

November 2, 2010
 Taiyo Nippon Sanso Corporation

Notice of Revised Business Performance Forecast

On the basis of the Company's recent business performance, Taiyo Nippon Sanso hereby revises its business performance forecasts announced on May 14, 2010, as shown below.

1. Business performance forecast on a consolidated basis

Revised consolidated business performance forecast for the first half of FY2011 (April 1 to Sept. 30, 2010)

	Net sales	Operating income	Recurring income	Net income	Earnings per share
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(Yen)
Previous forecast (A)	230,000	15,000	14,200	8,000	20.01
Current forecast (B)	237,000	18,000	17,800	10,200	25.51
Change (B-A)	7,000	3,000	3,600	2,200	
Percentage change (%)	3.0	20.0	25.4	27.5	
Reference: Figures for the first half of FY2010	204,157	12,761	12,358	6,828	17.08

No revisions were made to consolidated business performance forecast for FY2011 full term (April 1, 2010 to March 31, 2011)

Reasons for Revision

We have revised upward our previous forecasts of business performance for the first half of FY2011 in light of a recovery in demand from our customer industries in Japan, as a result of which the Company's business performance on a non-consolidated basis has been better than expected. The Company's consolidated subsidiaries have also been posting a solid performance. As a result, we now expect net sales, operating income, recurring income, and net income to exceed the previous forecasts.

With regard to the Company's consolidated business performance for the FY2011 full term, however, we have decided to make no change to our previous forecasts issued in May. This decision is based on the fact that the Company's U.S. subsidiaries

have been posting business results below our initial forecasts owing to the dull trend of the United States economy, as yet, to realize a fully fledged recovery, as well as the uncertainty of demand trends among the Company's principal user industries in Japan.

2. Business performance forecast on a non-consolidated basis

Revised business performance forecast on a non-consolidated basis for the first half of FY2011 (April 1 to Sept. 30, 2010)

	Net sales	Operating income	Recurring income	Net income	Earnings per share
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(Yen)
Previous forecast (A)	113,000	7,200	10,400	7,400	18.50
Current forecast (B)	116,000	9,800	13,600	9,500	23.75
Change (B-A)	3,000	2,600	3,200	2,100	
Percentage change (%)	2.7	36.1	30.8	28.4	
Reference: Figures for the first half of FY2010	—	—	—	—	—

Revised business performance forecast on a non-consolidated basis for FY2011 full term (April 1, 2010 to March 31, 2011)

	Net sales	Operating income	Recurring income	Net income	Earnings per share
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(Yen)
Previous forecast (A)	233,000	15,500	18,000	12,000	30.00
Current forecast (B)	238,000	17,500	20,500	13,700	34.26
Change (B-A)	5,000	2,000	2,500	1,700	
Percentage change (%)	2.1	12.9	13.9	14.2	
Reference: Figures for FY2010	224,742	14,315	15,899	10,595	26.49

Reasons for Revision

Regarding the Company's business performance on a non-consolidated basis for the first half of FY2011, favorable shipments of gases were recorded during the period, principally to clients in the steel, chemicals, and electronics industries. As a result, net

sales, operating income, recurring income, and net income are all expected to surpass the previous forecasts.

Regarding the full-term forecasts, however, while sales of LP gas are projected to increase due to higher selling prices, the direction of demand trends for the Company's main customer industries remains unclear. In light of this, we have taken the decision to stay with our initial forecasts with respect to business performance in the third and fourth quarters. At the earnings level, while we expect an improvement over the previous forecasts, the margin of increase is likely to be less than in the first half. This is based on a projected increase in expenses in the third and fourth quarters over the initial forecast, as a result of a number of factors including the timing of the expense reporting.

Note: The above business performance forecasts are based on information available to the management of the Company as of the time of writing, and may differ from actual performance figures owing to a number of factors that may materialize subsequent to this announcement.