

Summary of Business Results for the

First Quarter of Fiscal 2006

(on a consolidated basis)

August 4, 2006

1. Outline of business operations for the first quarter

(April 1 to June 30, 2006)

(1) Operating results (¥ million; year-on-year change in percent)

(Amounts less than ¥1 million are omitted)

	Net sales		Operating profit		Recurring profit		Net income	
First quarter of fiscal 2006	106,569	16.9%	8,659	41.9%	9,397	40.3%	4,931	60.2%
First quarter of fiscal 2005	91,201		6,104		6,698		3,078	
(For reference: FY2005 full term)	397,308		26,788		27,115		14,444	

	Earnings per share (EPS)
First quarter of fiscal 2006	¥12.25
First quarter of fiscal 2005	¥7.63
(For reference: FY2005 full term)	¥35.45

Notes:

1. Nippon Sanso Corporation and Taiyo Toyo Sanso Co., Ltd. merged on October 1, 2004. leaving Nippon Sanso as the surviving entity. As a result, a year-on-year comparisons

of figures for FY2005 (first quarter or full term) is not possible.

2. A description of the diluted EPS is omitted as there are no ordinary share equivalents that have dilutive effects.

Supplementary disclosure on business performance

In the three-month period under review, TNSC reported net sales of ¥106,569 million, operating profit of ¥8,659 million, recurring profit of ¥9,397 million, and net income of ¥4,931 million. The Company's Gas Business benefited from steady shipments to domestic and overseas customers in our principal customer industries, and our U.S. subsidiary also posted a favorable performance in line with our expectations. In the Plant and Gas Equipment Business, sales rose as a result of revenue from the sale of large-scale air separation plants for Japanese steelmakers. In addition, sales of welding and cutting equipment (including laser cutting equipment) remained steady. The Housewares Business enjoyed a strong business performance, owing primarily to a favorable pace of shipments of our Easy Drink stainless steel vacuum flasks for cool beverages.

(2) Financial Position (¥ million)

(Amounts less than ¥1 million are omitted)

	Total assets	Net assets	Equity ratio	Net assets per share
First quarter of fiscal 2006	477,995	195,231	40.8%	¥484.96
First quarter of fiscal 2005	406,512	155,109	38.2%	¥385.07
(For reference: FY2005 full term)	471,602	178,055	37.8%	¥441.86

Note:

Effective from the reporting quarter, the Company has adopted the new accounting standard in line with the stipulations in the new Corporation Law. No retrospective adjustments, however, have been made. For the previous term, the figures for "shareholders' equity" and "shareholders' equity per share" represent those for net assets and net assets per share, respectively. Also for the previous term, the equity ratio refers to shareholders' equity as a percentage of total assets.

(3) Cash Flows (¥ million)

(Amounts less than ¥1 million are omitted)

	Cash flows provided by operations	Cash flows used in investment	Cash flows provided by (used in) financing activities	Cash and cash equivalents at end of first quarter
First quarter of fiscal 2006	6,590	(8,447)	8,564	24,281
First quarter of fiscal 2005	3,997	(4,150)	(1,135)	16,604
(For reference: FY2005 full term)	31,937	(25,238)	(8,977)	17,416

Supplementary disclosure on financial position

Total assets increased by ¥6,393 million during the reporting three-month period, to reach ¥477,995 million at the end of the quarter. Net assets stood at ¥195,231 million, with an equity ratio of 40.8% as of June 30, 2006.

Net cash provided by operating activities amounted to ¥6,590 million; net cash used in investing activities amounted to ¥8,447 million, due mainly to the acquisition of property, plant and equipment; and net cash provided by financing activities came to ¥8,564 million, due mainly to the issuance of commercial paper. As a combined result of these factors, cash and cash equivalents at the end of the first quarter totaled ¥24,281 million.

For Reference:

The Company's business performance for the first quarter of fiscal 2006 was in line with initial projections, and as a consequence, no revision has been made to our business performance forecasts for the first half of fiscal 2006, or for the full term. Regarding the recent announcement of TNSC's intention to purchase the medium-sized U.S. industrial gas manufacturer Linweld Inc., we are currently in the midst of the due diligence process of investigating the condition of the company in question, in preparation for the purchase of its stock at the end of August. At the current point in time, therefore, we are not yet in possession of sufficiently accurate information to enable the revision of our business performance forecasts.

Segment Information

(1) Results by Operating Segment

First Quarter of Fiscal 2006 (April 1 to June 30, 2006)

(Amounts less than ¥1 million are omitted)

	Gas Busines s	Plant and Gas Equipmen t Business	Houseware s Business and Others	Total	Elimination s and corporate	Consolidate d
I. Sales and Operating Profit						
Sales (1) Sales to customers	73,668	28,374	4,526	106,569	-	106,569
(2) Sales from inter- segment transaction s and transfers	6	2,161	9	2,177	(2,177)	-
Total	73,674	30,536	4,536	108,747	(2,177)	106,569
Operating Expenses	67,182	28,441	3,777	99,401	(1,491)	97,909
Operating Profit	6,492	2,094	758	9,345	(685)	8,659

Notes:

Methods of segmentation and lists of principal products under each segment:

1. Segmentation Method

Products (whether developed and/or made in-house or by other companies [i.e. bought-in merchandise]) are allocated to one of the three segments of the Gas Business, the Plant and Gas Equipment Business, and the Housewares Business and Others.

2. The principal products and services included in the three segments are shown in the table below.

Business segment	Main Products
Gas Business	Oxygen, nitrogen, argon, carbon dioxide, helium, rare gases such as xenon and neon, hydrogen, medical gases, specialty gases (semiconductor materials gases, standard reference gas), dissolved acetylene, liquid petroleum gas (LPG), other gases, stable isotopes, equipment lease
Plant and Gas Equipment Business	Cutting and welding equipment, welding materials, cylinders, semiconductor related engineering/equipment, semiconductor manufacturing equipment, medical equipment, air separation plants, cryogenic air separation plants, ultra-

	low-temperature equipment, high-vacuum equipment, pressure swing adsorption (PSA) gas generators, hydrogen generators, gas compressors, gas expanders, liquefied gas storage/pumps, vacuum brazing, atomic power/space development equipment and other related equipment
Housewares Business and Others	Stainless steel vacuum bottles, vacuum thermal insulation cooking pans, assembly, processing and inspection of electronic components, maintenance of facilities, other outsourced business

Note:

The operating expenses of "Eliminations or corporate" that cannot be allocated to any particular segment comes to ¥1,913 million for the previous business term on a consolidated basis, and ¥485 million for the reporting first-quarter period (also on a consolidated basis). The majority of these items consist of expenses incurred by the Company's administrative divisions.

(2) Results by Geographical Segment

First Quarter of Fiscal 2006 (April 1 to June 30, 2006)

(Amounts less than ¥1 million are omitted)

	Japan	North America	Other countries	Total	Eliminations and corporate	Consolidated
I. Net Sales and Operating Profit						
Net sales						
(1) Sales to customers	87,678	13,736	5,154	106,569	-	106,569
(2) Sales from inter-segment transactions and transfers	1,530	2,011	565	4,107	(4,107)	-
Total	89,209	15,747	5,719	110,676	(4,107)	106,569
Operating Expenses	82,119	14,016	5,364	101,500	(3,590)	97,909
Operating Profit	7,090	1,730	355	9,176	(516)	8,659

Notes:

1. Principal countries in the North America and Other Countries segments are as follows:

(1) North America: The United States of America

(2) Other countries: Singapore, Malaysia, China, Taiwan

2. The operating expenses of "Eliminations or corporate" that cannot be allocated to any particular segment comes to ¥1,913 million for the previous business term on a consolidated basis, and ¥485 million for the reporting first-quarter period (also on a consolidated basis). The majority of these items consist of expenses incurred by the Company's administrative divisions.