

February 14, 2007

**Summary of Business Results for the
First Three Quarters of Fiscal 2006**

(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: None

3) Changes in the scope of consolidation: 6 newly consolidated firms; 2 companies excluded from scope of consolidation

2. Outline of business operations for the first three quarters (April 1 to December 31, 2006)

(1) Operating results

(Amounts less than ¥1 million are omitted.)

	Net sales		Operating profit		Recurring profit		Net income	
	(¥ million)	(YoY change)	(¥ million)	(YoY change)	(¥ million)	(YoY change)	(¥ million)	(YoY change)
First 3 quarters of fiscal 2006	328,680	16.0%	27,753	47.3%	28,181	51.7%	13,632	39.2%
First 3 quarters of fiscal 2005	283,286	-	18,836	-	18,576	-	9,795	-
Reference: FY2005 full term	397,308	-	26,788	-	27,115	-	14,444	-

	Earnings per share (Yen)
First 3 quarters of fiscal 2006	33.87
First 3 quarters of fiscal 2005	24.31
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 three quarters 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.

Supplemental disclosure on business performance

In the nine-month period under review, TNSC reported net sales of ¥328,680 million, operating profit of ¥27,753 million, recurring profit of ¥28,181 million, and net income of ¥13,632 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 Machinery and 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 MOCVD equipment to the electronics industry were favorable. As a result, business performance as a whole for the first three quarters of fiscal 2006 was in line with our initial projections.

(2) Financial position (¥ million)

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

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
First 3 quarters of fiscal 2006 (Dec. 31, 2006)	545,289	204,174	34.9	472.44
First 3 quarters of fiscal 2005 (Dec. 31, 2005)	452,636	170,101	37.6	422.46
Reference: FY2005 full term (March 31, 2006)	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.

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 2006	24,739	(64,457)	41,524	19,622
First 3 quarters of fiscal 2005	22,376	(15,595)	(6,379)	20,033
Reference: FY2005 full term	31,937	(25,238)	(8,977)	17,416

Supplemental disclosure on financial position

Total assets increased by ¥73,687 million during the reporting three-month period, to reach ¥545,289 million at the end of the quarter. Net assets stood at ¥204,174 million, with an equity ratio of 34.9% as of December 31, 2006.

Net cash provided by operating activities amounted to ¥24,739 million; net cash used in investing activities amounted to ¥64,457 million, due to the acquisition of property, plant and equipment as well as additional investments in subsidiaries; and net cash provided by financing activities came to ¥41,524 million, due mainly to an increase in interest-bearing liabilities. As a combined result of these factors, cash and cash equivalents at the end of the first three quarters totaled ¥19,622 million.

For Reference:

The Company's business performance for the first three quarters of fiscal 2006 was in line with initial projections. The Company is expected to post an extraordinary profit in the amount of approximately ¥6,800 million (including gains on the sale of property, plant and equipment) for the current term. However, this will be offset by extraordinary losses in approximately the same amount. As a result, no change has been made in our full-term business performance forecasts of November 13, 2006.

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.

Segment Information

(1) Results by Operating Segment

First Three Quarters of Fiscal 2006 (April 1 to December 31, 2006)

(Amounts less than ¥1 million are omitted)

	Gas Business	Machinery and Equipment Business	Houseware Business and Others	Total	Eliminations and corporate	Consolidated
I. Sales and Operating Profit						
Sales (1) Sales to customers	226,504	89,928	12,247	328,680	-	328,680
(2) Sales from inter- segment transaction s and transfers	74	9,169	119	9,362	(9,362)	-
Total	226,578	99,098	12,366	338,043	(9,362)	328,680
Operating Expenses	204,885	90,877	10,977	306,740	(5,813)	300,927
Operating Profit	21,693	8,220	1,389	31,302	(3,549)	27,753

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 Machinery and 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
Machinery and 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 ¥1,609 million for the reporting first three-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 Three Quarters of Fiscal 2006 (April 1 to December 31, 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	269,395	43,092	16,192	328,680	-	328,680
(2) Sales from inter-segment transactions and transfers	5,103	6,064	1,622	12,790	(12,790)	-
Total	274,499	49,156	17,815	341,470	(12,790)	328,680
Operating Expenses	251,232	43,774	16,695	311,701	(10,774)	300,927
Operating Profit	23,266	5,382	1,119	29,768	(2,015)	27,753

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, Philippines, 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 ¥1,609 million for the reporting first three-quarter period (also on a consolidated basis). The majority of these items

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