

Accounts Settlement for the First Three Quarters of Fiscal Year

February 3, 2015
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 December 31, 2013)	YoY change	(April 1, 2014 to December 31, 2014)	YoY change
Sales	380,418	10.8%	406,687	6.9%
Operating income (Ratio of profit to sales)	22,262 (5.9)	16.7	26,062 (6.4)	17.1
Non-operating income	△ 186		684	
Ordinary profit (Ratio of profit to sales)	22,076 (5.8)	22.1	26,747 (6.6)	21.2
Extraordinary loss	5,877		159	
Income before income taxes	27,953		26,906	
Income taxes	10,246		10,196	
Minority interests	1,077		1,066	
Net income (Ratio of net income to sales)	16,628 (4.4)	-	15,642 (3.8)	△ 5.9

(Reference)

EPS (Yen)	41.43	36.14
Capital investment (on completion; millions of yen)	21,730	21,769
Investments & loans (millions of yen)	9,227	4,441
Depreciation (millions of yen)	25,304	26,796
Depreciation of goodwill (millions of yen)	2,680	3,639
Interest-bearing liabilities (millions of yen)	250,159	253,488
Net interest-bearing liabilities (millions of yen)	199,197	215,724

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 December 2014)		
		Amount	YoY change	% of total	Amount	YoY change	% of total
Sales*	Gas Business in Japan	246,386		64.8	250,698	1.8	61.7
	Gas Business in the US	79,554		20.9	95,310	19.8	23.4
	Gas Business in Asia	40,152		10.5	44,417	10.6	10.9
	Other	14,325		3.8	16,261	13.5	4.0
	Consolidated	380,418		100.0	406,687	6.9	100.0
Operating income	Gas Business in Japan	16,427		73.8	17,981	9.5	69.0
	Gas Business in the US	2,781		12.5	3,598	29.4	13.8
	Gas Business in Asia	1,843		8.3	2,445	32.6	9.4
	Other	2,277		10.2	3,137	37.8	12.0
	Eliminations or Corporate	1,067		4.8	1,099	3.0	4.2
	Consolidated	22,262		100.0	26,062	17.1	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	338,200	1.1	61.5
	Gas Business in the US	107,504		20.6	130,900	21.8	23.8
	Gas Business in Asia	54,349		10.4	60,600	11.5	11.0
	Other	19,009		3.6	20,300	6.8	3.7
	Consolidated	522,746		100.0	550,000	5.2	100.0
Operating income	Gas Business in Japan	23,257		73.9	24,200	7.6	69.2
	Gas Business in the US	4,714		15.0	5,700	17.7	16.3
	Gas Business in Asia	2,022		6.4	3,400	27.4	9.7
	Other	3,064		9.7	3,300	7.7	9.4
	Eliminations or Corporate	1,569		5.0	1,600	1.9	4.6
	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 December 2014)		
		Amount	YoY change	% of total	Amount	YoY change	% of total
Sales*	Industrial Gas	263,008		69.1	286,307	8.9	70.4
	Electronics-related	73,156		19.2	74,780	2.2	18.4
	Energy	29,928		7.9	29,339	2.0	7.2
	Other	14,325		3.8	16,261	13.5	4.0
	Consolidated	380,418		100.0	406,687	6.9	100.0
Operating income	Industrial Gas	16,570		74.4	18,459	11.4	70.8
	Electronics-related	3,409		15.3	4,449	30.5	17.1
	Energy	905		4.1	871	3.7	3.4
	Other	2,277		10.2	3,137	37.8	12.0
	Eliminations or Corporate	900		4.0	855	4.9	3.3
	Consolidated	22,262		100.0	26,062	17.1	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	387,900	7.5	70.5
	Electronics-related	98,399		18.8	103,800	5.5	18.9
	Energy	44,511		8.5	38,000	14.6	6.9
	Other	19,009		3.7	20,300	6.8	3.7
	Consolidated	522,746		100.0	550,000	5.2	100.0
Operating income	Industrial Gas	22,631		71.9	25,000	10.5	71.4
	Electronics-related	5,281		16.8	6,300	19.3	18.0
	Energy	1,674		5.3	1,800	7.5	5.2
	Other	3,064		9.7	3,300	7.7	9.4
	Eliminations or Corporate	1,162		3.7	1,400	20.4	4.0
	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 December 2014)			
		Japan	United States	Asia	Total	Japan	United States	Asia	Total
Industrial Gas	Bulk/On-site	98,565	19,497	11,239	129,303	101,563	31,360	10,921	143,845
	Package	22,957	55,657	8,411	87,026	24,781	59,772	9,592	94,146
	Plants and equipment	25,465		6,779	32,245	25,473		6,146	31,620
	Medical	14,432			14,432	16,694			16,694
	Total	161,422	75,155	26,431	263,008	168,512	91,132	26,661	286,307
Electronics	Gases	38,600	3,238	12,811	54,650	38,811	3,215	16,522	58,548
	Equipment and installation	16,434	1,161	909	18,506	14,035	962	1,233	16,231
	Total	55,035	4,399	13,721	73,156	52,846	4,178	17,755	74,780
Energy	Gases	27,396			27,396	26,987			26,987
	Equipment	2,532			2,532	2,351			2,351
	Total	29,928			29,928	29,339			29,339
Other	Thermos	10,809		1,622	12,431	12,073		2,237	14,311
	Other	1,893			1,893	1,949			1,949
	Total	12,702		1,622	14,325	14,023		2,237	16,261
Consolidated		259,089	79,554	41,775	380,418	264,722	95,310	46,654	406,687
% of total		68.1	20.9	11.0	100.0	65.1	23.4	11.5	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	133,500	41,200	15,500	190,200
	Package	32,412	74,999	11,337	118,749	33,600	83,000	13,000	129,600
	Plants and equipment	38,095		8,689	46,785	36,500		8,600	45,100
	Medical	21,965			21,965	23,000			23,000
	Total	223,998	101,444	35,382	360,826	226,600	124,200	37,100	387,900
Electronics	Gases	50,596	4,407	17,186	72,190	51,000	5,300	21,700	78,000
	Equipment and installation	22,775	1,653	1,779	26,208	22,600	1,400	1,800	25,800
	Total	73,372	6,060	18,966	98,399	73,600	6,700	23,500	103,800
Energy	Gases	40,880			40,880	34,600			34,600
	Equipment	3,631			3,631	3,400			3,400
	Total	44,511			44,511	38,000			38,000
Other	Thermos	14,294		2,200	16,495	15,100		2,700	17,800
	Other	2,514			2,514	2,500			2,500
	Total	16,809		2,200	19,010	17,600		2,700	20,300
Consolidated		358,692	107,504	56,549	522,746	355,800	130,900	63,300	550,000
% of total		68.6	20.6	10.8	100.0	64.7	23.8	11.5	100.0

The First Three Quarters 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)

①Oxygen

Supply Method	Volume (% of total)	Volume (YoY % change)	Value (% of total)	Value (YoY % change)
Bulk	18.5%	-3.3%	46.2%	0.2%
Onsite	81.5%	1.5%	53.8%	4.1%

②Nitrogen

Supply Method	Volume (% of total)	Volume (YoY % change)	Value (% of total)	Value (YoY % change)
Bulk	23.1%	0.9%	52.7%	4.8%
Onsite	76.9%	-2.9%	47.3%	-3.2%

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

①Oxygen

Main user industries	Volume (% of total)	Volume (YoY % change)
1)Steel and other metals	61.4%	3.8%
2)Chemicals	19.0%	-1.6%
3)Shipbuilding, machinery, transportation equipment	3.1%	-3.1%

②Nitrogen

Main user industries	Volume (% of total)	Volume (YoY % change)
1)Steel and other metals	34.9%	-3.5%
2)Electronic equipment & semiconductors	23.5%	-2.5%
3)Chemicals	22.1%	-4.8%

③Argon

Main user industries	Volume (% of total)	Volume (YoY % change)
1)Steel and other metals	39.0%	2.7%
2)Electronic equipment & semiconductors	16.6%	1.5%
3)Shipbuilding, machinery, transportation equipment	14.5%	7.0%

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	20.9%	-1.4%	0.1%
**Steel smelting and related industries	22.9%	0.3%	3.0%
**Chemicals and related industries	23.2%	-0.7%	-1.4%

*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.