value:

   Developing our own technologies while building collaborative relationships with partners with advanced technological capabilities
3. Strengthening “Communications” with all stakeholders:

   （e.g. Build a dedicated website as a tool for this purpose. > https://www.carbonneutralworld.com/ ）

Contributing to CN by 2050 as an industrial gas supplier

Two important perspectives on the transition period of the next 30 years

Efficient **Means of reducing environmental impact** × **Economic viability** as a business

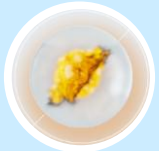
Basic Policy and Promotion Structure

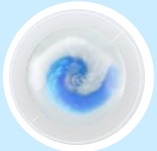
Recognition of business environment and response stance

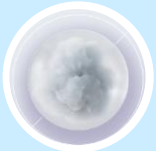
- All industries (steel, chemical, glass, cement, automotive, electronics, etc.) are moving toward CN
- Each region has different methods and priorities for addressing CN
- 30-year transition period may cause a temporary swing or loss of momentum in CN efforts due to war, epidemics, etc
- Economic and technological challenges make it difficult to build an ideal green society in a single step

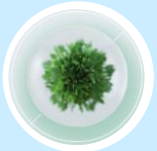
Accomplish business solution in technology field where NSHD group would maximize our strengths

Four technologies for contribution to CN





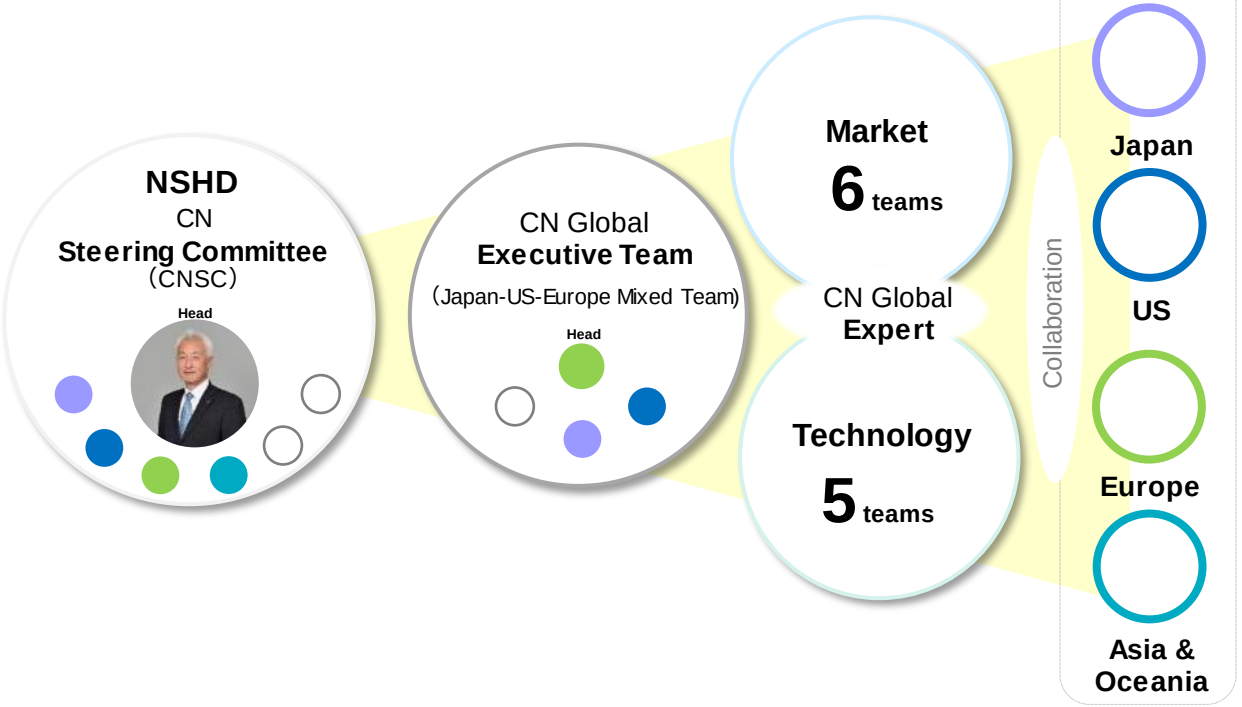




	Combustion (Oxy-fuel combustion)	HyCO	CO_2 Recovery	O_2 Production
Technology	・Flame temperature rise ・Suppression of exhaust gas ・Improve efficiency of heat transfer	・Hydrogen production and supply on a large scale ・CO_2 Capture (blue hydrogen)	・CO_2 capture, reuse and storage from exhaust gas	・Productivity improvement through efficient use of oxygen
Market	Steel, Glass, Aluminum, Non-ferrous Other metal processing	Refineries, Petrochemicals Renewable fuels, Steel	Steel, Refineries, Petrochemicals, Cement	Any manufacturing Industry that uses oxidation processes

Integrated promotion system to respond promptly to customer needs

- RCNWG continues to collaborate with global experts to promote sales and technical support activities
- This fiscal year serves as a critical phase for determining the direction of the next medium-term management plan, with ongoing development of the overall Group strategy and region-specific action plans.



Co-creation of value

Combustion Technology

World's First: Successful Demonstration Test of Hydrogen-Oxygen Combustion Burner in Steel Reheating Furnace

Project Overview

Background and Implementation History

- Arcelor Mittal Olaberria plant (AMO), a steel production facility in northern Spain is a key existing customer for our European subsidiary, Nippon Gases (NG). Over the past several years, NG has continuously proposed solutions for energy savings and operational efficiency improvements utilizing oxy-fuel combustion technology.
- In 2023, in collaboration with engineering partner Saralle, NG received an order from AMO for the hydrogen-oxygen combustion burner "Innova-Jet Hydrogen" aimed at fuel reduction.
- This project is being implemented as part of the HyInHeat project involving Arcelor Mittal, NG, and Saralle, and has been advanced with EU funding support.*

Overview and Deliverables of the Demonstration Test

- Two natural gas-air combustion burners installed in a walking beam steel reheating furnace were replaced with "Innova-Jet Hydrogen" burners using hydrogen as fuel.
- The demonstration test was conducted in August 2025, confirming the following results:
  - Reduction in natural gas consumption during the heating process
  - Lower CO_2 emissions resulting from decreased fuel consumption
  - Confirmation of the proper temperature distribution within the furnace and the NOx emission characteristics

Strategic Significance

- Demonstrates the effectiveness of the hydrogen-compatible burner developed in collaboration with our Japanese subsidiary, Taiyo Nippon Sanso. Beyond revenue benefits from increased oxygen demand, customer recognition of energy savings and decarbonization results validates the reliability and added value of our technology.
- Discussions are currently underway for additional technology implementation, serves as an important reference case supporting horizontal expansion into the global steel and aluminum markets with similar reheating furnaces.
- The combustion field represents an essential technology element for achieving CN, and oxygen burners for clean fuels serve as a key pillar supporting mid to long-term growth, a strategic area that NSHD Group will continue to advance.

* HyInHeat: An EU-funded (Horizon Europe) international research project demonstrating decarbonization of heating furnaces in high-temperature industries through hydrogen and oxygen-enriched combustion

Co-creation of value

CO_2 Recovery Field
Participation in Northern Lights (NL) CCS Project

Project Overview

Northern Lights (NL) Overview

- Europe's first commercial-scale international CO_2 transport and offshore storage infrastructure, providing CCS services for industrial applications, operated by a joint venture (JV) led by Equinor, Shell, and TotalEnergies.
- Forming the core of the Norwegian government-led Longship initiative and represents a full-scale CCS value chain that integrates CO_2 capture, transport, and geological storage.

Background and Implementation History

- In mid-2023, officially commissioned by NL's shareholders to provide design consulting services for liquefied CO_2 ship receiving facilities.
- By providing design reviews, technical consultant, and expert advice on operational and safety aspects, NG contributed to enhancing the overall quality of the facilities.
- These efforts were highly recognized, leading to the formal award of commissioning and start-up support services in February 2024.

Our Work Scope

- The work undertaken by us (details on the right) was conducted at Øygarden, NL's first liquefied CO_2 receiving terminal, and completed in January 2025.
- Upon completion of the commissioning process, NL carried out its first injection of liquefied CO_2 into the geological storage formation in August 2025.

1. Purging Operations for Vessels and Receiving Facilities

Used our vessel "Froya" and tanker trucks to purge and fill all equipment from the terminal to pipelines, pumps, and storage tanks.

2. Overall Facility Adjustment Operations

During commissioning, we collaborated with NL engineers to meticulously adjust operating conditions such as pressure and temperature, ensuring reliable start-up and adjustment of the entire facility.

Strategic Significance

- Our expertise in liquefied CO_2 transport and receiving facilities was recognized, leading to this technical consulting engagement for a critical project phase.
- This project participation demonstrates recognition of our technical capabilities and global project execution by leading energy companies.
- This achievement provides a foundation for business expansion in the growing overseas CCUS and energy infrastructure markets.

Co-creation of value

CO_2 Recovery Field
Participation in Northern Lights (NL) CCS Project

Project Overview

Video of January 2025 activities available here

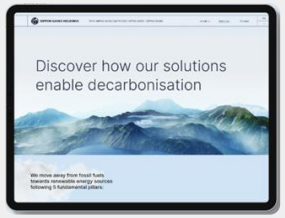
Strengthening Communications

Advancing Our Global Communication on Carbon Neutral Business Initiatives

First Participation at Japan Energy Summit

June 18 ~ 20, 2025
Tokyo Big Site

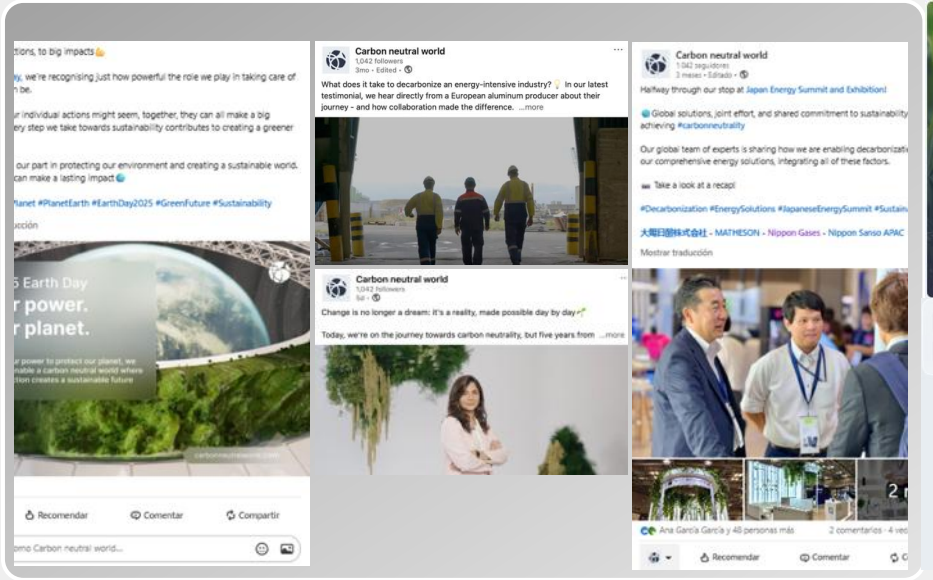
+125 visitors

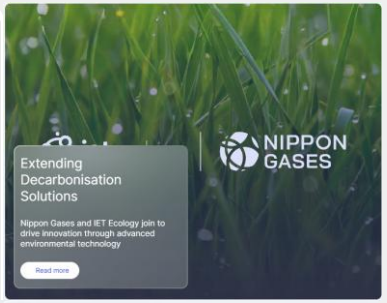


Brand Communication Through Social Media

Leading The Way campaign included 15 posts per platform, contributing to a 25% increase in followers and a remarkable 655% growth in profile reach, totaling 290,000 impressions.

Click each icon→





Decarbonization Solutions to a Broader Array of Customers

What we aim to be

The Gas Professionals

（Experts who are well versed in the physical properties and features of gases）

Producing industrial gases and supplying them safely and reliably to all industrial fields.

Contributing to the development of each industry and solving social issues through the supply of industrial gases.

Our Group's Goals

（Toward 2030）

Solution provider for a CN Society

NS Vision 2026 Focused Fields： Exploring New Business toward Carbon Neutrality

Slogan

“We enable a carbon neutral world”

Appendix

Response to Biodiversity

For more details, please refer to the Integrated Report 2025.

Taskforce on Nature-related Financial Disclosures

In August 2024, NSHD participated in the TNFD Forum and registered as a TNFD Adopter. NSHD supports the TNFD's aim of shifting to "Nature positive" and will collate and disclose information on each of the recommended disclosure items in accordance with the TNFD framework.

Towards the conservation of biodiversity

2021.2
Formulated "Nippon Sanso Group Environmental Policy"
2024.1
Participated in "Keidanren Initiative for Biodiversity Conservation

Initiatives

Participation in the OIST Coral Project by the Okinawa Institute of Science and Technology Graduate University

Through coral reef monitoring using environmental DNA technology established by OIST and R&D driven by genome analysis technology, we support coral reef conservation activities in Okinawa and around the world.

Thermos sells original design mugs exclusively in Okinawa to support the "OIST Coral Project."

OIST | Coral

Thermos bottle launched to support the project

Participation in "Team Chura Coral" as a Member Company

Taiyo Nippon Sanso joined "Team Chura Coral," a coral conservation initiative in Onna Village, Okinawa Prefecture, in February 2025.

This employee participation program enables participants to experience firsthand the importance of biodiversity and the significance of coral conservation through activities such as planting coral seedlings, cultivating seedlings, and observation.

Major External ESG Evaluations & Awards・Indices・Initiatives

Major External Evaluations (As of end-November)

MSCI：A

FTSE：3.4

CDP：Climate Change: A, Water Security: A-

Sustainalytics：19.2（Low Risk）

Climate CDP A List 2024

Obtained our first A rating in Climate Change

Major Index Constituents (As of end-November)

FTSE4Good Index Series

FTSE Blossom Japan Index

JPX-Nikkei Index 400

JPX Prime 150

Major Awards (FYE2025)

More Info

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門

Nippon Sanso Holdings and Taiyo Nippon Sanso (TNSC) Certified as "Excellent Corporations for Health Management 2025"

D&I AWARD ADVANCED in diversity & inclusion 2024

TNSC Received "Advance" certification in D&I AWARD 2024

PLATINUM Top 1% ecovadis Sustainability Rating DEC 2024

Nippon Gases Awarded EcoVadis Platinum Medal for two consecutive years

Participation in External Initiatives (As of end-November)

More Info

WE SUPPORT UN GLOBAL COMPACT

UN Global Compact

TNFD Taskforce on Nature-related Financial Disclosures

Task Force on Nature-related Financial Disclosures (TNFD)

NIPPON SANSO Holdings Group Summary

https://www.nipponsanso-hd.co.jp/en/ir/

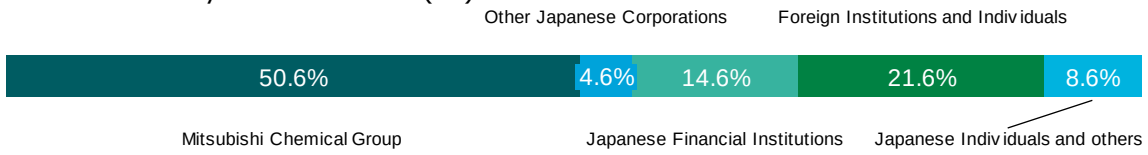
Corporate Information (As of March 31, 2025)

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	President CEO Toshihiko Hamada
Common stock	37.3 billion yen

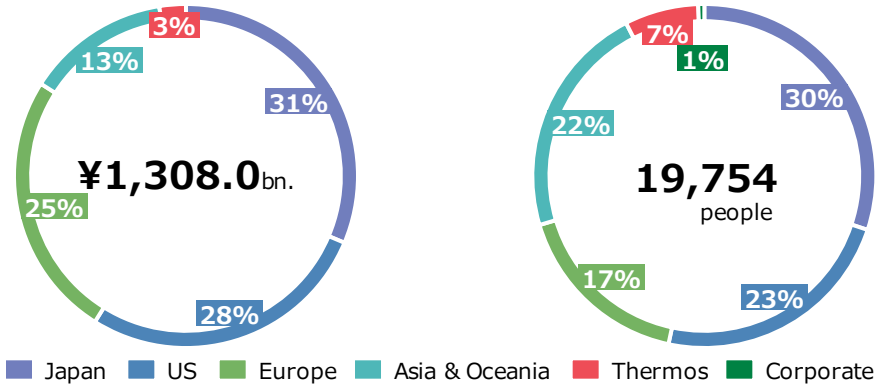
Stock information (As of March 31, 2025)

Number of shares	433,092,837
Number of shareholders	12,904
Listed stock exchanges	Tokyo Stock Exchange Prime Market
Ticker	4091.T

Distribution by share holders (%)



Revenue / Employee personnel by Segment (As of Match 31, 2025)



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

FYE2026 Financial Forecast (IFRS)

Revenue	¥1,290.0 bn.	Net income attributable to owners of the parent	¥116.0 bn.
Operating income	¥191.0 bn.	EPS	¥267.99

Our Medium-term management plan Summary

https://www.nipponsanso-hd.co.jp/en/ir/management/plan.html

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		¥975.0-1,000.0 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

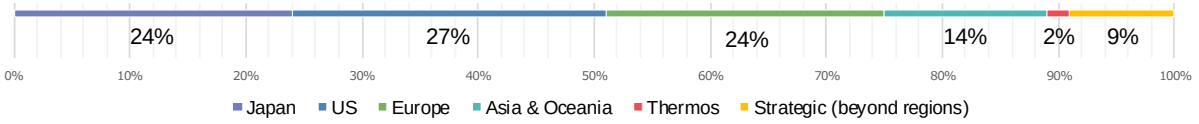
Non-Financial target

<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
<Compliance>		
Rate of receiving compliance training	FYE2026:	100 %
<HR>		
Rate of female employees	FYE2026:	≥22 %
	FYE2031:	25 %
Rate of female management posts	FYE2026:	≥18 %
	FYE2031:	22 %

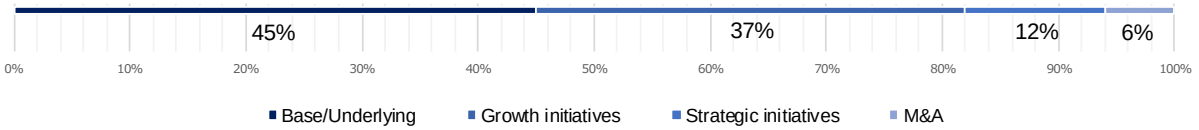
Capital allocation

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

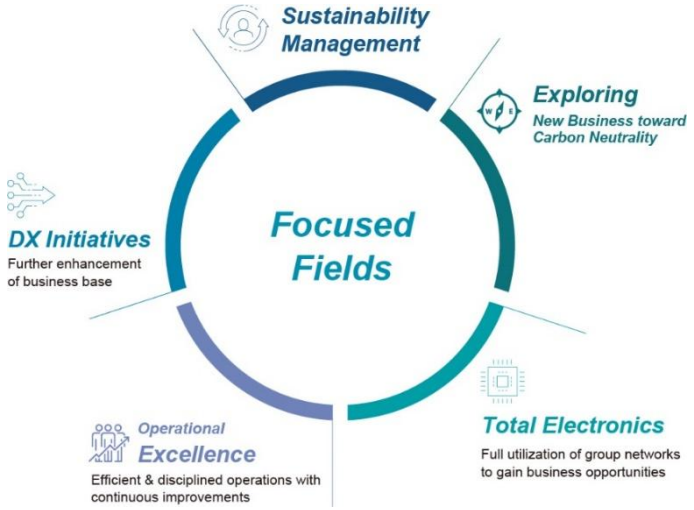
Composition ratio by Business



Composition ratio by Initiative



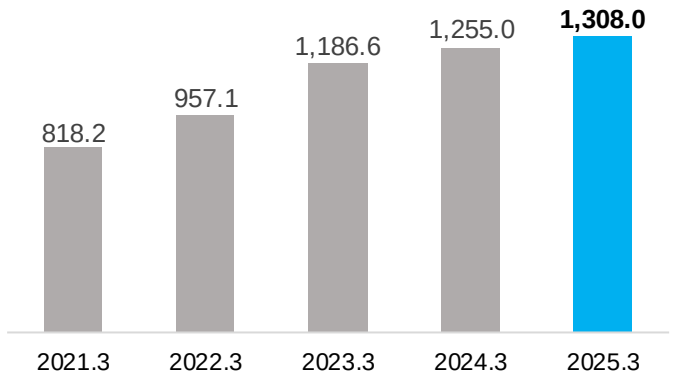
Focused fields



Business performance over the past five years

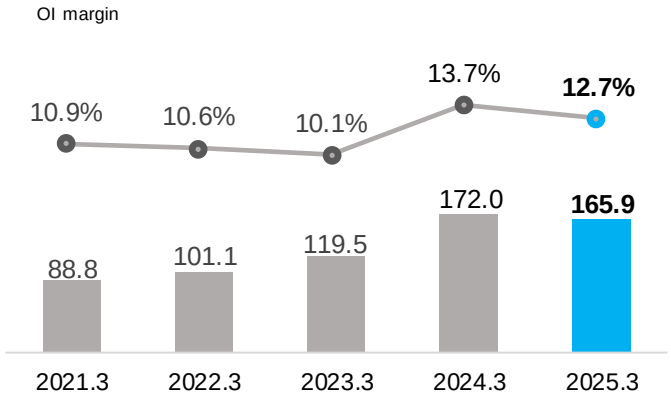
Revenue

(¥ bn.)



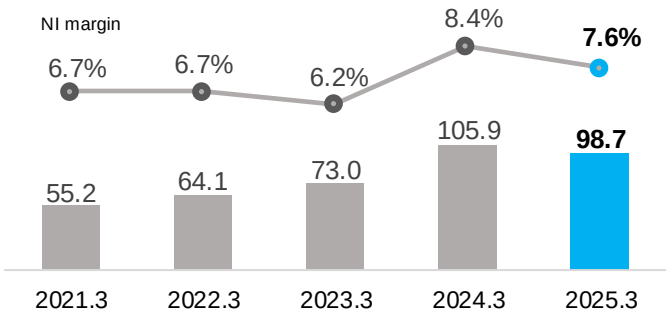
Operating income (IFRS)

(¥ bn.)



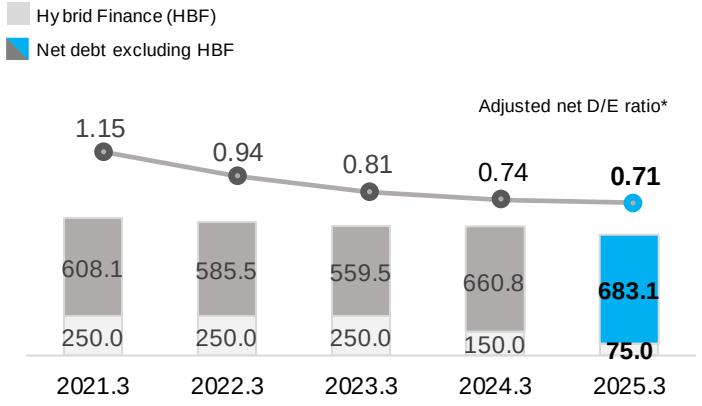
Profit attributable to owners of the parent

(¥ bn.)



Net interest-bearing debts

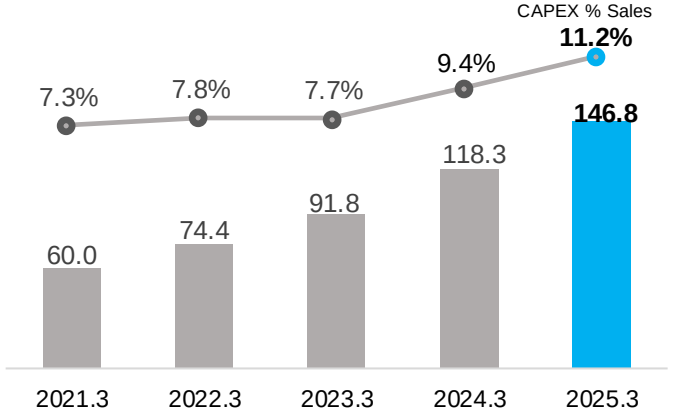
(¥ bn.)



*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.

Capital expenditures

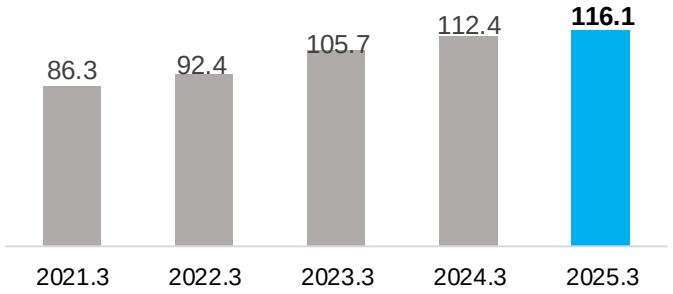
(¥ bn.)



*It's recorded on a cash basis.

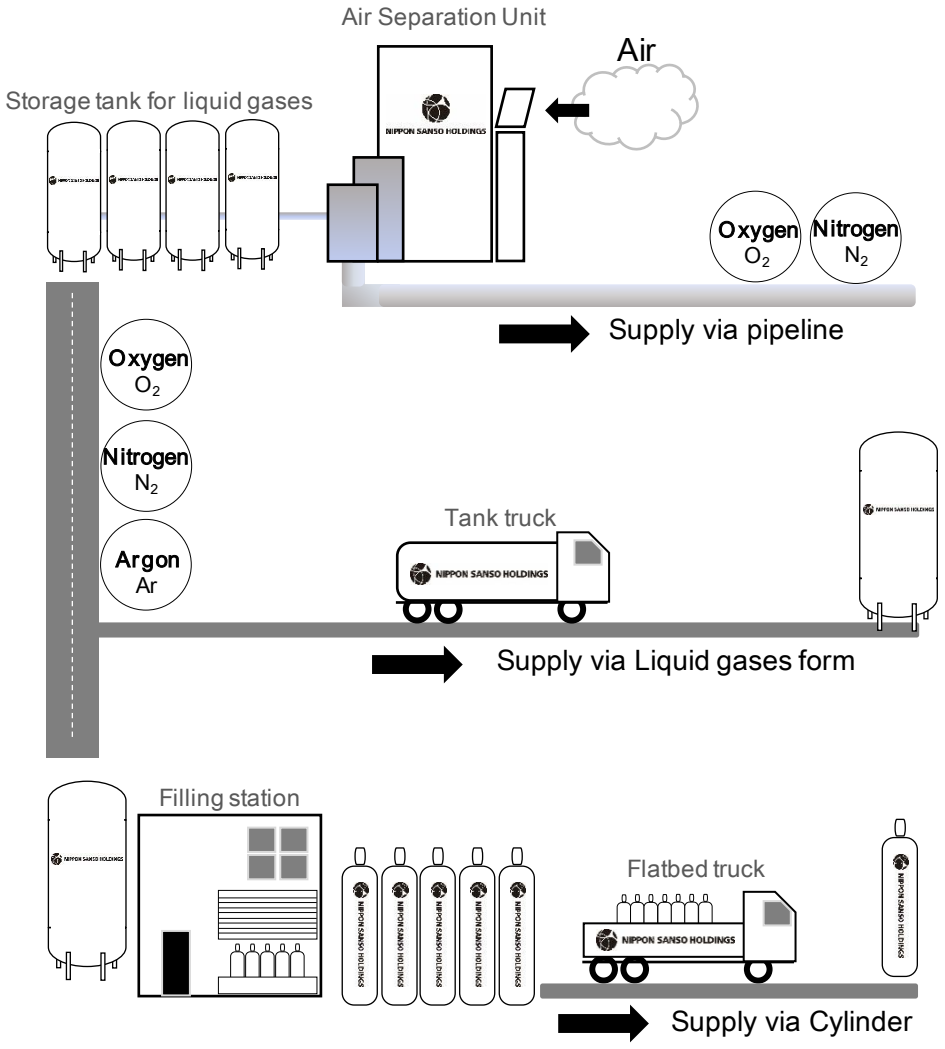
Depreciation and amortization

(¥ bn.)



Industrial gas supply systems

Air Separation Gases



On-site

Major supply destination (Sector)

Steel **Petrochemical** **Refinery**

We've established production plants in the vicinity of the customer.
A form of direct connection and constant supply of pipes.
(Large-scale supply)

Bulk

Major supply destination (Sector)

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

We've installed a storage tank for liquefied gas in the customer's premises. A form of supply according to the method of use of gas.
(Medium-scale supply)

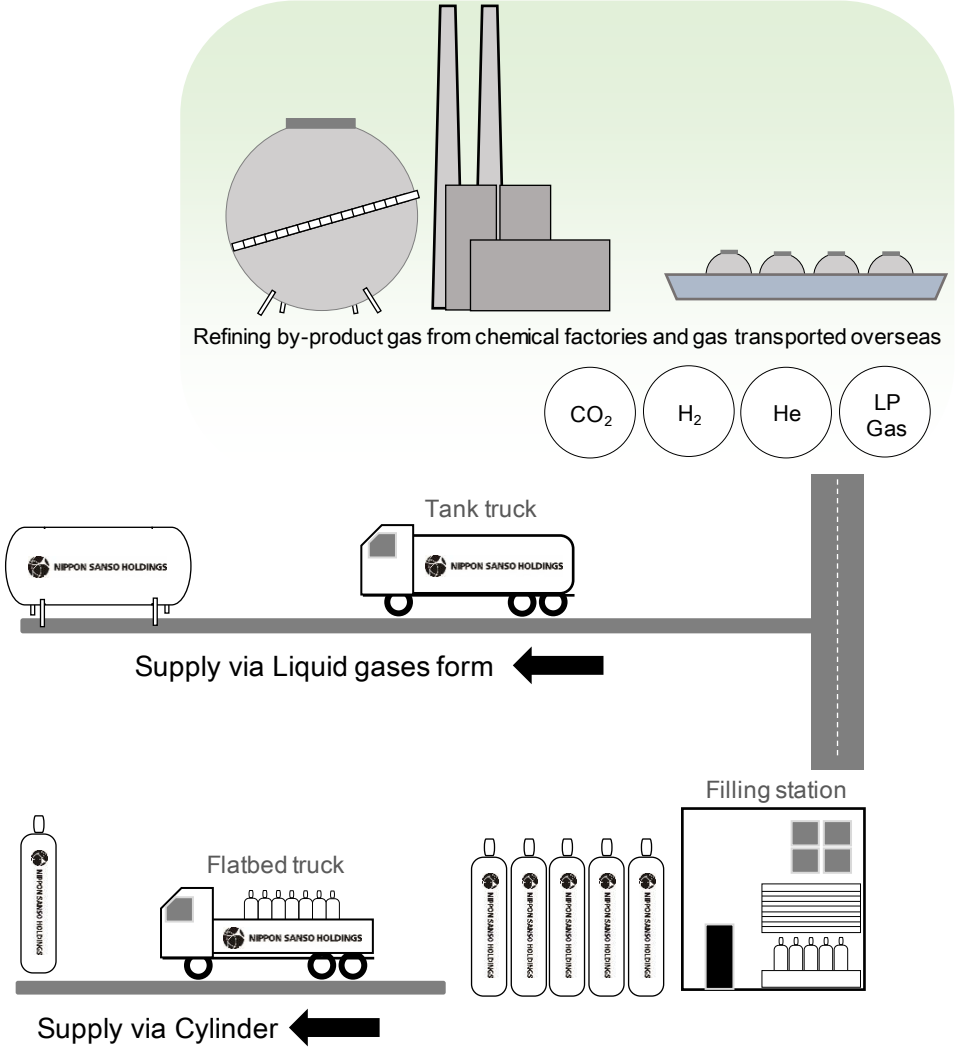
Packaged

Major supply destination (Sector)

Homecare **Advanced medicine** **Sanitation**
Engineering development **R&D** **Construction/ Installation**

We deliver filling containers (cylinders) to customers.
A form of supply according to the method of use of gas.
(Small-scale supply)

Other Gases



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Upcoming IR events

Q3 FYE2026 Earnings Call February 4, 2026

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

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NIPPON SANSO

The Gas Professionals

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