

Consolidated Financial Results for the First half of Fiscal Year Ending March 31, 2024 (Based on IFRS)

October 31, 2023
Stock exchange listing: Tokyo (Prime)

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Scheduled date to file Securities Report: November 10, 2023
Scheduled date to commence dividend payments: December 1, 2023
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 half of FYE2024 (April 1, 2023 – September 30, 2023)

(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 half of FYE2024	612,571	6.8	81,648	45.3	81,576	51.4	50,438	38.5	48,547	38.1	139,961	46.0
First half of FYE2023	573,699	28.2	56,185	12.7	53,872	8.2	36,422	3.6	35,149	2.5	95,894	143.5

(Reference) Income before income taxes

First half of FYE2024: ¥ 71,549 million [44.1%]

First half of FYE2023: ¥ 49,641 million [10.3%]

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 half of FYE2024	112.16	—
First half of FYE2023	81.22	—

(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 half of FYE2024 (September 30, 2023)	2,425,994	887,894	852,751	35.2
FYE2023 (March 31, 2023)	2,158,950	757,996	724,314	33.5

2. Dividends

	Annual Dividend				
	End of 1 st quarter (Yen)	End of 2 nd quarter (Yen)	End of 3 rd quarter (Yen)	Term end (Yen)	Total (Yen)
FYE2023	—	18.00	—	20.00	38.00
FYE2024	—	20.00			
FYE2024 (est.)			—	20.00	40.00

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

3. Forecasts for business operations for FYE2024 full term (April 1, 2023 – March 31, 2024)

(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	1,230,000	3.7	155,000	25.9	163,000	36.4	100,500	32.3	97,000	32.7	224.09

Note: Revisions have been made from recently announced forecasts.

(Reference) Income before income taxes

FYE2024 full term: ¥139,000 million (31.7%)

* Notes

(1) Changes in significant subsidiaries during the period: 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 Sep. 30, 2023	433,092,837 shares	As of Mar. 31, 2023	433,092,837 shares
2. Number of treasury stocks at the end of the period	As of Sep. 30, 2023	233,879 shares	As of Mar. 31, 2023	232,517 shares
3. Average number of shares during the period	As of Sep. 30, 2023	432,859,727 shares	As of Sep. 30, 2022	432,770,724 shares

* Financial reports are out of the scope of audit 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 result stated in this document are based on the information currently available on 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 consolidated business forecasts” in “1. Qualitative Information on Quarterly Financial Results.”

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation Concerning Business Results

(General Overview)

The business environment around the Nippon Sanso Holdings Group (NSHD Group) during the first half of the fiscal year under review (from April 1, 2023 to September 30, 2023) has remained challenging and volatile due to geopolitical issues in Ukraine and Middle East, trade tensions between the US and China, global inflation, JPY depreciation, and operating conditions within the semiconductor industry, one of our key segments. Air separation gases (oxygen, nitrogen, and argon) primarily delivered via on-site mainly to steel, chemical, and petroleum refining sectors, have shown a decrease compared to the previous fiscal year. In contrast, there has been a moderation in energy costs, particularly in Europe and the United States, where costs previously have been high. Additionally, the burden of electricity costs, which constitute a substantial portion of the production costs for air separation gases, has alleviated in comparison to the previous fiscal year.

Furthermore, as a result of our comprehensive group-wide price management strategies, including successful cost pass-through initiatives, and robust productivity enhancements, the NSHD Group achieved the following results for the first half of the fiscal year currently under review.

Revenue on a consolidated basis increased 6.8% year-on-year to ¥612,571 million, core operating income increased 45.3% to ¥81,648 million, operating income increased 51.4% to ¥81,576 million, and net income attributable to owners of the parent increased 38.1% to ¥48,547 million.

As for the impact of foreign exchange rates year-on-year, JPY depreciated against the USD from ¥135.30 to ¥142.61 (+¥7.31, or +5.4%), against the EUR from ¥139.14 to ¥154.81 (+¥15.67, or +11.3%). As a result, overall revenue and core operating income were favorably impacted by approximately ¥25.7 billion and ¥3.0 billion respectively.

Core operating income is calculated by excluding from operating income certain gains and losses attributable to non-recurring factors such as losses incurred due to business withdrawal or downsizing.

(Overview of business performance by reportable segment)

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

Segment income represents core operating income.

(i) Japan

In the industrial gas-related business, revenue increased year-on-year mainly due to sales price revisions against the backdrop of rising costs, despite lower shipment volumes of core products such as air separation gases, carbon dioxide gas, and LP gas. In addition, the shipment volume of specialty gases for the electronics industry declined. In equipment and installation, both industrial gas-related and electronics-related businesses posted higher revenues, mainly due to medium- to large-sized projects accounted for on a percentage-of-completion basis. Meanwhile, there was a decrease in revenue due to the conversion from a consolidated on-site subsidiary to a joint operation subsidiary.

As a result, in the Japan segment, revenue increased by 4.0% year-on-year to ¥202,179 million and segment income increased by 67.7% to ¥21,331 million.

(ii) United States

In the industrial gas-related business, revenue increased year-on-year mainly due to sales price revisions against the backdrop of rising costs and other factors, despite lower shipment volumes of core products such as air separation gases. In equipment and installation, industrial gas-related sales were strong, especially for gas-related equipment, and electronics-related sales were also favorable, resulting in an increase in sales.

As a result, in the United States segment, revenue increased by 16.1% year-on-year to ¥169,519 million and segment income increased by 45.8% to ¥23,437 million. Revenue and segment income were favorably impacted by the weak JPY.

(iii) Europe

Revenue increased year-on-year mainly due to the impact of the weak JPY and sales price revisions against the backdrop of moderating energy costs as well as lower shipment volumes of core products such as air separation gases. In equipment and installation, industrial gas-related sales increased due to strong sales of gas-related and medical-related equipment. In addition, productivity initiatives contributed to the positive performance of the business.

As a result, in the Europe segment, revenue increased by 8.1% year-on-year to ¥147,381 million, and segment income increased by 65.7% to ¥26,363 million.

(iv) Asia & Oceania

In the industrial gas-related business, revenue increased year-on-year mainly due to sales price revisions against the backdrop of rising costs and other factors, despite lower shipment volumes of core products such as air separation gases. In LP gas, of which a large portion of sales are in the Australia region, sales volumes decreased. In the electronics-related business, revenue declined significantly in East Asia due to softness in both gas and equipment as a result of inventory adjustments and postponement of capital investment by our customers.

As a result, in the Asia & Oceania segment, revenue decreased by 4.5% year-on-year to ¥78,114 million and segment income decreased by 4.2% to ¥8,568 million. Revenue and segment income were favorably impacted by the weak JPY.

(v) Thermos

In Japan, sales from sports bottles and portable vacuum-insulated mugs were firm, and revenue increased. Overseas, revenues were generally soft. Segment income decreased significantly due to rising raw material prices from inflation and production costs increased due to the weak JPY.

As a result, the Thermos segment revenue increased by 1.1% year-on-year to ¥15,331 million, the segment income decreased by 13.3% to ¥2,868 million.

(2) Explanation concerning financial position

As of the end of the Q2 consolidated accounting period, total assets amounted to ¥2,425,994 million, an increase of ¥267,044 million from March 31, 2023. The impact of foreign exchange rates resulted in an increase in total assets of approximately ¥159.2 billion. As of the end of the Q2 consolidated accounting period, the yen was down ¥16.05 against the USD, and down ¥12.28 against the euro from the rates reported on March 31, 2023.

[Assets]

Total current assets amounted to ¥660,098 million, an increase of ¥133,024 million from March 31, 2023, mainly reflecting increases in cash and cash equivalents and account receivables.

Total non-current assets were ¥1,765,896 million, an increase of ¥134,020 million from March 31, 2023, mainly reflecting increases in plant, property and equipment and goodwill.

[Liabilities]

Total current liabilities were ¥435,247 million, an increase of ¥10,090 million from March 31, 2023. The main changes were an increase in other current liabilities and a decrease in account payables.

Total current liabilities were ¥1,102,852 million, an increase of ¥127,056 million from March 31, 2023, mainly due to increases in bonds and borrowings and deferred tax liabilities.

[Equity]

Total equity amounted to ¥887,894 million, an increase of ¥129,897 million from March 31, 2023. The main factors were increases due to the recording of exchange differences on translation of foreign operations and net income attributable to owners of the parent.

The ratio of equity attributable to owners of the parent stood at 35.2%, up 1.7 percentage points from March 31, 2023.

(Cash flow analysis)

[Cash flow from operating activities]

Net cash provided by operating activities increased 22.0% year-on-year to ¥87,976 million. The main components were income before income taxes, variations in account payables, and variations in inventories.

[Cash flow from investing activities]

Net cash used in investing activities increased 31.8% year-on-year to ¥55,668 million. The main use of cash was for the purchase of property, plant and equipment.

[Cash flow from financing activities]

Net cash provided by financing activities increased to ¥44,745 million from net cash used of ¥25,448 million year-on-year. The main factors were the proceeds from issuance of bonds, proceeds from long-term borrowings, and net variation in commercial papers.

As a result of the Company's operating, investing, and financing activities, the balance of cash and cash equivalents as of the end of Q2, after accounting for the effects of exchange differences, came to ¥217,077 million.

(3) Explanation concerning predictive information such as consolidated business forecasts

The Company has revised its forecasts for business operations for the full term of the fiscal year ending March 31, 2024. For details, please refer to the "Notice Regarding Earnings Forecast Revisions" released today (October 31, 2023).

2. Quarterly Condensed Consolidated Financial Statements and Main Notes

(1) Quarterly Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and cash equivalents	132,217	217,077
Account receivables	243,541	260,728
Inventories	97,612	108,649
Other financial assets	22,479	25,718
Other current assets	26,152	32,189
Subtotal	522,003	644,364
Assets possessed for a sales purpose	5,070	15,734
Total current assets	527,074	660,098
Non-current assets		
Property, plant and equipment	776,148	835,340
Goodwill	513,685	561,207
Intangible assets	242,334	254,156
Investments accounted for using the equity method	38,230	39,041
Other financial assets	46,763	61,687
Retirement benefit asset	2,810	2,666
Other non-current assets	8,461	8,284
Deferred tax assets	3,442	3,511
Total non-current assets	1,631,875	1,765,896
Total assets	2,158,950	2,425,994

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Account payables	128,197	120,596
Bonds and borrowings	140,540	135,019
Corporate income taxes payable	16,191	18,975
Other financial liabilities	102,119	105,144
Provision	284	260
Other current liabilities	37,824	52,606
Subtotal	425,157	432,602
Liabilities directly pertaining to assets possessed for a sales purpose	—	2,645
Total current liabilities	425,157	435,247
Non-current liabilities		
Bonds and borrowings	759,480	866,383
Other financial liabilities	35,693	37,739
Retirement benefit liabilities	14,117	14,804
Provision	5,440	5,521
Other non-current liabilities	20,364	20,778
Deferred tax liabilities	140,700	157,625
Total non-current liabilities	975,796	1,102,852
Total liabilities	1,400,953	1,538,100
Equity		
Share capital	37,344	37,344
Capital surplus	51,610	51,316
Treasury shares	(233)	(237)
Retained earnings	537,867	577,893
Other components of equity	97,724	186,434
Total equity attributable to owners of the parent	724,314	852,751
Non-controlling interests	33,682	35,142
Total equity	757,996	887,894
Total liabilities and equity	2,158,950	2,425,994

(2) Quarterly Condensed Consolidated Statement of Profit or Loss and Quarterly Condensed Consolidated Statement of Comprehensive Income
Condensed Consolidated Statement of Profit or Loss
(H1 Consolidated Cumulative Period)

(Millions of yen)

	Six-months ended September 30, 2022	Six-months ended September 30, 2023
Revenue	573,699	612,571
Cost of sales	(366,611)	(364,586)
Gross operating profit	207,088	247,985
Selling, general and administrative expenses	(152,456)	(167,822)
Other operating income	3,704	1,848
Other operating expense	(5,558)	(1,440)
Share of profit of investments accounted for using the equity method	1,093	1,005
Operating income	53,872	81,576
Finance income	2,392	2,571
Finance costs	(6,623)	(12,598)
Income before income taxes	49,641	71,549
Corporate income taxes	(13,219)	(21,110)
Net income	36,422	50,438
Net income attributable to:		
Owners of the parent	35,149	48,547
Non-controlling interests	1,272	1,890
Net income per share		
Basic earnings per share (yen)	81.22	112.16

Condensed Consolidated Statement of Comprehensive Income
(H1 Consolidated Cumulative Period)

(Millions of yen)

	Six-months ended September 30, 2022	Six-months ended September 30, 2023
Net income	36,422	50,438
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(4,438)	4,714
Remeasurements of defined benefit plans	19	6
Share of other comprehensive income of investments accounted for using the equity method	(40)	13
Total of items that will not be reclassified to profit or loss	(4,459)	4,735
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	62,676	82,827
Effective portion of net change in fair value of cash flow hedges	(884)	525
Share of other comprehensive income of investments accounted for using the equity method	2,138	1,434
Total of items that may be reclassified subsequently to profit or loss	63,930	84,787
Total other comprehensive income, net of tax	59,471	89,522
Comprehensive income	95,894	139,961
Comprehensive income attributable to:		
Owners of the parent	93,903	137,410
Non-controlling interests	1,990	2,550

(3) Quarterly Condensed Consolidated Statement of Changes in Equity

Six-months ended September 30, 2022 (April 1, 2022 to September 30, 2022)

(Millions of yen)

	Share capital	Capital surplus	Treasury stock	Retained earnings
Balance at April 1, 2022	37,344	55,945	(281)	476,589
Net income	—	—	—	35,149
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	—	35,149
Purchase of treasury shares	—	—	(2)	—
Disposal of treasury shares	—	—	53	—
Dividends	—	—	—	(7,787)
Changes in ownership interest in subsidiaries	—	(4,381)	—	—
Business combinations or business divestitures	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	617
Change in scope of consolidation	—	—	—	—
Other changes	—	—	—	—
Total transactions with owners	—	(4,381)	51	(7,169)
Balance at September 30, 2022	37,344	51,563	(230)	504,569

	Other components of equity				Total	Total equity attributable to owners of the 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				
Balance at April 1, 2022	39,428	368	19,319	—	59,115	628,714	32,423	661,137
Net income	—	—	—	—	—	35,149	1,272	36,422
Other comprehensive income	64,197	(875)	(4,587)	19	58,753	58,753	718	59,471
Comprehensive income	64,197	(875)	(4,587)	19	58,753	93,903	1,990	95,894
Purchase of treasury shares	—	—	—	—	—	(2)	—	(2)
Disposal of treasury shares	—	—	—	—	—	53	—	53
Dividends	—	—	—	—	—	(7,787)	(572)	(8,360)
Changes in ownership interest in subsidiaries	—	—	—	—	—	(4,381)	(1,910)	(6,292)
Business combinations or business divestitures	—	—	—	—	—	—	389	389
Transfer from other components of equity to retained earnings	—	—	(598)	(19)	(617)	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—	—
Other changes	—	—	—	—	—	—	186	186
Total transactions with owners	—	—	(598)	(19)	(617)	(12,118)	(1,906)	(14,024)
Balance at September 30, 2022	103,625	(507)	14,132	—	117,251	710,499	32,507	743,006

Six-months ended September 30, 2023 (April 1, 2023 to September 30, 2023)

	(Millions of yen)			
	Share capital	Capital surplus	Treasury stock	Retained earnings
Balance at April 1, 2023	37,344	51,610	(233)	537,867
Net income	—	—	—	48,547
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	—	48,547
Purchase of treasury shares	—	—	(4)	—
Disposal of treasury shares	—	—	—	—
Dividends	—	—	—	(8,658)
Changes in ownership interest in subsidiaries	—	(294)	—	—
Business combinations or business divestitures	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	152
Change in scope of consolidation	—	—	—	(16)
Other changes	—	—	—	—
Total transactions with owners	—	(294)	(4)	(8,521)
Balance at September 30, 2023	37,344	51,316	(237)	577,893

	Other components of equity				Total	Total equity attributable to owners of the 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				
Balance at April 1, 2023	81,172	(284)	16,836	—	97,724	724,314	33,682	757,996
Net income	—	—	—	—	—	48,547	1,890	50,438
Other comprehensive income	83,629	521	4,704	6	88,862	88,862	660	89,522
Comprehensive income	83,629	521	4,704	6	88,862	137,410	2,550	139,961
Purchase of treasury shares	—	—	—	—	—	(4)	—	(4)
Disposal of treasury shares	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	(8,658)	(690)	(9,348)
Changes in ownership interest in subsidiaries	—	—	—	—	—	(294)	(264)	(559)
Business combinations or business divestitures	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(145)	(6)	(152)	—	—	—
Change in scope of consolidation	—	—	—	—	—	(16)	—	(16)
Other changes	—	—	—	—	—	—	(135)	(135)
Total transactions with owners	—	—	(145)	(6)	(152)	(8,973)	(1,090)	(10,063)
Balance at September 30, 2023	164,802	237	21,394	—	186,434	852,751	35,142	887,894

(4) Quarterly Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Six-months ended September 30, 2022	Six-months ended September 30, 2023
Cash flow from operating activities		
Income before income taxes	49,641	71,549
Depreciation and amortization	52,030	54,832
Interest and dividends income	(729)	(1,699)
Interest expenses	6,601	12,562
Share of (profit) loss of investments accounted for using the equity method	(1,093)	(1,005)
Loss (gain) on sale and retirement of property, plant and equipment, and intangible assets	(422)	23
(Increase) decrease in account receivables	(6,234)	(11,328)
(Increase) decrease in inventories	(13,661)	(7,193)
Increase (decrease) in account payables	4,733	(8,889)
(Increase) decrease in retirement benefit asset	(408)	(166)
Increase (decrease) in retirement benefit liabilities	568	477
Other	(3,052)	1,139
Subtotal	87,973	110,303
Interest received	180	1,152
Dividends received	1,017	3,265
Interest paid	(6,099)	(10,406)
Corporate income tax refund (paid)	(10,948)	(16,339)
Cash flow from operating activities	72,122	87,976
Cash flow from investing activities		
Payments for purchase of property, plant and equipment	(42,616)	(53,110)
Proceeds from sale of property, plant and equipment	1,626	607
Payments for purchase of investment	(1,633)	(147)
Proceeds from sale and redemption of investments	1,415	431
Payments for acquisition of subsidiaries	(107)	—
Proceeds from sale of subsidiaries	—	154
Payments for acquisition of businesses	—	(1,743)
Other	(937)	(1,861)
Cash flow from investing activities	(42,252)	(55,668)

(Millions of yen)

	Six-months ended September 30, 2022	Six-months ended September 30, 2023
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	15,965	11,370
Net increase (decrease) in commercial papers	7,000	(26,000)
Proceeds from long-term borrowings	1,232	33,650
Repayment of long-term borrowings	(34,099)	(57,745)
Proceeds from issuance of bonds	—	99,532
Repayment of lease obligations	(5,824)	(6,598)
Payments for purchase of shares in subsidiaries not resulting in change in scope of consolidation	(1,989)	(380)
Dividends paid	(7,787)	(8,658)
Dividends paid to non-controlling interests	(572)	(690)
Other	627	264
Cash flow from financing activities	(25,448)	44,745
Impact of exchange rate changes on cash and cash equivalents	2,896	8,414
Net increase (decrease) in cash and cash equivalents	7,318	85,468
Balance of cash and cash equivalents at beginning of fiscal year	93,697	132,217
Increase (decrease) in cash and cash equivalents resulting from transfer to assets possessed for a sales purpose	—	(609)
Balance of cash and cash equivalents at end of quarter	101,015	217,077

(5) Notes to the Quarterly Condensed Consolidated Financial Statements

(Notes regarding going concern assumption)

Not applicable.

(Segment information)

(1) Outline of reportable segments

The NSHD Group's reportable segments are those of the components of the NSHD Group on which separate financial information is available, and which are evaluated regularly by the Board of Directors to determine the allocation of management resources and assess business 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 production and sales bases for its main products in Japan, United States, Europe, and Asia & Oceania. In addition, the NSHD Group engages in the manufacture and sale of housewares such as stainless-steel vacuum bottles. Accordingly, the Company has established the following five reportable segments: Japan, United States, Europe, Asia & Oceania, and Thermos.

The principal products and services for each of the reportable segments are as shown below.

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

The accounting methods adopted for the reported operating segments are the same as those 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

Six-months ended September 30, 2022 (April 1, 2022 to September 30, 2022)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts on the Consolidate d Statement of Income
	Japan	United States	Europe	Asia & Oceania	Thermos	Total		
Revenue								
Revenue from external customers	194,406	145,961	136,308	81,803	15,169	573,649	50	573,699
Revenue from inter-segment transactions and transfers	6,666	11,472	113	1,640	6	19,898	(19,898)	—
Total	201,073	157,433	136,421	83,444	15,175	593,548	(19,848)	573,699
Segment income (Note 2)	12,721	16,072	15,908	8,943	3,309	56,954	(769)	56,185

Notes: 1. The negative adjustment of (¥769) million for segment income is comprised of (¥113) million of intersegment eliminations and companywide expenses of (¥655) million that were not allocated to any particular reportable segment. These companywide expenses consist mainly of Group administration expenses at the Company that are not

attributable to reportable segments.

2. Segment income represents core operating income, which is calculated by excluding from operating income certain gains or losses attributable to non-recurring factors such as losses arising from business withdrawal or downsizing.

Six-months ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts on the Consolidate d Statement of Income
	Japan	United States	Europe	Asia & Oceania	Thermos	Total		
Revenue								
Revenue from external customers	202,179	169,519	147,381	78,114	15,331	612,526	45	612,571
Revenue from inter-segment transactions and transfers	6,982	12,229	205	1,489	8	20,915	(20,915)	—
Total	209,162	181,748	147,587	79,603	15,340	633,442	(20,870)	612,571
Segment income (Note 2)	21,331	23,437	26,363	8,568	2,868	82,569	(920)	81,648

Notes: 1. The negative adjustment of (¥920) million for segment income is comprised of (¥204) million of intersegment eliminations and companywide expenses of (¥716) million that were not allocated to any particular reportable segment. These companywide expenses consist mainly of Group administration expenses at the Company that are not attributable to reportable segments.

2. Segment income represents core operating income, which is calculated by excluding from operating income certain gains or losses attributable to non-recurring factors such as losses arising from business withdrawal or downsizing.

Reconciliation of segment income with income before income taxes is shown below.

(Millions of yen)

	Six-months ended September 30, 2022 (April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)
Segment income	56,185	81,648
Proceeds from sale of fixed assets	594	—
Loss on arbitration award	(3,502)	—
Other	595	(72)
Operating income	53,872	81,576
Finance income	2,392	2,571
Finance costs	(6,623)	(12,598)
Income before income taxes	49,641	71,549