



February 6, 2013

Taiyo Nippon Sanso Corporation

**Consolidated Financial Performance
for the First Three Quarters of Fiscal Year 2013
(Based on Japan GAAP)**

1. Financial results for the first three quarters (April 1, 2012 – December 31, 2012)

(1) Operating results

(Amounts less than ¥1 million are omitted)

	Net sales		Operating income		Ordinary income		Net income	
	(¥ million)	YoY Change	(¥ million)	YoY Change	(¥ million)	YoY Change	(¥ million)	YoY Change
First three quarters of FY2013	343,464	(1.4)%	19,071	(15.8)%	18,082	(18.9)%	(4,622)	—%
First three quarters of FY2012	348,464	(1.9)%	22,637	(14.9)%	22,292	(14.8)%	16,910	12.0%

Note: Comprehensive income

First three quarters of FY2013: ¥(4,230 million) [—%]

First three quarters of FY2012: ¥7,548 million [up 48.1%]

	Earnings per share (Yen)	Diluted earnings per share (Yen)
First three quarters of FY2013	(11.65)	—
First three quarters of FY2012	42.51	—

(2) Financial position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)
First three quarters of FY2013 (December 31, 2012)	594,968	209,768	31.9
FY2012 (March 31, 2012)	607,024	219,611	33.1

Reference: Equity

First three quarters of FY2013: ¥190,017 million

FY2012 full term: ¥200,835 million

2. Forecasts for business operations for FY2013

(full term; April 1, 2012 – March 31, 2013)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	(¥ million)	YoY Change	(¥ million)	YoY Change	(¥ million)	YoY Change	(¥ million)	YoY Change	(Yen)
FY2013 (full term)	474,000	(0.7)%	26,300	(15.3)%	24,300	(18.3)%	0	(100.0)%	0.00

Note: No revisions have been made to recently announced forecasts.

3. General information relating to the first three quarter results

Overall business performance (consolidated basis)

In the first three quarters (April 1-December 31, 2012) of the fiscal year under review, the world economy decelerated overall mainly because of the recession in the Eurozone caused by the prolonged sovereign debt crisis, the sluggish U.S. economy, and a slowdown of economic growth in China and other emerging countries. The Japanese economy remained sluggish due to the persistently strong yen and deflation. This occurred despite heightened anticipation that the new government's monetary easing and economic policies will lead to a rebound in the economy.

Against this backdrop, net sales for the first three quarters (on a consolidated basis) dipped 1.4% year on year to ¥343,464 million, operating income fell 15.8% to ¥19,071 million, and ordinary income declined 18.9% to ¥18,082 million. Moreover, we incurred a net loss of ¥4,622 million (compared with net income of ¥16,910 million in the first three quarters of the previous fiscal year). This result was attributable to the posting of an extraordinary loss of ¥23,300 million following the Company's withdrawal from its joint monosilane gas production business.

A breakdown of business performance by operational segment is as follows.

(1) Industrial Gases Business

Sales of oxygen and nitrogen rose slightly year on year due primarily to firm production rates in the steel industry, a key user of these gasses, and strong automobile production. Although sales of machinery and equipment, particularly air separation plants, climbed year on year, cutting and welding equipment and materials sales fell. In overseas markets, sales in North America grew moderately year on year amid a gradual economic recovery. Sales in Asia increased substantially year on year largely thanks to new consolidation effects.

As a result, sales of Industrial Gases Business increased 2.7% year on year to ¥221,474 million, while operating income edged up 0.3% to ¥16,857 million.

(2) Electronics Business

Sales to the electronics industry were weak amid sluggish demand for semiconductors, LCD panels, solar cells, and other products. Sales of electronic materials gases and electronics-related equipment and installations dropped sharply year on year. Sales of semiconductor manufacturing equipment decreased due to stagnant equipment investment among demand industries.

As a result, sales in the Electronics Business fell 15.6% year on year to ¥69,520 million, and operating loss totaled ¥552 million (compared with operating income of ¥4,029 million for the first three quarters of the previous fiscal year).

(3) Energy Business

Although the sales volume of LP gas decreased slightly year on year, the Company has focused on such measures as revising sales prices and reducing costs.

As a result, sales in Energy Business increased 3.5% year on year to ¥27,908 million, while operating income jumped 23.6% to ¥1,111 million.

(4) Other Businesses

In the Medical Business, sales of medical devices and equipment were brisk. In the Thermos Business, sales climbed year on year thanks to strong sales of ultra-light and compact portable mugs and food containers.

As a result, sales in Other Businesses increased 4.5% year on year to ¥24,560 million, while operating income grew 32.6% to ¥2,546 million.

4. Segment information

(1) First Three Quarters, FY2012 (April 1, 2011 to December 31, 2011)

(¥ million)

	Reportable segment					Adjustments (Note 2)	Consolidated
	Industrial Gases Business	Electronics Business	Energy Business	Other Businesses (Note 1)	Total		
Sales							
(1) Sales to external Customers	215,633	82,362	26,971	23,496	348,464	-	348,464
(2) Sales from inter-segment transactions and transfers	1,619	56	1,886	2,003	5,566	(5,566)	-
Total	217,253	82,418	28,857	25,500	354,030	(5,566)	348,464
Operating income [Segment earnings]	16,811	4,029	898	1,920	23,659	(1,022)	22,637

Notes

1. Other Businesses include the Medical Business, Thermos Business and real estate operations.
2. The ¥1,022 million negative adjustment for segment earnings comprises ¥130 million of inter-segment eliminations and companywide expenses of ¥891 million that were not allocated to any particular reportable segment. These companywide expenses relate principally to basic researches that were not particularly allocated to reportable segments.

(2) First Three Quarters, FY2013 (April 1, 2012 to December 31, 2012)

(¥ million)

	Reportable segment					Adjustments (Note 2)	Consolidated
	Industrial Gases Business	Electronics Business	Energy Business	Other Businesses (Note 1)	Total		
Sales							
(1) Sales to external Customers	221,474	69,520	27,908	24,560	343,464	-	343,464
(2) Sales from inter-segment transactions and transfers	1,233	111	1,417	1,964	4,726	(4,726)	-
Total	222,707	69,631	29,326	26,525	348,190	(4,726)	343,464
Operating income (loss) [Segment earnings (loss)]	16,857	(552)	1,111	2,546	19,962	(891)	19,071

Notes

1. Other Businesses include the Medical Business, Thermos Business and real estate operations.
2. The ¥891 million negative adjustment for segment earnings (loss) comprises ¥188 million of inter-segment eliminations and companywide expenses of ¥1,080 million that were not allocated to any particular reportable segment. These companywide expenses relate principally to basic researches that were not particularly allocated to reportable segments.