

Consolidated Financial Results for the First Three Quarters of Fiscal Year Ending March 31, 2022 (Based on IFRS)

February 2, 2022

Company name: Nippon Sanso Holdings Corporation Stock exchange listing: Tokyo (1st section)
TSE Code: 4091 URL: <https://www.nipponsanso-hd.co.jp/>
Representative: Toshihiko Hamada, Representative Director, President CEO
Inquiries: Takayoshi Umehara, General Manager, Investor Relations
Tel.: +81-3-5788-8512
Scheduled date to file Quarterly Securities Report: February 9, 2022
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 FYE2022 (April 1, 2021 – December 31, 2021)

(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 FYE2022	691,535	16.8	76,316	26.2	76,256	20.7	52,008	35.9	50,136	34.3	73,151	10.8
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

(Reference) Income before income taxes

First three quarters of FYE2022: ¥68,991 million [26.1%]

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

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 FYE2022	115.85	–
First three quarters of FYE2021	86.24	–

(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 FYE2022 (December 31, 2021)	1,880,388	602,473	570,443	30.3
FYE2021 (March 31, 2021)	1,836,294	543,900	513,164	27.9

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)
FYE2021	—	14.00	—	16.00	30.00
FYE2022	—	16.00	—		
FYE2022 (est.)				16.00	32.00

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

3. Forecasts for business operations for FYE2022 full term (April 1, 2021 – March 31, 2022)

(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	932,000	13.9	101,000	15.8	101,000	13.7	69,000	21.3	67,000	21.3	154.82

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

(Reference) Income before income taxes

FYE2022 full term: ¥91,000 million [17.1%]

* Notes

(1) Changes in significant subsidiaries during the nine months ended Dec.31, 2021: 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, 2021	433,092,837 shares	As of Mar. 31, 2021	433,092,837 shares
2. Number of treasury stocks at the end of the period	As of Dec.31, 2021	344,467 shares	As of Mar. 31, 2021	342,332 shares
3. Average number of shares during the period (quarterly cumulative)	Nine months ended Dec.31, 2021	432,749,531 shares	Nine months ended Dec.31, 2020	432,752,699 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

In 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, 2021 to December 31, 2021), the COVID-19 pandemic continued from the previous fiscal year, without any indication of when it might end. Nevertheless, the economy appeared to recover in nearly all business segments and the shipment volume of air separation gases (oxygen, nitrogen, argon) increased significantly compared to the previous fiscal year. The negative impact of the COVID-19 pandemic on the first three quarters revenue and core operating income has been less severe than the previous fiscal year. While there is a continuing impact on some business activities, the Company has maintained its reliable supply structure for air separation gases in its global geographic hubs.

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 increased 16.8% year on year to ¥691,535 million, core operating income increased 26.2% to ¥76,316 million, operating income increased 20.7% to ¥76,256 million and net income attributable to owners of the parent increased 34.3% to ¥50,136 million.

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

(Overview of business performance by reportable segment)

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

Segment income represents core operating income.

From the first quarter of the fiscal year under review, the NSHD Group has changed its reportable segments. Therefore, to facilitate the year-on-year comparisons shown below, the figures for the first three quarters of the previous fiscal year have been reclassified based on the changes to the reportable segments.

① Gas Business in Japan

In the industrial gas-related business, revenue from air separation gases, a core product, increased sharply year on year, mainly due to a general recovery in production activity in relevant industries. Additionally, in LP gas, revenue rose from an increase in unit sales prices due to an increase in the purchasing price, although shipment volume declined. Meanwhile, in the electronics-related business, revenue from electronic materials gases increased. In industrial gas-related equipment and installation, medical-related equipment sales performed favorably, and revenue in the electronics-related business also grew year on year.

As a result, in the Gas Business in Japan, revenue increased 9.0% year on year to ¥266,755 million and segment income increased 15.0% to ¥22,474 million.

② Gas Business in the United States

In the industrial gas-related business, revenue from air separation gases, a core product, significantly increased year on year, driven by a recovery in production activity, with growth centered on bulk gases. In addition, sales of carbon dioxide gas were strong. In equipment and installation, demand for welding and cutting equipment recovered after weakness in the previous fiscal year, with revenue increasing sharply. In the electronics-related business, revenue also increased.

As a result, in the Gas Business in the United States, revenue increased 17.8% year on year to ¥164,236 million and segment income increased 28.5% to ¥20,439 million.

③ Gas Business in Europe

In the previous fiscal year, demand dropped sharply overall in the key region of Iberia, Germany and Italy as the serious impact of COVID-19 caused a general halt in production activity there. However, from the second half of the previous fiscal year, demand in the region continued to recover, leading to an increase in sales.

As a result, in the Gas Business in Europe, revenue increased 28.7% year on year to ¥149,249 million and segment income increased 34.4% to ¥19,430 million.

④ **Gas Business in Asia & Oceania**

In the industrial gas-related business, air separation gases, a core product, saw an increase in revenue driven by a recovery in production activity in related industries. In LP gas, which makes up a large portion of sales in the Australia region, revenue increased atop an increase in unit sales prices due to an increase in the purchasing price and steady shipment volume. In the electronics-related business, revenue increased in electronic materials gases in East Asia. In equipment and installation, revenue increased in the industrial gas-related business.

As a result, in the Gas Business in Asia & Oceania, revenue increased 21.9% year on year to ¥90,782 million and segment income increased 27.2% to ¥9,734 million.

⑤ **Thermos Business**

In the Thermos Business, in Japan revenue significantly increased year on year due to a recovery in shipment volumes of portable mugs and sports bottles from the previous fiscal year. Furthermore, sales volumes of frying pans and tumblers also increased, continuing from the previous fiscal year, in connection with the widespread adoption of new lifestyles where consumer spend longer periods of time at home. Overseas, shipping volume increased due to the recovery of business conditions in various regions.

As a result, in the Thermos Business, revenue increased 15.5% year on year to ¥20,361 million, and segment income increased 40.8% to ¥4,953 million.

(2) **Explanation concerning financial position**

Total assets amounted to ¥1,880,388 million as of December 31, 2021, an increase of ¥44,093 million from March 31, 2021. Due to the impact of foreign exchange rates, total assets were stated approximately ¥24.9 billion higher than they otherwise would have been reported. This mainly reflected foreign exchange rate changes such as the yen's depreciation of ¥4.31 against the U.S. dollar and the yen's depreciation of ¥0.71 against the euro as of December 31, 2021, compared with the rates as of March 31, 2021.

[Assets]

Total current assets were ¥398,272 million, an increase of ¥29,371 million from March 31, 2021. The main changes were an increase in trade receivables and a decrease in cash and cash equivalents.

Total non-current assets were ¥1,482,115 million, an increase of ¥14,722 million from March 31, 2021, mainly reflecting increases in other financial assets and plant, property and equipment.

[Liabilities]

Total current liabilities were ¥310,853 million, a decrease of ¥15,166 million from March 31, 2021. The main changes were a decrease in bonds and borrowings and an increase in trade payables.

Total non-current liabilities were ¥967,061 million, an increase of ¥686 million from March 31, 2021. The main factors were an increase in deferred tax liabilities and a decrease in bonds and borrowings.

[Equity]

Total equity amounted to ¥602,473 million, an increase of ¥58,573 million from March 31, 2021. The main factors were an increase due to the recording of profit attributable to owners of parent, a decrease due to 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 30.3%, 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 ¥97,364 million. The main components were income before income taxes, depreciation and amortization, and an increase (decrease) in trade receivables.

(Cash flow from investing activities)

Net cash used in investing activities was ¥47,207 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 ¥62,149 million. The main changes were repayment of long-term borrowings, proceeds from issuance of bonds, and net increase (decrease) in short-term borrowings.

As a result of the Company's operating, investing and financing activities, the balance of cash and cash equivalents as of December 31, 2021, after accounting for the effects of exchange rates, was ¥78,645 million.

(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, 2022. For details, please see the press release titled "Notice Regarding Earnings Forecast Revisions" issued today (February 2, 2022).

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

(Millions of yen)

	As of Mar. 31, 2021	As of Dec. 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	91,058	78,645
Trade receivables	182,077	208,229
Inventories	69,613	81,926
Other financial assets	6,710	6,808
Other current assets	19,441	22,663
Total current assets	368,901	398,272
Non-current assets:		
Plant, property and equipment:	685,733	692,399
Goodwill	455,036	459,928
Intangible assets	237,751	232,738
Investments accounted for using the equity method	32,295	33,557
Other financial assets	49,739	56,647
Retirement benefit asset	2,467	2,410
Other non-current assets	1,120	1,225
Deferred tax assets	3,249	3,208
Total non-current assets	1,467,393	1,482,115
Total assets	1,836,294	1,880,388

NIPPON SANSO Holdings Corporation (Ticker : 4091.T)
Consolidated Financial Performance for the first three quarters of FYE2022

(Millions of yen)

	As of Mar. 31, 2021	As of Dec. 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade payables	96,093	107,415
Bonds and borrowings	131,721	108,365
Income taxes payable	11,022	7,614
Other financial liabilities	58,428	58,564
Allowance	469	331
Other current liabilities	28,284	28,562
Total current liabilities	326,019	310,853
Non-current liabilities:		
Bonds and borrowings	780,895	772,227
Other financial liabilities	29,453	29,643
Retirement benefit liabilities	14,037	14,351
Allowance	3,870	4,250
Other non-current liabilities	19,359	20,889
Deferred tax liabilities	118,757	125,698
Total non-current liabilities	966,374	967,061
Total liabilities	1,292,394	1,277,914
Equity		
Share capital	37,344	37,344
Capital surplus	55,901	55,822
Treasury stock	(273)	(279)
Retained earnings	422,838	461,716
Other components of equity	(2,646)	15,839
Total equity attributable to owners of parent	513,164	570,443
Non-controlling interests	30,736	32,029
Total equity	543,900	602,473
Total liabilities and equity	1,836,294	1,880,388

**(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, 2020	Nine months ended Dec. 31, 2021
Revenue	592,256	691,535
Cost of sales	(363,025)	(426,569)
Gross profit	229,230	264,966
Selling, general and administrative expenses	(171,588)	(191,052)
Other operating income	3,223	1,704
Other operating expense	(1,881)	(1,590)
Share of profit of investments accounted for using the equity method	4,171	2,228
Operating profit	63,154	76,256
Finance income	1,102	1,634
Finance costs	(9,535)	(8,900)
Profit before income taxes	54,721	68,991
Income taxes	(16,446)	(16,982)
Profit	38,275	52,008
Profit attributable to:		
Owners of parent	37,318	50,136
Non-controlling interests	956	1,872
Earnings per share		
Basic earnings per share (Yen)	86.24	115.85

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

	(Millions of yen)	
	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2021
Profit	38,275	52,008
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	5,417	8,167
Remeasurements of defined benefit plans	(17)	32
Share of other comprehensive income of investments accounted for using the equity method	(33)	53
Total of items that will not be reclassified to profit or loss	5,366	8,253
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	22,531	11,883
Effective portion of net change in fair value of cash flow hedges	131	(61)
Share of other comprehensive income of investments accounted for using the equity method	(272)	1,067
Total of items that may be reclassified subsequently to profit or loss	22,390	12,889
Total other comprehensive income	27,756	21,142
Comprehensive income	66,032	73,151
 Comprehensive income attributable to:		
Owners of parent	64,767	71,174
Non-controlling interests	1,264	1,976

(3) Condensed Consolidated Statement of Changes in Equity
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								
	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	

First three quarters of FYE2022 (April 1, 2021 to December 31, 2021)

	Share capital	Capital surplus	Treasury stock	(Millions of yen) Retained earnings
Balance at April 1, 2021	37,344	55,901	(273)	422,838
Profit				50,136
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	—	50,136
Purchase of treasury stock	—	—	(5)	—
Disposal of treasury stock	—	0	0	—
Dividends	—	—	—	(13,853)
Changes in ownership interest in subsidiaries	—	(79)	—	—
Business combinations or business divestitures	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	2,552
Change in scope of consolidation	—	—	—	43
Other changes	—	—	—	(0)
Total transactions with owners	—	(79)	(5)	(11,257)
Balance at December 31, 2021	37,344	55,822	(279)	461,716

	Other components of 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, 2021	(18,029)	71	15,310	—	(2,646)	513,164	30,736	543,900	
Profit	—	—	—	—	—	50,136	1,872	52,008	
Other comprehensive income	12,849	(60)	8,217	32	21,038	21,038	104	21,142	
Comprehensive income	12,849	(60)	8,217	32	21,038	71,174	1,976	73,151	
Purchase of treasury stock	—	—	—	—	—	(5)	—	(5)	
Disposal of treasury stock	—	—	—	—	—	0	—	0	
Dividends	—	—	—	—	—	(13,853)	(991)	(14,844)	
Changes in ownership interest in subsidiaries	—	—	—	—	—	(79)	129	49	
Business combinations or business divestitures	—	—	—	—	—	—	—	—	
Transfer from other components of equity to retained earnings	—	—	(2,519)	(32)	(2,552)	—	—	—	
Change in scope of consolidation	—	—	—	—	—	43	—	43	
Other changes	—	—	—	—	—	(0)	179	179	
Total transactions with owners	—	—	(2,519)	(32)	(2,552)	(13,895)	(682)	(14,578)	
Balance at December 31, 2021	(5,180)	11	21,008	—	15,839	570,443	32,029	602,473	

(4) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2021
Cash flow from operating activities		
Profit before income taxes	54,721	68,991
Depreciation and amortization	64,120	68,339
Interest and dividends income	(755)	(857)
Interest expenses	9,514	8,742
Share of (profit) loss of investments accounted for using the equity method	(4,171)	(2,228)
Loss (gain) on sales and retirement of property, plant and equipment, and intangible assets	(357)	73
(Increase) decrease in trade receivables	632	(23,766)
(Increase) decrease in inventories	(6,698)	(10,956)
Increase (decrease) in trade payables	(4,416)	9,832
(Increase) decrease in retirement benefit asset	(295)	(432)
Increase (decrease) in retirement benefit liabilities	612	806
Other	(3,319)	1,655
Subtotal	109,587	120,199
Interest received	149	137
Dividends received	3,075	3,427
Interest paid	(8,743)	(8,274)
Income taxes refund (paid)	(15,498)	(18,126)
Net cash provided by operating activities	88,569	97,364
Cash flow from investing activities		
Purchase of property, plant and equipment	(43,865)	(50,343)
Proceeds from sale of property, plant and equipment	1,072	904
Purchase of investment	(524)	(943)
Proceeds from sales and redemption of investments	38	5,332
Payments for acquisition of subsidiaries	(119)	(520)
Proceeds from sales of subsidiaries	—	0
Other	(755)	(1,636)
Net cash used in investing activities	(44,153)	(47,207)
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	(10,373)	18,774
Net increase (decrease) in commercial papers	4,000	(7,000)
Proceeds from long-term borrowings	52,308	13,942
Repayment of long-term borrowings	(76,000)	(76,182)
Proceeds from issuance of bonds	—	25,000
Redemption of bonds	—	(15,000)
Repayments of lease obligations	(6,485)	(6,595)
Purchases of investments in subsidiaries not resulting in change in scope of consolidation	(2,830)	(199)
Dividends paid	(12,121)	(13,853)
Dividends paid to non-controlling interests	(555)	(991)
Other	35	(43)
Net cash used in financing activities	(52,021)	(62,149)
Effect of exchange rate changes on cash and cash equivalents	3,252	(674)
Net increase (decrease) in cash and cash equivalents	(4,353)	(12,666)
Balance of cash and cash equivalents at beginning of fiscal year	100,005	91,058
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	253
Increase in cash and cash equivalents resulting from merger	19	—
Balance of cash and cash equivalents at end of fiscal year	95,670	78,645

(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 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.

(Changes to reportable segments)

In conjunction with its transition to a holding company structure, from the first quarter of the fiscal year under review, the Group has changed the reportable segments and adjustment amounts of the Company and certain consolidated subsidiaries to facilitate more appropriate evaluation of the management results of each segment. Furthermore, to facilitate the year-on-year comparisons, the figures for the first three quarter of the previous fiscal year have been reclassified based on the changes to the reportable segments.

*The Gas Business in Japan reportable segment has changed its name in Japanese, but the name remains the same in English.

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

Nine-months ended December 31, 2020 (April 1, 2020 – December 31, 2020)

(Millions of yen)

	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	244,622	139,385	115,938	74,480	17,635	592,062	193	592,256
Revenue from inter-segment transactions and transfers	10,517	13,534	14	1,632	21	25,721	(25,721)	—
Total	255,140	152,920	115,953	76,112	17,657	617,783	(25,527)	592,256
Segment income (Note 2)	19,542	15,907	14,462	7,655	3,519	61,087	(618)	60,468

Notes: 1. The (¥618) million negative adjustment for segment income is comprised of ¥28 million of intersegment eliminations and companywide expenses of (¥647) million that were not allocated to any particular reportable segment. These companywide expenses mainly comprise Group administration expenses at the Company that are not attributable to reportable segments.
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).

Nine-months ended December 31, 2021 (April 1, 2021 – December 31, 2021)

(Millions of yen)

	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	266,755	164,236	149,249	90,782	20,361	691,385	150	691,535
Revenue from inter-segment transactions and transfers	7,419	12,564	146	2,620	11	22,762	(22,762)	—
Total	274,174	176,800	149,396	93,403	20,372	714,147	(22,611)	691,535
Segment income (Note 2)	22,474	20,439	19,430	9,734	4,953	77,032	(715)	76,316

Notes: 1. The (¥715) million negative adjustment for segment income is comprised of ¥164 million of intersegment eliminations and companywide expenses of (¥879) million that were not allocated to any particular reportable segment. These companywide expenses mainly comprise Group administration expenses at the Company that are not attributable to reportable segments.
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.

	(Millions of yen)	
	Nine-months ended December 31, 2020 (April 1, 2020 to December 31, 2020)	Nine-months ended December 31, 2021 (April 1, 2021 to December 31, 2021)
Segment income	60,468	76,316
Share of profit (loss) of investments accounted for using the equity method	2,749	-
Other	(63)	(59)
Operating income	63,154	76,256
Financial revenue	1,102	1,634
Financial expenses	(9,535)	(8,900)
Income before income taxes	54,721	68,991