

February 13, 2006

**Summary of Business Results for the First Three
Quarters of Fiscal 2005(on a consolidated basis)**

1. Matters relating to preparation of quarterly report

1) Simplified method employed for accounting:

(Details)

Accounting standard for calculation of income taxes:

Calculation of tax amounts based on estimated income taxes for
the term using the statutory effective tax rate

2) Changes in accounting standards from those used for the
latest account settlement: changes made

(Details)

With effect from the reporting period, impairment accounting
has been applied to fixed assets on a consolidated basis. As
a result, an impairment loss in the amount of ¥738 million has
been registered as an extraordinary loss.

3) Changes in the scope of consolidation or accounting for
equity method: 4 newly consolidated firms; 2 companies excluded
from scope of consolidation; 1 company excluded from scope of
accounting as equity-method affiliate

2. Outline of business operations for the first three quarters

(April 1 to December 31, 2005)

(1) Operating results

(Amounts less than ¥1 million are omitted.)

	Net sales	Operating profit	Recurring profit	Net income
	(¥ million)	(¥ million)	(¥ million)	(¥ million)
First 3 quarters of fiscal 2005	283,286	18,836	18,576	9,795
First 3 quarters of fiscal 2004	200,496	15,202	15,017	8,177
Reference: FY2004 full term	300,055	20,727	20,805	11,568

	Earnings per share (Yen)
First 3 quarters of fiscal 2005	24.31
First 3 quarters of fiscal 2004	24.78
Reference: FY2004 full term	32.76

Note: Taiyo Nippon Sanso Corp. was created through the merger of Nippon Sanso Corp. (the surviving entity) and Taiyo Toyo Sanso Co. on October 1, 2004. Accordingly, Nippon Sanso's consolidated results for the previous nine-month period (April 1 to Dec. 31, 2004) include the six-month term ended September 30, 2004 as Nippon Sanso, and the three-month period ended December 31, 2004 as Taiyo Nippon Sanso. As no direct comparison of like with like is possible, no year-on-year comparison of performance for the nine-month reporting period is given.

Supplemental disclosure on business performance

During the reporting nine-month period, demand for the Company's gas products in the domestic market remained firm, while sales by our U.S. subsidiaries increased in line with our projections. In addition, sales of plants and equipment posted an increase as a result of the completion of air separation plants, mainly for overseas customers. As a result, business performance as a whole for the first three quarters of fiscal 2005 was in line with our initial projections. On a consolidated basis, net sales for the nine-month term ended December 31, 2005 came to ¥283,286 million, operating profit to ¥18,836 million, recurring profit to ¥18,576 million, and net income to ¥9,795 million.

(2) **Financial position** (¥ million)

(As of end of terms; amounts less than ¥1 million are omitted.)

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity ratio (%)	Shareholders' equity per share (¥)
First 3 quarters of fiscal 2005 (Dec. 31, 2005)	452,636	170,101	37.6	422.46
First 3 quarters of fiscal 2004 (Dec. 31, 2004)	411,558	151,945	36.9	375.37
Reference: FY2004 full term (March 31, 2005)	404,668	154,207	38.1	380.70

Cash flows

(¥ million; Amounts less than ¥1 million are omitted.)

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of first 3 quarters
First 3 quarters of fiscal 2005	22,376	(15,595)	(6,379)	20,033
First 3 quarters of fiscal 2004	15,567	(22,446)	1,779	19,517
Reference: FY2004 full term	27,703	(32,235)	(2,679)	17,839

Supplemental disclosure on financial position

Total assets on a consolidated basis increased by ¥47,967 million compared with the end of fiscal 2004, to ¥452,636 million, due mainly to the net increase in the number of consolidated subsidiaries by two. Shareholders' equity rose by ¥15,893 million, to ¥170,101 million.

Turning to cash flows, net cash provided by operating activities amounted to ¥22,376 million; net cash used in investing activities amounted to ¥15,595 million, mainly as a result of the acquisition of fixed assets; and net cash used in financing activities amounted to ¥6,379 million, principally as a result of the repayment of interest-bearing liabilities. Owing to the net increase of two in the number of consolidated subsidiaries, cash and cash equivalents grew by ¥1,665 million

over the previous term-end. As a result, cash and cash equivalents amounted to ¥20,033 million.

3. Forecast on a consolidated basis for the full term

(April 1, 2005 to March 31, 2006)

	Net sales (¥ million)	Recurring profit (¥ million)	Net income (¥ million)
Full term	390,000	25,500	13,800

(For reference: Earnings per share (full-term forecast) is ¥34.27.

Disclaimer: The forecasts above are prepared on the basis of information available to the Company's management as of the date of writing, and are subject to various factors beyond the Company's control, notably exchange rate fluctuations and unforeseeable economic conditions. Actual results may thus differ substantially from the above forecasts.

Supplemental disclosure on performance forecasts

The Company's business performance for the first three quarters of fiscal 2005 was roughly in line with the management's projections, and no significant change in the business environment is foreseen between now and the end of the term on March 31, 2006. As business circumstances are expected to remain favorable, we have made no revisions to our full-term business result forecasts issued on November 14, 2005. (It was recently discovered that the structural strength of the supporting structures of 99 low-temperature liquefied gas tanks manufactured by our subsidiary Cryo One Inc. do not meet earthquake resistance criteria. We are taking urgent measures to rectify this situation, but the expenses required for these

measures are not expected to have a material effect on the Company's performance.)