

Consolidated Financial Results for the First Three Quarters of Fiscal Year Ending March 31, 2023 (Based on IFRS)

February 2, 2023

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Scheduled date to file Quarterly Securities Report: February 10, 2023
Scheduled date to commence dividend payments: -
Supplementary materials on quarterly financial results: Yes
Quarterly results explanatory meeting: Yes (For institutional investors and analysts)

(Amounts less than ¥1 million are omitted)

1. Financial results for the first three quarters of FYE2023 (April 1, 2022 – December 31, 2022)

(1) Operating results

(Percentages indicate year-on-year change)

	Revenue		Core operating income		Operating income		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
First three quarters of FYE2023	873,042	26.2	87,537	14.7	84,398	10.7	54,414	4.6	52,400	4.5	81,107	10.9
First three quarters of FYE2022	691,535	16.8	76,316	26.2	76,256	20.7	52,008	35.9	50,136	34.3	73,151	10.8

(Reference) Income before income taxes

First three quarters of FYE2023: ¥ 74,757 million [8.4 %]

First three quarters of FYE2022: ¥ 68,991 million [26.1%]

Core operating income is calculated as operating income excluding certain gains and expenses attributable to non-recurring factors (non-recurring items).

	Basic earnings per share (Yen)	Diluted net income per share (Yen)
First three quarters of FYE2023	121.07	—
First three quarters of FYE2022	115.85	—

(2) Financial position

	Total assets (¥ million)	Total equity (¥ million)	Equity attributable to owners of the parent (¥ million)	Equity attributable to owners of the parent ratio (%)
First three quarters of FYE2023 (December 31, 2022)	2,109,908	720,441	687,704	32.6
FYE2022 (March 31, 2022)	1,977,026	661,137	628,714	31.8

2. Dividends

	Annual Dividend				
	End of 1 st quarter (Yen)	End of 2 nd quarter (Yen)	End of 3 rd quarter (Yen)	Term end (Yen)	Total (Yen)
FYE2022	–	16.00	–	18.00	34.00
FYE2023	–	18.00	–		
FYE2023 (est.)				18.00	36.00

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

3. Forecasts for business operations for FYE2023 full term (April 1, 2022 – March 31, 2023)

(Percentages indicate year-on-year change)

	Revenue		Core operating income		Operating income		Net income		Net income attributable to owners of the parent		Basic earnings per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(Yen)
Full term	1,160,000	21.2	115,000	12.0	113,000	11.7	70,500	5.8	68,000	6.1	157.11

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

(Reference) Income before income taxes

FYE2023 full term: ¥99,000 million [8.1%]

* Notes

(1) Changes in significant subsidiaries during the period: None

(Transfer of specified subsidiaries resulting in changes in the scope of consolidation)

(2) Changes in accounting policies, changes in financial forecasts

1. Changes in accounting policies required by IFRS: None

2. Changes in accounting policies other than 1.: None

3. Changes in accounting estimates: None

(3) Number of outstanding shares (common shares)

1. Number of outstanding shares at the end of the period (including treasury stock)	As of Dec. 31, 2022	433,092,837 shares	As of Mar. 31, 2022	433,092,837 shares
2. Number of treasury stocks at the end of the period	As of Dec. 31, 2022	232,218 shares	As of Mar. 31, 2022	344,870 shares
3. Average number of shares during the period	Dec. 31, 2022	432,797,800 shares	Dec. 31, 2021	432,749,531 shares

* Financial reports are out of the scope of audit by certified public accountants or audit corporations.

* Explanation on the appropriate use of the forecasts of financial results and other comments

The forward-looking statements such as the forecasts of financial result stated in this document are based on the information currently available on the Company and certain assumptions that the Company judges as rational. The Company is under no obligation to guarantee their achievement. Actual financial results may vary significantly due to various reasons. For details on the assumptions of the forecasts and related matters, please see page 6, “(3) Explanation concerning predictive information such as consolidated business forecasts” in “1. Qualitative information on quarterly financial results.”

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1. Qualitative information on quarterly financial results

(1) Explanation Concerning Business Results

(General overview)

In the business environment surrounding the Nippon Sanso Holdings Group (NSHD Group) in the first three quarters of the fiscal year under review (from April 1, 2022 to December 31, 2022), we have faced a challenging and unpredictable environment due to geopolitical issues in Ukraine, trade tensions between the US and China, a global energy cost surge, global inflation, and Yen depreciation. These items result in shipment volumes of air separation gases (oxygen, nitrogen, argon), our main product, decreasing from the previous fiscal year. However, due to pass through, cost recovery, pricing management, and solid productivity initiatives, the NSHD Group achieved the following results for the first three quarters of the fiscal year under review.

Revenue on a consolidated basis increased 26.2% year-on-year to ¥873,042 million, core operating income increased 14.7% to 87,537 million, operating income increased 10.7% to 84,398 million, and net income attributable to owners of the parent increased 4.5% to 52,400 million.

As for the impact of foreign exchange rates year-on-year, Yen depreciated against the USD from ¥111.45 to ¥136.85 (+¥25.40, or +22.8%), against the Euro from ¥130.96 to ¥140.83 (+¥9.87, or +7.5%), and against the AUD from ¥82.69 to ¥93.16 (¥10.47, or +12.7%). As a result, overall revenue and core operating income were favorably impacted by approximately ¥62.7 billion and ¥7.9 billion respectively.

Core operating income is calculated by excluding from operating income certain gains and losses attributable to non-recurring factors such as losses arising from business withdrawal or downsizing.

(Overview of business performance by reportable segment)

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

Effective from the first three quarters of the current fiscal year, the names of the reportable segments, which were previously "Gas Business in Japan," " Gas Business in the United States," " Gas Business in Europe," " Gas Business in Asia & Oceania," and "Thermos Business," were changed to "Japan," " United States," "Europe," " Asia & Oceania," and "Thermos" in that order, without impact on the segment information.

Segment income represents core operating income.

(1) Japan

In the industrial gas-related business, revenue increased year-on-year mainly due to the price revisions in conjunction with increased costs, despite a decrease in shipment volume on core product air separation gases as well as on LP gas. In the electronics-related business, electronic material gases revenue increased firmly. In equipment and installation, both industrial gas-related and electronics-related revenue increased.

Segment income decreased due to the time lag between manufacturing and distribution cost increases related to energy and general inflation, etc., and the ability to recover them from customers.

As a result, in the Japan segment, revenue increased 12.7% year-on-year to ¥300,550 million and segment income decreased 10.4% to ¥20,136 million.

(2) United States

In the industrial gas-related business, shipment volume of air separation gases, a core product, were on par with prior year. However, revenue increased year-on-year mainly due to price revisions in conjunction with cost increases. Revenue from carbon dioxide gases was strong especially dry-ice. In equipment and installation, industrial gas-related revenue increased significantly in the hardgoods for welding and cutting related, while electronics-related revenue were essentially flat.

As a result, in the United States segment, revenue increased 36.2% year-on-year to ¥223,608 million and segment income increased 27.7% to ¥26,099 million. Moreover, revenue and segment income were favorably impacted by the weak JPY.

(3) Europe

Revenue increased sharply from air separation gases, a core product, although shipment volumes declined due to energy intensive customers slowing production and operational activities. This reflects successful pricing efforts offsetting a significant surge in both energy and inflations. In addition, productivity and cost reduction efforts remain a key focus of the business.

As a result, in the Europe segment, revenue increased 36.2% year-on-year to ¥203,302 million, and segment income increased 30.7% to ¥25,387 million. Moreover, revenue and segment income were favorably impacted by the weak JPY.

(4) Asia & Oceania

In the industrial gas-related business, shipment volume in air separation gas, a core product, remained firm, and sales revenue increased. In LP gas, of which a large portion of sales are in the Australia region, revenue increased due to price increases linked to higher purchase costs and firm volume trends. In electronic-related business, revenue increased from robust sales for both gases and equipment.

As a result, in the Asia & Oceania segment, revenue increased 35.3% year-on-year to ¥122,868 million and segment income increased 26.6% to ¥12,321 million. Moreover, revenue and segment income were favorably impacted by the weak JPY.

(5) Thermos

In Japan, due to milder restrictions for outside activities from Spring 2022, sales of portable mugs and sports bottles were firm, and sales for the kitchenware products such as frying pans were also strong, contributing to the increase in revenue. Overseas, revenues are generally firm. Segment income decreased because of both rising raw material prices due to inflation and production costs increasing due to the weak JPY.

As a result, the Thermos segment revenue increased 11.2% year-on-year to ¥22,639 million, the segment income decreased 9.7% to ¥4,475 million.

(2) Explanation concerning financial position

As of the end of the Q3 consolidated accounting period, total assets amounted to ¥2,109,908 million, an increase of ¥132,882 million from March 31, 2022. The impact of foreign exchange rates resulted in an increase in total assets of approximately ¥74.5 billion. As of the end of the Q3 consolidated accounting period, the yen was down ¥10.31 against the USD, and down ¥4.77 against the euro from the rates it marked on March 31, 2022.

[Assets]

Total current assets amounted to ¥508,287 million, an increase of ¥85,793 million from March 31, 2022, mainly reflecting increases in operating receivables and inventories.

Total non-current assets were ¥1,601,621 million, an increase of ¥47,088 million from March 31, 2022, mainly reflecting increases in tangible fixed assets and goodwill.

[Liabilities]

Total current liabilities were ¥433,017 million, an increase of ¥101,422 million from March 31, 2022, mainly due to increases in bonds, borrowings and other financial liabilities.

Total non-current liabilities were ¥956,449 million, a decrease of ¥27,843 million from March 31, 2022. The main factors were an increase in deferred tax liabilities, and a decrease in bonds and borrowings.

[Equity]

Total equity amounted to ¥720,441 million, an increase of ¥59,303 million from March 31, 2022. The main factors were an increase in net income attributable to owners of the parent, a decrease in dividends from retained earnings, and an increase in exchange differences on translation of foreign operations.

The ratio of equity attributable to owners of the parent stood at 32.6%, up 0.8 percentage points from March 31, 2022.

(Cash flow analysis)

[Cash flow from operating activities]

Net cash provided by operating activities increased 11.2% year-on-year to ¥108,226 million. The main components were income before income taxes, depreciation and amortization expenses, and corporate income tax payment or refund.

[Cash flow from investing activities]

Net cash used in investing activities increased 35.5% year-on-year to ¥63,960 million. The primary use of cash was the purchase of property, plant and equipment.

[Cash flow from financing activities]

Net cash used in financing activities decreased 53.5% year-on-year to ¥28,876 million. The main components were repayment of long-term borrowings and net increases (decreases) in commercial papers and short-term borrowings.

As a result, after considering exchange differences, the balance of cash and cash equivalents as of the end of Q3 came to ¥109,535 million.

(3) Explanation concerning predictive information such as consolidated business forecasts

No revisions have been made to the consolidated business forecasts released on November 1, 2022.

2. Quarterly Condensed Consolidated Financial Statements and main notes

(1) Quarterly Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	93,697	109,535
Trade receivables	218,480	243,432
Inventories	80,064	103,090
Other financial assets	7,310	24,553
Other current assets	22,940	27,674
Total current assets	422,493	508,287
Non-current assets		
Property, plant and equipment	729,658	762,266
Goodwill	485,190	503,974
Intangible assets	241,320	240,788
Investments accounted for using the equity method	35,700	36,286
Other financial assets	55,410	50,923
Retirement benefit asset	2,468	2,674
Other non-current assets	1,163	1,301
Deferred tax assets	3,619	3,405
Total non-current assets	1,554,532	1,601,621
Total assets	1,977,026	2,109,908

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	115,123	120,557
Bonds and borrowings	110,595	174,642
Income taxes payable	9,746	9,281
Other financial liabilities	65,228	92,355
Allowance	1,068	316
Other current liabilities	29,832	35,864
Total current liabilities	331,595	433,017
Non-current liabilities		
Bonds and borrowings	779,749	737,964
Other financial liabilities	31,231	35,922
Retirement benefit liabilities	14,165	14,736
Allowance	5,107	5,242
Other non-current liabilities	20,918	22,568
Deferred tax liabilities	133,120	140,015
Total non-current liabilities	984,292	956,449
Total liabilities	1,315,888	1,389,467
Equity		
Share capital	37,344	37,344
Capital surplus	55,945	51,774
Treasury stock	(281)	(232)
Retained earnings	476,589	514,020
Other components of equity	59,115	84,797
Total equity attributable to owners of parent	628,714	687,704
Non-controlling interests	32,423	32,736
Total equity	661,137	720,441
Total liabilities and equity	1,977,026	2,109,908

(2) Quarterly Condensed Consolidated Statement of Profit or Loss and Quarterly Condensed Consolidated Statement of Comprehensive Income
Condensed Consolidated Statement of Profit or Loss
(Consolidated cumulative third quarter)

(Millions of yen)

	Nine-months ended December 31, 2021	Nine-months ended December 31, 2022
Revenue	691,535	873,042
Cost of sales	(426,569)	(554,118)
Gross operating profit	264,966	318,923
Selling, general and administrative expenses	(191,052)	(233,586)
Other operating income	1,704	4,454
Other operating expense	(1,590)	(7,616)
Share of profit of investments accounted for using the equity method	2,228	2,222
Operating profit	76,256	84,398
Finance income	1,634	1,653
Finance costs	(8,900)	(11,293)
Income before income taxes	68,991	74,757
Corporate income tax	(16,982)	(20,343)
Net income	52,008	54,414
Net income attributable to:		
Owners of the parent	50,136	52,400
Non-controlling interests	1,872	2,013
Net income per share		
Basic quarterly earnings per share (yen)	115.85	121.07

Condensed Consolidated Statement of Comprehensive Income
(Consolidated cumulative third quarter)

(Millions of yen)

	Nine-months ended December 31, 2021	Nine-months ended December 31, 2022
Net income	52,008	54,414
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	8,167	(3,451)
Re-measurements of defined benefit plans	32	11
Share of other comprehensive income of investments accounted for using the equity method	53	(42)
Total of items that will not be reclassified to profit or loss	8,253	(3,482)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	11,883	28,954
Effective portion of net change in fair value of cash flow hedges	(61)	(893)
Share of other comprehensive income of investments accounted for using the equity method	1,067	2,114
Total of items that may be reclassified subsequently to profit or loss	12,889	30,174
Total other comprehensive income, net of tax	21,142	26,692
Comprehensive income	73,151	81,107
Comprehensive income attributable to:		
Owners of the parent	71,174	78,693
Non-controlling interests	1,976	2,413

(3) Quarterly Condensed Consolidated Statement of Changes in Equity

Nine-months ended December 31, 2021 (April 1, 2021 to December 31, 2021)

(Millions of yen)

	Share capital	Capital surplus	Treasury stock	Retained earnings
Balance at April 1, 2021	37,344	55,901	(273)	422,838
Net income	—	—	—	50,136
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	—	50,136
Purchase of treasury stock	—	—	(5)	—
Disposal of treasury stock	—	0	0	—
Dividends	—	—	—	(13,853)
Changes in ownership interest in subsidiaries	—	(79)	—	—
Business combinations or business divestitures	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	2,552
Change in scope of consolidation	—	—	—	43
Other changes	—	—	—	(0)
Total transactions with owners	—	(79)	(5)	(11,257)
Balance as of December 31, 2021	37,344	55,822	(279)	461,716

Other components of equity

	Exchange differences on translation of foreign operations	Effective portion of net change in fair value of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Re-measurements of defined benefit plans	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at April 1, 2021	(18,029)	71	15,310	—	(2,646)	513,164	30,736	543,900
Net income	—	—	—	—	—	50,136	1,872	52,008
Other comprehensive income	12,849	(60)	8,217	32	21,038	21,038	104	21,142
Comprehensive income	12,849	(60)	8,217	32	21,038	71,174	1,976	73,151
Purchase of treasury stock	—	—	—	—	—	(5)	—	(5)
Disposal of treasury stock	—	—	—	—	—	0	—	0
Dividends	—	—	—	—	—	(13,853)	(991)	(14,844)
Changes in ownership interest in subsidiaries	—	—	—	—	—	(79)	129	49
Business combinations or business divestitures	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(2,519)	(32)	(2,552)	—	—	—
Change in scope of consolidation	—	—	—	—	—	43	—	43
Other changes	—	—	—	—	—	(0)	179	179
Total transactions with owners	—	—	(2,519)	(32)	(2,552)	(13,895)	(682)	(14,578)
Balance as of December 31, 2021	(5,180)	11	21,008	—	15,839	570,443	32,029	602,473

Nine-months ended December 31, 2022 (April 1, 2022 to December 31, 2022)

(Millions of yen)

	Share capital	Capital surplus	Treasury stock	Retained earnings
Balance as of April 1, 2022	37,344	55,945	(281)	476,589
Net income	—	—	—	52,400
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	—	52,400
Purchase of treasury stock	—	—	(4)	—
Disposal of treasury stock	—	—	53	—
Dividends	—	—	—	(15,579)
Changes in ownership interest in subsidiaries	—	(4,171)	—	—
Business combinations or business divestitures	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	609
Change in scope of consolidation	—	—	—	—
Other changes	—	—	—	—
Total transactions with owners	—	(4,171)	48	(14,970)
Balance as of December 31, 2022	37,344	51,774	(232)	514,020

	Other components of equity				Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Effective portion of net change in fair value of cash flow hedges	Financial assets measured at fair value through other comprehensive income	Re-measurements of defined benefit plans				
Balance as of April 1, 2022	39,428	368	19,319	—	59,115	628,714	32,423	661,137
Net income	—	—	—	—	—	52,400	2,013	54,414
Other comprehensive income	30,768	(884)	(3,603)	11	26,292	26,292	400	26,692
Comprehensive income	30,768	(884)	(3,603)	11	26,292	78,693	2,413	81,107
Purchase of treasury stock	—	—	—	—	—	(4)	—	(4)
Disposal of treasury stock	—	—	—	—	—	53	—	53
Dividends	—	—	—	—	—	(15,579)	(885)	(16,465)
Changes in ownership interest in subsidiaries	—	—	—	—	—	(4,171)	(1,857)	(6,029)
Business combinations or business divestitures	—	—	—	—	—	—	389	389
Transfer from other components of equity to retained earnings	—	—	(598)	(11)	(609)	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—	—
Other changes	—	—	—	—	—	—	253	253
Total transactions with owners	—	—	(598)	(11)	(609)	(19,702)	(2,101)	(21,803)
Balance as of December 31, 2022	70,196	(516)	15,117	—	84,797	687,704	32,736	720,441

(4) Quarterly Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Nine-months ended December 31, 2021	Nine-months ended December 31, 2022
Cash flow from operating activities		
Income before income taxes	68,991	74,757
Depreciation and amortization	68,339	78,880
Interest and dividends income	(857)	(1,266)
Interest expenses	8,742	11,268
Share of (profit) loss of investments accounted for using the equity method	(2,228)	(2,222)
Loss (gain) on sale and retirement of property, plant and equipment, and intangible assets	73	(455)
(Increase) decrease in trade receivables	(23,766)	(18,456)
(Increase) decrease in inventories	(10,956)	(20,233)
Increase (decrease) in trade payables	9,832	2,643
(Increase) decrease in retirement benefit asset	(432)	(647)
Increase (decrease) in retirement benefit liabilities	806	681
Other	1,655	9,442
Subtotal	120,199	134,392
Interest received	137	392
Dividends received	3,427	5,540
Interest paid	(8,274)	(9,703)
Corporate income tax payment or refund	(18,126)	(22,395)
Cash flow from operating activities	97,364	108,226
Cash flow from investing activities		
Payments for purchase of property, plant and equipment	(50,343)	(62,176)
Proceeds from sale of property, plant and equipment	904	1,771
Payments for purchase of investment	(943)	(2,645)
Proceeds from sale and redemption of investments	5,332	1,505
Payments for acquisition of subsidiaries	(520)	(107)
Proceeds from sale of subsidiaries	0	—
Other	(1,636)	(2,307)
Cash flow from investing activities	(47,207)	(63,960)

(Millions of yen)

	Nine-months ended December 31, 2021	Nine-months ended December 31, 2022
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	18,774	22,295
Net increase (decrease) in commercial papers	(7,000)	29,000
Proceeds from long-term borrowings	13,942	2,020
Payments for repayment of long-term borrowings	(76,182)	(54,693)
Proceeds from issuance of bonds	25,000	—
Payments for redemption of bonds	(15,000)	—
Payments for repayment of lease obligations	(6,595)	(8,921)
Payments for purchase of shares in subsidiaries not resulting in change in scope of consolidation	(199)	(2,737)
Dividends paid	(13,853)	(15,579)
Dividends paid to non-controlling interests	(991)	(885)
Other	(43)	626
Cash flow from financing activities	(62,149)	(28,876)
Impact of exchange rate changes on cash and cash equivalents	(674)	344
Net increase (decrease) in cash and cash equivalents	(12,666)	15,734
Balance of cash and cash equivalents at beginning of fiscal year	91,058	93,697
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	253	—
Increase in cash and cash equivalents in relation to merger	—	104
Balance of cash and cash equivalents at end of quarter	78,645	109,535

(5) Notes to the Quarterly Condensed Consolidated Financial Statements

(Notes to going concern assumption)

Not applicable.

(Segment information)

(1) Outline of reportable segments

The NSHD Group's reportable segments concern the components of the NSHD Group about which separate financial information is available and which are evaluated regularly by the Board of Directors to decide the allocation of management resources and assess business performance. No grouping of operating segments has been carried out for reporting purposes.

The NSHD Group conducts gas businesses, mainly for customers in the steel, chemical, and electronics industries, and has built production and sales facilities for its main products in Japan, the United States, Europe, and Asia & Oceania. In addition, the NSHD Group conducts the manufacture and sale of housewares such as stainless-steel vacuum bottles. Accordingly, the Company has established the following five reportable segments: Japan, the United States, Europe, Asia & Oceania, and Thermos.

(Matters regarding change of the names of the reportable segments)

Effective from the just-ended consolidated third quarter, the names of the reportable segments, which were previously "Gas Business in Japan," "Gas Business in the United States," "Gas Business in Europe," "Gas Business in Asia & Oceania," and "Thermos Business," were changed to "Japan," "United States," "Europe," "Asia & Oceania," and "Thermos" in that order.

These changes have no impact on segment information.

For the previous consolidated cumulative third quarter, the reportable segments are indicated with their new names.

The principal products and services included in the five reportable segments are shown in the table below.

Reportable segment	Main products and services
Japan	Oxygen, nitrogen, argon, carbon dioxide, helium, hydrogen, acetylene, gas-related equipment, specialty gases (electronic materials gases, pure gases, etc.), electronics-related equipment and installation, semiconductor manufacturing equipment, welding and cutting equipment, welding materials, plants and machinery, liquid petroleum gas (LPG) and related equipment, medical-use gases (oxygen, nitrous oxide, etc.), medical equipment, stable isotopes
United States	
Europe	
Asia & Oceania	
Thermos	

The accounting methods adopted for the reported operating segments are the same as the methods adopted to prepare the consolidated financial statements. Revenue from inter-segment transactions and transfers is based primarily on prevailing market prices.

(2) Figures of revenue and income (loss) by reportable segment
 Nine-months ended December 31, 2021 (April 1, 2021 to December 31, 2021)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts on the Consolidate d Statements of Income
	Japan	United States	Europe	Asia & Oceania	Thermos	Total		
Revenue								
Revenue to external customers	266,755	164,236	149,249	90,782	20,361	691,385	150	691,535
Revenue from inter- segment transactions and transfers	7,419	12,564	146	2,620	11	22,762	(22,762)	—
Total	274,174	176,800	149,396	93,403	20,372	714,147	(22,611)	691,535
Segment income (Note 2)	22,474	20,439	19,430	9,734	4,953	77,032	(715)	76,316

Notes: 1. The (¥715) million negative adjustment for segment income is comprised of ¥164 million of intersegment eliminations and companywide expenses of (¥879) million that were not allocated to any particular reportable segment. These companywide expenses consist mainly of Group administration expenses at the Company that are not attributable to reportable segments.

2. Segment income represents core operating income, which is calculated by excluding from operating income certain gains or losses attributable to non-recurring factors such as losses arising from business withdrawal or downsizing.

Nine-months ended December 31, 2022 (April 1, 2022 to December 31, 2022)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts on the Consolidate d Statements of Income
	Japan	The United States	Europe	Asia & Oceania	Thermos	Total		
Revenue								
Revenue to external customers	300,550	223,608	203,302	122,868	22,639	872,970	72	873,042
Revenue from inter- segment transactions and transfers	10,353	17,065	187	2,558	14	30,179	(30,179)	—
Total	310,904	240,673	203,489	125,427	22,654	903,149	(30,107)	873,042
Segment income (Note 2)	20,136	26,099	25,387	12,321	4,475	88,420	(883)	87,537

Notes: 1. The (¥883) million negative adjustment for segment income is comprised of ¥100 million of intersegment eliminations and companywide expenses of (¥983) million that were not allocated to any particular reportable segment. These companywide expenses consist mainly of Group administration expenses at the Company that are not attributable to reportable segments.

2. Segment income represents core operating income, which is calculated by excluding from operating income certain gains or losses attributable to non-recurring factors such as losses arising from business withdrawal or downsizing.

Reconciliation of segment income with income before income taxes is shown below.

(Millions of yen)

	Nine-months ended December 31, 2021 (April 1, 2021 to December 31, 2021)	Nine-months ended December 31, 2022 (April 1, 2022 to December 31, 2022)
Segment income	76,316	87,537
Proceeds from sale of fixed assets	—	596
Loss on arbitration award	—	(3,542)
Share of profit (loss) of investments accounted for using the equity method	—	(144)
Other	(59)	(48)
Operating profit	76,256	84,398
Finance income	1,634	1,653
Finance costs	(8,900)	(11,293)
Income before income taxes	68,991	74,757