

Consolidated Financial Results for the First Three Quarters of Fiscal Year Ending March 31, 2021 (Based on IFRS)

February 2, 2021

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Scheduled date to file Quarterly Securities Report: February 9, 2021
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 FYE2021 (April 1, 2020 –December 31, 2020)

(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 FYE2021	592,256	(6.5)	60,468	(11.4)	63,154	(12.2)	38,275	(10.0)	37,318	(9.8)	66,032	131.6
First three quarters of FYE2020	633,435	22.3	68,251	55.6	71,896	60.9	42,547	46.6	41,358	51.9	28,511	47.5

(Reference) Income before income taxes

First three quarters of FYE2021: ¥54,721 million [(10.2) %]

First three quarters of FYE2020: ¥60,915 million [(44.3) %]

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 FYE2021	86.24	–
First three quarters of FYE2020	95.57	–

(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 FYE2021 (December 31, 2020)	1,789,466	491,174	461,506	25.8
FYE2020 (March 31, 2020)	1,751,732	440,693	409,344	23.4

2. Dividends

	Annual Dividend				
	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	Term end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
FYE2020	—	14.00	—	14.00	28.00
FYE2021	—	14.00	—		
FYE2021 (est.)				14.00	28.00

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

3. Forecasts for business operations for FYE2021 full term (April 1, 2020 – March 31, 2021)

(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	802,000	(5.7)	83,000	(8.1)	84,600	(9.9)	49,600	(9.9)	48,100	(9.8)	111.15

Note: Revisions have been made to recently announced forecasts: Yes

(Reference) Income before income taxes

FYE2021 full term: ¥ 72,900million [(7.9) %]

* Notes

(1) Changes in significant subsidiaries during the nine months ended Dec.31, 2020: 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, 2020	433,092,837 shares	As of Mar. 31, 2020	433,092,837 shares
2. Number of treasury stocks at the end of the period	As of Dec.31, 2020	341,763 shares	As of Mar. 31, 2020	339,139 shares
3. Average number of shares during the period (quarterly cumulative)	Nine months ended Dec.31, 2020	432,752,699 shares	Nine months ended Sep. 30, 2019	432,755,895 shares

* Quarterly financial reports are out of the scope of quarterly review 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 results stated in this document are based on the information currently available to 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 forecasts for business operations” in “1. General information relating to the first three quarters results.”

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1. General information relating to the first three quarters results

(1) Explanation concerning business results

General overview

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, 2020 to December 31, 2020) was as follows. In the first quarter (from April 1, 2020 to June 30, 2020), the global COVID-19 pandemic caused a drastic economic downturn and decline in demand in the countries and regions the NSHD Group has entered, and production activity in the manufacturing sector rapidly decelerated and became stagnant. However, from the start of the second quarter (from July 1, 2020 to September 30, 2020), signs of overall recovery have begun to emerge. The trend in shipments of air separation gases (oxygen, nitrogen, and argon) has been gradually recovering even in the third quarter (from October 1, 2020 to December 31, 2020), but these shipments have decreased sharply in comparison to the previous fiscal year.

Against this backdrop, the NSHD Group achieved the following results for the first three quarters of the fiscal year under review. Revenue on a consolidated basis decreased 6.5% year on year to ¥592,256 million, core operating income decreased 11.4% to ¥60,468 million, operating income decreased 12.2% to ¥63,154 million and net income attributable to owners of the parent decreased 9.8% to ¥37,318 million.

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

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

Segment income represents core operating income.

① Gas Business in Japan

In the industrial gas-related business, revenue from air separation gases, a core product, decreased sharply year on year, mainly due to sluggish production activity in relevant industries. Meanwhile, in the electronics-related field, revenue from electronic materials gases were mostly on a par with the previous fiscal year. In equipment and installation, revenue rose substantially in the electronics-related field. However, there was a large year-on-year decline in revenue primarily in welding and cutting equipment for metal processing

As a result, in the Gas Business in Japan, revenue decreased 6.9 % year on year to ¥242,216 million, while segment income declined 4.2 % to ¥19,127 million.

② Gas Business in the United States

In the industrial-gas related business, revenue from air separation gases, a core product, decreased sharply year on year, primarily for packaged and bulk gases. In the on-site business, revenue declined year on year due to the impact of lower demand from gas customers. In equipment and installation, electronics-related revenue increased, but revenue from welding and cutting equipment for metal processing decreased sharply, due partly to the voluntary suspension of business activities at retail stores in the relevant states.

As a result, in the Gas Business in the United States, revenue decreased 6.4 % year on year to ¥139,385 million and segment income decreased 4.2 % to ¥16,077 million.

③ Gas Business in Europe

Demand for packaged and bulk gases decreased sharply due to stagnation in production activity as a whole in the key regions Iberia (Spain and Portugal), Germany, and Italy. In equipment and installation, demand decreased substantially, mainly for welding and cutting equipment for metal processing.

As a result, in the Gas Business in Europe, revenue decreased 7.5 % year on year to ¥115,938 million and segment income decreased 24.1% to ¥14,590million.

④ Gas Business in Asia & Oceania

In the industrial gas-related business, revenue from air separation gases, a core product, decreased sharply due to the impact of city lockdowns in countries and regions such as the Philippines and stagnant production activity in the manufacturing sector. In LPG, unit sales prices fell due to lower contract prices in purchasing, but shipments in Australia were solid. In the electronics-related business, shipments were favorable for electronic materials gases in East Asia. In equipment and installation, demand decreased sharply, mainly reflecting a decrease in spot projects in Singapore, as well as the absence of an installation project in Taiwan, and lower demand for welding and cutting equipment for metal processing.

As a result, in the Gas Business in Asia & Oceania, revenue decreased 2.6% year on year to ¥77,079 million and segment income decreased 0.4 % to ¥8,114 million.

⑤ Thermos Business

In the Thermos Business, revenue from portable mugs, a core product, decreased sharply in Japan, as revenue was heavily impacted by the loss of sales opportunities associated with the leisure season. These sales opportunities were lost because of restrictions on going outdoors and the voluntary suspension of business activities in the first quarter of the fiscal year. Meanwhile, sales volume of frying pans and tumblers increased substantially in connection with the widespread adoption of new lifestyles where consumers spend longer periods of time at home. Overseas, sales volume decreased in response to the impact of business slowdowns in various regions.

As a result, in the Thermos Business, revenue decreased 11.2 % year on year to ¥17,635 million, and segment income fell 41.3 % to ¥3,556 million.

(2) Explanation concerning financial position

Total assets amounted to ¥1,789,466 million as of December 31, 2020, an increase of ¥37,733 million from March 31, 2020. Due to the impact of foreign exchange rates, total assets were stated ¥34.4 billion higher than they otherwise would have been reported. This mainly reflected foreign exchange rate changes such as the yen's appreciation of ¥5.33 against the U.S. dollar and the yen's depreciation of ¥7.40 against the euro as of December 31, 2020, compared with the rates as of March 31, 2020.

[Assets]

Total current assets were ¥374,527 million, an increase of ¥7,225 million from March 31, 2020. The main changes were an increase in inventories and a decrease in trade receivables.

Total non-current assets were ¥1,414,938 million, an increase of ¥30,508 million from March 31, 2020, mainly due to increases in goodwill and other financial assets.

[Liabilities]

Total current liabilities were ¥333,411 million, an increase of ¥1,507 million from March 31, 2020. This result mainly reflected an increase in bonds and borrowings, and a decrease in other financial liabilities.

Total non-current liabilities were ¥964,881 million, a decrease of ¥14,254 million from March 31, 2020. This result mainly reflected an increase in deferred tax liabilities and a decrease in bonds and borrowings.

[Equity]

Total equity amounted to ¥491,174 million, an increase of ¥50,480 million from March 31, 2020. The main changes were an increase due to the recording of net income attributable to owners of the parent, retained earnings paid as dividends, and an increase in exchange differences on translation of foreign operations.

The equity attributable to owners of the parent ratio stood at 25.8%, up 2.4 percentage points from the previous fiscal year-end.

(Cash flow analysis)

(Cash flow from operating activities)

Net cash provided by operating activities amounted to ¥88,569 million. The main components were profit before income taxes, depreciation and amortization, and income taxes refund (paid).

(Cash flow from investing activities)

Net cash used in investing activities was ¥44,153 million. The main use of cash was for the purchase of property, plant and equipment.

(Cash flow from financing activities)

Net cash used in financing activities was ¥52,021 million. Principal factors behind this result included repayments of long-term borrowings, proceeds from long-term borrowings, and dividends paid.

As a result of the Company's operating, investing and financing activities, the balance of cash and cash equivalents at end of fiscal year, after accounting for the effects of exchange rates, was ¥95,670 million as of December 31, 2020.

(3) Explanation concerning predictive information such as forecasts for business operations

The Company has revised its consolidated earnings forecasts for the full term of fiscal year under review, ending March 31, 2021. For details, please see the press release titled "Notice Regarding Earnings Forecast Revisions" issued today (February 2, 2021).

2. Condensed consolidated financial statements and main notes
(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of Mar. 31, 2020	As of Dec. 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	100,005	95,670
Trade receivables	179,243	179,744
Inventories	65,886	73,904
Other financial assets	7,147	7,331
Other current assets	15,020	17,876
Total current assets	367,302	374,527
Non-current assets:		
Plant, property and equipment:	655,195	656,617
Goodwill	419,290	437,682
Intangible assets	232,077	233,145
Investments accounted for using the equity method	32,065	33,538
Other financial assets	38,834	46,730
Retirement benefit asset	1,358	1,378
Other non-current assets	971	1,342
Deferred tax assets	4,637	4,504
Total non-current assets	1,384,430	1,414,938
Total assets	1,751,732	1,789,466

(Millions of yen)

	As of Mar. 31, 2020	As of Dec. 31, 2020
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade payables	93,885	90,814
Bonds and borrowings	154,980	159,989
Income taxes payable	8,331	7,388
Other financial liabilities	51,525	48,140
Allowance	375	370
Other current liabilities	22,805	26,707
Total current liabilities	331,903	333,411
Non-current liabilities:		
Bonds and borrowings	807,611	783,779
Other financial liabilities	29,171	28,717
Retirement benefit liabilities	12,952	13,754
Allowance	3,281	3,425
Other non-current liabilities	20,282	18,932
Deferred tax liabilities	105,835	116,270
Total non-current liabilities	979,135	964,881
Total liabilities	1,311,038	1,298,292
Equity		
Share capital	37,344	37,344
Capital surplus	56,387	56,017
Treasury stock	(268)	(272)
Retained earnings	379,322	404,410
Other components of equity	(63,441)	(35,994)
Total equity attributable to owners of parent	409,344	461,506
Non-controlling interests	31,349	29,667
Total equity	440,693	491,174
Total liabilities and equity	1,751,732	1,789,466

**(2) Condensed Consolidated Statement of Profit or Loss and
Condensed Consolidated Statement of Comprehensive Income
(Consolidated Financial Results for the Cumulative Third Quarter)**

**Condensed Consolidated Statement of Profit or Loss
(Consolidated Financial Results for the Cumulative Third Quarter)**

(Millions of yen)

	Nine months ended Dec.31, 2019	Nine months ended Dec.31, 2020
Revenue	633,435	592,256
Cost of sales	(388,228)	(363,025)
Gross profit	245,207	229,230
Selling, general and administrative expenses	(181,013)	(171,588)
Other operating income	9,685	3,223
Other operating expense	(4,212)	(1,881)
Share of profit of investments accounted for using the equity method	2,228	4,171
Operating profit	71,896	63,154
Finance income	1,021	1,102
Finance costs	(12,002)	(9,535)
Profit before income taxes	60,915	54,721
Income taxes	(18,368)	(16,446)
Profit	42,547	38,275
Profit attributable to:		
Owners of parent	41,358	37,318
Non-controlling interests	1,189	956
Earnings per share		
Basic earnings per share (Yen)	95.57	86.24

Condensed Consolidated Statement of Comprehensive Income
(Consolidated Financial Results for the Cumulative Third Quarter)

(Millions of yen)

	Nine months ended Dec.31, 2019	Nine months ended Dec.31, 2020
Profit	42,547	38,275
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	453	5,417
Remeasurements of defined benefit plans	(10)	(17)
Share of other comprehensive income of investments accounted for using the equity method	9	(33)
Total of items that will not be reclassified to profit or loss	452	5,366
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(12,600)	22,531
Effective portion of net change in fair value of cash flow hedges	40	131
Share of other comprehensive income of investments accounted for using the equity method	(1,928)	(272)
Total of items that may be reclassified subsequently to profit or loss	(14,488)	22,390
Total other comprehensive income	(14,035)	27,756
Comprehensive income	28,511	66,032
 Comprehensive income attributable to:		
Owners of parent	27,483	64,767
Non-controlling interests	1,027	1,264

(3) Condensed Consolidated Statement of Changes in Equity

First three quarters of FYE2020 (April 1, 2019 to December 31, 2019)

	Share capital	Capital surplus	Treasury stock	(Millions of yen) Retained earnings
Balance at April 1, 2019	37,344	53,116	(261)	339,393
Profit	-	-	-	41,358
Other comprehensive income	-	-	-	-
Comprehensive income	-	-	-	41,358
Purchase of treasury stock	-	-	(6)	-
Disposal of treasury stock	-	0	0	-
Dividends	-	-	-	(11,688)
Changes in ownership interest in subsidiaries	-	0	-	-
Business combinations or business divestitures	-	4,333	-	-
Transfer from other components of equity to retained earnings	-	-	-	523
Change in scope of consolidation	-	-	-	12
Other changes	-	-	-	-
Total transactions with owners	-	4,334	(6)	(11,152)
Balance at December 31, 2019	37,344	57,450	(267)	369,599

	Other components of equity					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	Remeasurements of defined benefit plans	Total			
Balance at April 1, 2019	(33,440)	(39)	10,488	-	(22,991)	406,602	29,251	435,854
Profit	-	-	-	-	-	41,358	1,189	42,547
Other comprehensive income	(14,358)	40	453	(10)	(13,874)	(13,874)	(161)	(14,035)
Comprehensive income	(14,358)	40	453	(10)	(13,874)	27,483	1,027	28,511
Purchase of treasury stock	-	-	-	-	-	(6)	-	(6)
Disposal of treasury stock	-	-	-	-	-	0	-	0
Dividends	-	-	-	-	-	(11,688)	(674)	(12,363)
Changes in ownership interest in subsidiaries	-	-	-	-	-	0	(92)	(91)
Business combinations or business divestitures	-	-	-	-	-	4,333	1,961	6,294
Transfer from other components of equity to retained earnings	-	-	(534)	10	(523)	-	-	-
Change in scope of consolidation	-	-	-	-	-	12	-	12
Other changes	-	-	-	-	-	-	(233)	(233)
Total transactions with owners	-	-	(534)	10	(523)	(7,347)	959	(6,388)
Balance at December 31, 2019	(47,798)	1	10,407	-	(37,389)	426,738	31,239	457,977

First three quarters of FYE2021 (April 1, 2020 to December 31, 2020)

	Share capital	Capital surplus	Treasury stock	(Millions of yen) Retained earnings
Balance at April 1, 2020	37,344	56,387	(268)	379,322
Profit	-	-	-	37,318
Other comprehensive income	-	-	-	-
Comprehensive income				37,318
Purchase of treasury stock	-	-	(3)	-
Disposal of treasury stock	-	0	0	-
Dividends	-			(12,121)
Changes in ownership interest in subsidiaries	-	(369)	-	-
Business combinations or business divestitures	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	1
Change in scope of consolidation	-	-	-	(110)
Other changes	-	-	-	-
Total transactions with owners	-	(369)	(3)	(12,231)
Balance at December 31, 2020	37,344	56,017	(272)	404,410

	Other components of equity					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	Remeasurements of defined benefit plans	Total			
Balance at April 1, 2020	(71,170)	19	7,709	-	(63,441)	409,344	31,349	440,693
Profit	-	-	-	-	-	37,318	956	38,275
Other comprehensive income	22,020	126	5,319	(17)	27,448	27,448	307	27,756
Comprehensive income	22,020	126	5,319	(17)	27,448	64,767	1,264	66,032
Purchase of treasury stock	-	-	-	-	-	(3)	-	(3)
Disposal of treasury stock	-	-	-	-	-	0	-	0
Dividends	-	-	-	-	-	(12,121)	(555)	(12,677)
Changes in ownership interest in subsidiaries	-	-	-	-	-	(369)	(2,716)	(3,086)
Business combinations or business divestitures	-	-	-	-	-	-	54	54
Transfer from other components of equity to retained earnings	-	-	(18)	17	(1)	-	-	-
Change in scope of consolidation	-	-	-	-	-	(110)	-	(110)
Other changes	-	-	-	-	-	-	272	272
Total transactions with owners	-	-	(18)	17	(1)	(12,605)	(2,945)	(15,551)
Balance at December 31, 2020	(49,149)	146	13,009	-	(35,994)	461,506	29,667	491,174

(4) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended Dec. 31, 2019	Nine months ended Dec. 31, 2020
Cash flow from operating activities		
Profit before income taxes	60,915	54,721
Depreciation and amortization	63,073	64,120
Impairment losses	1,931	–
Interest and dividends income	(1,021)	(755)
Interest expenses	10,713	9,514
Share of (profit) loss of investments accounted for using the equity method	(2,228)	(4,171)
Loss (gain) on sales and retirement of property, plant and equipment, and intangible assets	(6,529)	(357)
(Increase) decrease in trade receivables	10,849	632
(Increase) decrease in inventories	(7,166)	(6,698)
Increase (decrease) in trade payables	(11,953)	(4,416)
(Increase) decrease in retirement benefit asset	(311)	(295)
Increase (decrease) in retirement benefit liabilities	683	612
Other	1,349	(3,319)
Subtotal	120,305	109,587
Interest receive	168	149
Dividends received	4,850	3,075
Interest paid	(9,183)	(8,743)
Income taxes refund (paid)	(18,863)	(15,498)
Net cash provided by operating activities	97,276	88,569
Cash flow from investing activities		
Purchase of property, plant and equipment	(54,389)	(43,865)
Proceeds from sale of property, plant and equipment	8,135	1,072
Purchase of investment	(548)	(524)
Proceeds from sales and redemption of investments	1,172	38
Payments for acquisition of subsidiaries	–	(119)
Proceeds from sales of subsidiaries	1,586	–
Other	(1,064)	(755)
Net cash used in investing activities	(45,107)	(44,153)
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	(411,569)	(10,373)
Net increase (decrease) in commercial papers	6,000	4,000
Proceeds from long-term borrowings	386,617	52,308
Repayment of long-term borrowings	(48,733)	(76,000)
Proceeds from issuance of bonds	49,736	–
Repayments of lease obligations	(6,349)	(6,485)
Purchases of investments in subsidiaries not resulting in change in scope of consolidation	(43)	(2,830)
Dividends paid	(11,688)	(12,121)
Dividends paid to non-controlling interests	(674)	(555)
Other	(0)	35
Net cash used in financing activities	(36,706)	(52,021)
Effect of exchange rate changes on cash and cash equivalents	(1,332)	3,252
Net increase (decrease) in cash and cash equivalents	14,130	(4,353)
Balance of cash and cash equivalents at beginning of fiscal year	59,620	100,005
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	41	–
Increase in cash and cash equivalents resulting from merger	–	19
Balance of cash and cash equivalents at end of fiscal year	73,791	95,670

(5) Notes to the Condensed Consolidated Financial Statements

(Note regarding going concern assumption)

Not applicable.

(Segment information)

1) Outline of reportable segments

The NSHD Group's reportable segments are components of the NSHD Group about which separate financial information is available and which are evaluated regularly by the Board of Directors in deciding how to allocate management resources and in assessing performance. No grouping of operating segments has been carried out for reporting purposes.

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

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

Reportable segment	Main products and services
Gas Business in 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, cutting and welding equipment, welding materials, plants and machinery, liquid petroleum gas (LPG) and related equipment, medical-use gases (oxygen, nitrous oxide, etc.), medical equipment, stable isotopes
Gas Business in the United States	
Gas Business in Europe	
Gas Business in Asia & Oceania	
Thermos Business	Housewares

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

First Three Quarters, FYE2020 (April 1, 2019 – December 31, 2019)

	Reportable segment					Total	Adjustments (Note 1)	Amounts on the Consolidated Statements of Income
	Gas Business in Japan	Gas Business in the United States	Gas Business in Europe	Gas Business in Asia & Oceania	Thermos Business			
Revenue								
Revenue to external customers	260,257	148,840	125,307	79,161	19,869	633,435	—	633,435
Revenue from inter-segment transactions and transfers	7,447	11,970	82	2,319	20	21,840	(21,840)	—
Total	267,704	160,811	125,390	81,480	19,889	655,276	(21,840)	633,435
Segment income (Note 2)	19,972	16,779	19,212	8,148	6,060	70,173	(1,922)	68,251

Notes: 1. The (¥1,922) million negative adjustment for segment income is comprised of (¥465) million of intersegment eliminations and companywide expenses of (¥1,457) million that were not allocated to any particular reportable segment. These companywide expenses related principally to basic research expenses that were not allocated to a particular reportable segment.
2. Segment income represents core operating income, which is calculated as operating income excluding certain gains or losses attributable to non-recurring factors (non-recurring items).

First Three Quarters, FYE2021 (April 1, 2020 – December 31, 2020)

(¥ million)

	Reportable segment					Total	Adjustments (Note 1)	Amounts on the Consolidated Statements of Income
	Gas Business in Japan	Gas Business in the United States	Gas Business in Europe	Gas Business in Asia & Oceania	Thermos Business			
Revenue								
Revenue to external customers	242,216	139,385	115,938	77,079	17,635	592,256	—	592,256
Revenue from inter-segment transactions and transfers	8,090	13,534	14	2,341	21	24,003	(24,003)	—
Total	250,306	152,920	115,953	79,421	17,657	616,260	(24,003)	592,256
Segment income (Note 2)	19,127	16,077	14,590	8,114	3,556	61,466	(998)	60,468

- Notes: 1. The (¥998) million negative adjustment for segment income is comprised of (¥35) million of intersegment eliminations and companywide expenses of (¥1,034) million that were not allocated to any particular reportable segment. These companywide expenses related principally to basic research expenses that were not allocated to a particular reportable segment.
2. Segment income represents core operating income, which is calculated as operating income excluding certain gains or losses attributable to non-recurring factors (non-recurring items).

Reconciliation of segment income with income before income taxes is shown in the table below.

	(¥ million)	
	First Three Quarters of FYE2020 (April 1, 2019 to December 31, 2019)	First Three Quarters of FYE2021 (April 1, 2020 to December 31, 2020)
Segment income	68,251	60,468
Gain on sales of noncurrent assets	6,490	—
Share of loss of investments accounted for using the equity method	—	2,749
Impairment loss	(1,927)	—
Other	(917)	(63)
Operating income	71,896	63,154
Financial revenue	1,021	1,102
Financial expenses	(12,002)	(9,535)
Income before income taxes	60,915	54,721