

# Accounts Settlement for the First Half of Fiscal Year 2015

October 31, 2014  
**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, 2013 to September 30, 2013)	YoY change	(April 1, 2014 to September 30, 2014)	YoY change
Sales	249,621	% 9.4	268,911	% 7.7
Operating income (Ratio of profit to sales)	14,396 ( 5.8)	14.6	16,438 ( 6.1)	14.2
Non-operating income	△ 197		125	
Ordinary profit (Ratio of profit to sales)	14,199 ( 5.7)	17.9	16,564 ( 6.2)	16.7
Extraordinary loss	5,883		0	
Income before income taxes	20,083		16,564	
Income taxes	7,199		5,962	
Minority interests	653		691	
Net income (Ratio of net income to sales)	12,229 ( 4.9)	-	9,910 ( 3.7)	△ 19.0

### (Reference)

EPS (Yen)	31.53	22.90
Capital investment (on completion; millions of yen)	13,641	14,869
Investments & loans (millions of yen)	737	1,890
Depreciation (millions of yen)	16,642	17,845
Depreciation of goodwill (millions of yen)	1,676	2,421
Interest-bearing liabilities (millions of yen)	260,387	251,358
Net interest-bearing liabilities (millions of yen)	227,168	213,172

## 1-2. Financial Performance (Consolidated)

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

	Previous term		Current term (forecasts)	
	(April 1, 2013 to March 31, 2014)	YoY change	(April 1, 2014 to March 31, 2015)	YoY change
Sales	522,746	% 11.6	550,000	% 5.2
Operating income (Ratio of profit to sales)	31,489 ( 6.0)	26.5	35,000 ( 6.4)	11.1
Non-operating income	△ 942		△ 1,800	
Ordinary profit (Ratio of profit to sales)	30,546 ( 5.8)	32.5	33,200 ( 6.0)	8.7
Extraordinary loss	3,823		0	
Income before income taxes	34,370		33,200	
Income taxes	12,808		11,800	
Minority interests	1,367		1,400	
Net income (Ratio of net income to sales)	20,194 ( 3.9)	-	20,000 ( 3.6)	△ 1.0

### (Reference)

EPS (Yen)	49.42	46.21
ROE	8.4 %	7.1 %
ROCE	6.2 %	6.4 %
Payout ratio	24.3 %	26.0 %
Capital investment (on completion; millions of yen)	32,532	37,000
Investments & loans (millions of yen)	35,749	5,000
Depreciation of goodwill (millions of yen)	33,507	36,000
Depreciation of goodwill (millions of yen)	3,668	5,000
Interest-bearing liabilities (millions of yen)	278,063	253,000
Net interest-bearing liabilities (millions of yen)	219,727	208,000

## 2-1. Results by reportable segment

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

		Previous term			Reporting term (ended September 2014)		
		Amount	YoY change	% of total	Amount	YoY change	% of total
Sales*	Gas Business in Japan	160,845		64.4	165,569	2.9	61.6
	Gas Business in the US	53,286		21.4	62,641	17.6	23.3
	Gas Business in Asia	25,951		10.4	30,351	17.0	11.3
	Other	9,538		3.8	10,348	8.5	3.8
	Consolidated	249,621		100.0	268,911	7.7	100.0
Operating income	Gas Business in Japan	10,271		71.3	11,209	9.1	68.2
	Gas Business in the US	2,143		14.9	2,721	27.0	16.6
	Gas Business in Asia	1,166		8.1	1,585	35.9	9.6
	Other	1,418		9.9	1,773	25.0	10.8
	Eliminations or Corporate	603		4.2	851	41.2	5.2
	Consolidated	14,396		100.0	16,438	14.2	100.0

## 2-2. Results by reportable segment

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

		Previous term			Current term (forecasts) (ended March 2015)		
		Amount	YoY change	% of total	Amount	YoY change	% of total
Sales*	Gas Business in Japan	341,883		65.4	343,100	0.4	62.4
	Gas Business in the US	107,504		20.6	126,400	17.6	23.0
	Gas Business in Asia	54,349		10.4	60,500	11.3	11.0
	Other	19,009		3.6	20,000	5.2	3.6
	Consolidated	522,746		100.0	550,000	5.2	100.0
Operating income	Gas Business in Japan	23,257		73.9	24,400	8.5	69.8
	Gas Business in the US	4,714		15.0	5,500	13.6	15.7
	Gas Business in Asia	2,022		6.4	3,300	23.6	9.4
	Other	3,064		9.7	3,200	4.4	9.1
	Eliminations or Corporate	1,569		5.0	1,400	10.8	4.0
	Consolidated	31,489		100.0	35,000	11.1	100.0

## 3-1. Results by business segment

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

		Previous term			Reporting term (ended September 2014)		
		Amount	YoY change	% of total	Amount	YoY change	% of total
Sales*	Industrial Gas	172,993		69.3	189,463	9.5	70.5
	Electronics-related	48,553		19.5	49,767	2.5	18.5
	Energy	18,536		7.4	19,331	4.3	7.2
	Other	9,538		3.8	10,348	8.5	3.8
	Consolidated	249,621		100.0	268,911	7.7	100.0
Operating income	Industrial Gas	10,729		74.5	11,938	11.3	72.6
	Electronics-related	2,213		15.4	2,722	23.0	16.6
	Energy	630		4.4	597	5.3	3.6
	Other	1,418		9.8	1,773	25.0	10.8
	Eliminations or Corporate	595		4.1	593	0.4	3.6
	Consolidated	14,396		100.0	16,438	14.2	100.0

※ Segments for the previous term (April 1, 2013 to September 30, 2013) have been modified and presented as new segments. Since segments for the First Half of fiscal 2013 (April 1, 2012 to September 30, 2012) had not been modified, "YoY change" is not shown.

## 3-2. Results by business segment

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

		Previous term			Reporting term (ended March 2015)		
		Amount	YoY change	% of total	Amount	YoY change	% of total
Sales*	Industrial Gas	360,826		69.0	386,600	7.1	70.4
	Electronics-related	98,399		18.8	100,900	2.5	18.3
	Energy	44,511		8.5	42,500	4.5	7.7
	Other	19,009		3.7	20,000	5.2	3.6
	Consolidated	522,746		100.0	550,000	5.2	100.0
Operating income	Industrial Gas	22,631		71.9	25,500	12.7	72.8
	Electronics-related	5,281		16.8	5,800	9.8	16.6
	Energy	1,674		5.3	1,700	1.5	4.9
	Other	3,064		9.7	3,200	4.4	9.1
	Eliminations or Corporate	1,162		3.7	1,200	3.2	3.4
	Consolidated	31,489		100.0	35,000	11.1	100.0

## 4-1. Breakdown of sales by business segment

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

		Previous term				Reporting term (ended September 2014)			
		Japan	United States	Asia	Total	Japan	United States	Asia	Total
Industrial Gas	Bulk/On-site	65,254	12,813	7,155	85,224	67,653	19,761	7,827	95,242
	Package	14,728	37,797	5,515	58,041	15,914	40,261	6,280	62,456
	Plants and equipment	16,568		4,257	20,825	16,708		4,175	20,884
	Medical	8,901			8,902	10,880			10,880
	Total	105,452	50,611	16,929	172,993	111,156	60,022	18,284	189,463
Electronics	Gases	25,443	2,015	8,521	35,979	25,791	1,952	11,295	39,040
	Equipment and installation	11,413	660	499	12,573	9,290	665	771	10,727
	Total	36,856	2,675	9,021	48,553	35,081	2,618	12,067	49,767
Energy	Gases	16,917			16,917	17,852			17,852
	Equipment	1,619			1,619	1,479			1,479
	Total	18,536			18,536	19,331			19,331
Other	Thermos	7,434		846	8,281	7,713		1,339	9,052
	Other	1,256			1,256	1,295			1,295
	Total	8,691		846	9,538	9,009		1,339	10,348
Consolidated		169,537	53,286	26,797	249,621	174,578	62,641	31,690	268,911
% of total		67.9	21.4	10.7	100.0	64.9	23.3	11.8	100.0

## 4-2. Breakdown of sales by business segment

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

		Previous term				Reporting term (ended March 2015)			
		Japan	United States	Asia	Total	Japan	United States	Asia	Total
Industrial Gas	Bulk/On-site	131,524	26,444	15,355	173,324	135,800	40,000	15,800	191,600
	Package	32,412	74,999	11,337	118,749	33,000	81,100	13,300	127,400
	Plants and equipment	38,095		8,689	46,785	36,800	0	8,700	45,500
	Medical	21,965			21,965	22,100	0	0	22,100
	Total	223,998	101,444	35,382	360,826	227,700	121,100	37,800	386,600
Electronics	Gases	50,596	4,407	17,186	72,190	52,200	4,000	21,100	77,300
	Equipment and installation	22,775	1,653	1,779	26,208	20,700	1,300	1,600	23,600
	Total	73,372	6,060	18,966	98,399	72,900	5,300	22,700	100,900
Energy	Gases	40,880			40,880	39,000	0	0	39,000
	Equipment	3,631			3,631	3,500	0	0	3,500
	Total	44,511			44,511	42,500	0	0	42,500
Other	Thermos	14,294		2,200	16,495	14,800	0	2,700	17,500
	Other	2,514			2,514	2,500	0	0	2,500
	Total	16,809		2,200	19,009	17,300	0	2,700	20,000
Consolidated		358,692	107,504	56,549	522,746	360,400	126,400	63,200	550,000
% of total		68.6	20.6	10.8	100.0	65.5	23.0	11.5	100.0

## The First Half of FY 2015 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	18.5%	-5.9%	48.9%	1.6%
Onsite	81.5%	0.4%	51.1%	5.4%

##### ② Nitrogen

Supply Method	Volume (% of total)	Volume (YoY % change)	Value (% of total)	Value (YoY % change)
Bulk	22.8%	-0.9%	52.8%	5.2%
Onsite	77.2%	-2.2%	47.2%	-2.4%

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

##### ① Oxygen

Main user industries	Volume (% of total)	Volume (YoY % change)
1) Steel and other metals	61.3%	1.8%
2) Chemicals	18.5%	-3.6%
3) Shipbuilding, machinery, transportation equipment	3.2%	3.6%

##### ② Nitrogen

Main user industries	Volume (% of total)	Volume (YoY % change)
1) Steel and other metals	34.7%	-4.4%
2) Electronic equipment & semiconductors	23.5%	-1.6%
3) Chemicals	22.3%	-3.4%

##### ③ Argon

Main user industries	Volume (% of total)	Volume (YoY % change)
1) Steel and other metals	38.7%	3.3%
2) Electronic equipment & semiconductors	16.5%	-3.0%
3) Shipbuilding, machinery, transportation equipment	14.0%	10.1%

#### 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	21.0%	-1.4%	1.0%
**Steel smelting and related industries	22.8%	0.0%	2.2%
**Chemicals and related industries	23.1%	-0.7%	-0.5%

\*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.