

Accounts Settlement for the First Half of Fiscal Year 2014

November 5, 2013
TAIYO NIPPON SANSO Corporation

1-1. Financial Performance (Consolidated)

(Millions of yen, with figures rounded down to the nearest million)

	Previous term		Reporting term	
	(April 1, 2012 to September 30, 2012)	YoY change	(April 1, 2013 to September 30, 2013)	YoY change
Sales	228,272	△ 2.8 %	249,621	9.4 %
Operating income (Ratio of profit to sales)	12,566 (5.5)	△ 20.3	14,396 (5.8)	14.6
Non-operating income	△ 524		△ 197	
Ordinary profit (Ratio of profit to sales)	12,042 (5.3)	△ 24.8	14,199 (5.7)	17.9
Extraordinary loss	△ 23,523		5,883	
Income before income taxes	△ 11,480		20,083	
Income taxes	△ 4,179		7,199	
Minority interests	609		653	
Net income (Ratio of net income to sales)	△ 7,910 (△3.5)	-	12,229 (4.9)	-

(Reference)

EPS (Yen)	△ 19.93	31.53
Capital investment (on completion; millions of yen)	15,902	13,641
Investments & loans (millions of yen)	1,791	737
Depreciation (millions of yen)	14,342	16,642
Interest-bearing liabilities (millions of yen)	253,466	260,387

1-2. Financial Performance (Consolidated)

(Millions of yen, with figures rounded down to the nearest million)

	Previous term		Current term (forecasts)	
	(April 1, 2012 to March 31, 2013)	YoY change	(April 1, 2013 to March 31, 2014)	YoY change
Sales	468,387	△ 1.9 %	514,000	9.7 %
Operating income (Ratio of profit to sales)	24,884 (5.3)	△ 19.9	30,000 (5.8)	20.6
Non-operating income	△ 1,823		△ 1,200	
Ordinary profit (Ratio of profit to sales)	23,060 (4.9)	△ 22.4	28,800 (5.6)	24.9
Extraordinary loss	△ 23,511		4,900	
Income before income taxes	△ 450		33,700	
Income taxes	281		12,900	
Minority interests	1,339		1,400	
Net income (Ratio of net income to sales)	△ 2,071 (△0.4)	-	19,400 (3.8)	-

(Reference)

EPS (Yen)	△ 5.25	47.47
ROE	△ 1.0 %	8.2 %
ROCE	5.5 %	6.1 %
Payout ratio	- %	25.3 %
Capital investment (on completion; millions of yen)	31,715	34,000
Investments & loans (millions of yen)	5,672	8,800
Depreciation (millions of yen)	29,400	34,000
Interest-bearing liabilities (millions of yen)	253,424	251,000

2-1. Results by business segment

*External sales basis (Millions of yen; figures rounded down to the nearest million)

		Previous term			Reporting term (ended September 2013)		
		Amount	YoY change	% of total	Amount	YoY change	% of total
Sales*	Industrial Gas	148,307	2.6	65.0	163,992	10.6	65.7
	Electronics	46,169	△ 17.8	20.2	48,553	5.2	19.5
	Energy	17,420	△ 1.8	7.6	18,536	6.4	7.4
	Other	16,375	0.7	7.2	18,538	13.2	7.4
	Consolidated	228,272	△ 2.8	100.0	249,621	9.4	100.0
Operating income	Industrial Gas	11,237	0.7	89.4	10,653	△ 5.2	74.0
	Electronics	△ 602	-	△ 4.8	2,213	-	15.4
	Energy	773	17.2	6.2	630	△ 18.4	4.4
	Other	1,773	17.8	14.1	1,511	△ 14.8	10.5
	Eliminations or Corporate	△ 614	11.3	△ 4.9	△ 612	0.4	△ 4.3
	Consolidated	12,566	△ 20.3	100.0	14,396	14.6	100.0

3-1. Results by geographical segment

*External sales basis (Millions of yen; figures rounded down to the nearest million)

		Previous term			Reporting term (ended September 2013)		
		Amount	YoY change	% of total	Amount	YoY change	% of total
Sales*	Japan	167,089	△ 4.7	73.2	169,537	1.5	67.9
	North America	45,401	△ 3.4	19.9	57,426	26.5	23.0
	Other countries	15,781	26.6	6.9	22,657	43.6	9.1
	Consolidated	228,272	△ 2.8	100.0	249,621	9.4	100.0
Operating income	Japan	11,129	△ 11.3	88.6	10,894	△ 2.1	75.7
	North America	1,092	△ 64.5	8.7	2,703	147.5	18.8
	Other countries	868	35.6	6.9	1,355	56.2	9.4
	Eliminations or Corporate	△ 523	△ 7.4	△ 4.2	△ 557	△ 6.3	△ 3.9
	Consolidated	12,566	△ 20.3	100.0	14,396	14.6	100.0

4-1. Breakdown of sales by business segment

*External sales basis (Millions of yen; figures rounded down to the nearest million)

		Previous term			Reporting term (ended September 2013)		
		Amount	YoY change	% of total	Amount	YoY change	% of total
Industrial Gas	Bulk/On-site	80,018		35.1	85,202	6.5	34.1
	Pakcage	48,494		21.2	57,964	19.5	23.2
	Plants and equipment	19,794		8.7	20,825	5.2	8.4
	Total	148,307		65.0	163,992	10.6	65.7
Electronics	Gases	35,555		15.6	35,979	1.2	14.4
	Equipment and installation	10,614		4.6	12,573	18.5	5.1
	Total	46,169		20.2	48,553	5.2	19.5
Energy	Gases	15,664		6.9	16,917	8.0	6.8
	Equipment	1,756		0.7	1,619	△ 7.8	0.6
	Total	17,420		7.6	18,536	6.4	7.4
Other	Medical	8,519		3.8	8,978	5.4	3.6
	Thermos	6,628		2.9	8,281	24.9	3.3
	Other	1,227		0.5	1,278	4.1	0.5
	Total	16,375		7.2	18,538	13.2	7.4
Consolidated		228,272		100.0	249,621	9.4	100.0

*Sales breakdowns were previously listed according to each main product. From the fiscal year under review, however, sales breakdowns are listed by business in each segment. Since sales breakdowns for the fiscal year ended March 31, 2012 have not been recombined, year-on-year changes are not listed.

2-2. Results by business segment

*External sales basis (Millions of yen; figures rounded down to the nearest million)

		Previous term			Current term (forecasts)(ended March 2014)		
		Amount	YoY change	% of total	Amount	YoY change	% of total
Sales*	Industrial Gas	298,073	2.4	63.6	334,600	12.3	65.1
	Electronics	96,546	△ 16.3	20.6	99,000	2.5	19.3
	Energy	40,031	3.0	8.5	41,800	4.4	8.1
	Other	33,736	4.7	7.3	38,600	14.4	7.5
	Consolidated	468,387	△ 1.9	100.0	514,000	9.7	100.0
Operating income	Industrial Gas	21,322	△ 1.8	85.7	22,500	5.5	75.0
	Electronics	△ 536	-	△ 2.2	3,600	-	12.0
	Energy	1,808	8.4	7.3	1,900	5.1	6.3
	Other	3,291	20.9	13.2	3,100	△ 5.8	10.3
	Eliminations or Corporate	△ 1,000	5.3	△ 4.0	△ 1,100	9.9	△ 3.6
	Consolidated	24,884	△ 19.9	100.0	30,000	20.6	100.0

3-2. Results by geographical segment

*External sales basis (Millions of yen; figures rounded down to the nearest million)

		Previous term			Current term (forecasts)(ended March 2014)		
		Amount	YoY change	% of total	Amount	YoY change	% of total
Sales*	Japan	339,267	△ 6.1	72.4	352,400	3.9	68.6
	North America	90,666	△ 0.4	19.4	114,600	26.4	22.3
	Other countries	38,453	54.1	8.2	47,000	22.2	9.1
	Consolidated	468,387	△ 1.9	100.0	514,000	9.7	100.0
Operating income	Japan	22,172	△ 17.9	89.1	23,800	7.3	79.3
	North America	2,091	△ 42.7	8.4	4,700	124.7	15.7
	Other countries	1,851	28.1	7.4	2,700	45.8	9.0
	Eliminations or Corporate	△ 1,231	△ 19.9	△ 4.9	△ 1,200	2.5	△ 4.1
	Consolidated	24,884	△ 19.9	100.0	30,000	20.6	100.0

4-2. Breakdown of sales by business segment

*External sales basis (Millions of yen; figures rounded down to the nearest million)

		Previous term			Current term (forecasts)(ended March 2014)		
		Amount	YoY change	% of total	Amount	YoY change	% of total
Industrial Gas	Bulk/On-site	158,090		33.8	171,000	8.2	33.3
	Pakcage	98,476		21.0	118,200	20.0	23.0
	Plants and equipment	41,506		8.8	45,400	9.4	8.8
	Total	298,073		63.6	334,600	12.3	65.1
Electronics	Gases	71,913		15.4	72,500	0.8	14.1
	Equipment and installation	24,632		5.2	26,500	7.6	5.2
	Total	96,546		20.6	99,000	2.5	19.3
Energy	Gases	36,259		7.7	38,100	5.1	7.4
	Equipment	3,771		0.8	3,700	△ 1.9	0.7
	Total	40,031		8.5	41,800	4.4	8.1
Other	Medical	18,474		4.0	21,100	14.2	4.1
	Thermos	12,871		2.7	14,900	15.8	2.9
	Other	2,390		0.6	2,600	8.8	0.5
	Total	33,736		7.3	38,600	14.4	7.5
Consolidated		468,387		100.0	514,000	9.7	100.0

The First Half of FY 2014 Accounts Settlement (on a consolidated basis) Sales Breakdown by Product

Note: All figures are rounded to the nearest first decimal place.

1. Breakdown by Supply Method (oxygen, nitrogen)

① Oxygen

Supply Method	Volume (% of total)	Volume (YoY % change)	Value (% of total)	Value (YoY % change)
Bulk	19.5%	5.1%	49.8%	5.7%
Onsite	80.5%	6.6%	50.2%	11.0%

② Nitrogen

Supply Method	Volume (% of total)	Volume (YoY % change)	Value (% of total)	Value (YoY % change)
Bulk	22.5%	0.6%	50.9%	3.5%
Onsite	77.5%	1.3%	49.1%	6.9%

2. Principal Users (oxygen, nitrogen, argon) in the "Industrial Gas" and "Electro

① Oxygen

Main user industries	Volume (% of total)	Volume (YoY % change)
1) Steel and other metals	59.7%	6.1%
2) Chemicals	19.0%	9.7%
3) Shipbuilding, machinery, transportation equipment	3.1%	1.0%

② Nitrogen

Main user industries	Volume (% of total)	Volume (YoY % change)
1) Steel and other metals	35.6%	1.1%
2) Electronic equipment & semiconductors	23.4%	-2.8%
3) Chemicals	22.6%	3.7%

③ Argon

Main user industries	Volume (% of total)	Volume (YoY % change)
1) Steel and other metals	37.2%	0.6%
2) Electronic equipment & semiconductors	17.0%	-10.6%
3) Shipbuilding, machinery, transportation equipment	12.6%	-2.6%

3. Breakdown by Principal User Industry Sectors

Main sectors	% of sales value	YoY % change in % of total sales	YoY % change in sales
*Semiconductor manufacturing related industries	22.4%	-0.8%	5.5%
**Steel smelting and related industries	22.8%	0.5%	8.5%
**Chemicals and related industries	23.8%	0.0%	6.1%

*Percentage of sales value for semiconductor manufacturing sector is percentage of total sales value.

**Percentage of sales value for steel smelting and chemicals sector is percentage of total sales of oxygen, nitrogen, and argon in the "Industrial Gas" and "Electronics" segments only.