

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

August 2, 2005

1. Outline of business operations for the first quarter

(April 1 to June 30, 2005)

(1) Operating results (¥ million)

(Amounts less than ¥1 million are omitted)

	Net sales	Operating profit	Recurring profit	Net income
First quarter of fiscal 2005 Taiyo Nippon Sanso	91,201	6,104	6,698	3,078
First quarter of fiscal 2004 Nippon Sanso	54,214	4,527	4,566	2,415
First quarter of fiscal 2004 Taiyo Toyo Sanso	32,726	1,628	1,924	963

	Earnings per share (EPS)
First quarter of fiscal 2005 Taiyo Nippon Sanso	¥7.63
First quarter of fiscal 2004 Nippon Sanso	¥8.25
First quarter of fiscal 2004 Taiyo Toyo Sanso	¥6.88

Notes:

1. Year-on-year comparisons are not available as figures shown in the column for the previous first quarter are the results of the pre-merger companies.
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, TNS reported net sales of ¥91,201 million, operating profit of ¥6,104 million, recurring profit of ¥6,698 million, and net income of ¥3,078 million. The Company's Gas Business benefited from steady shipments to domestic and overseas customers in our principal customer industries, with our U.S. subsidiary showing an especially favorable performance. In the Plant and Gas Equipment Business, sales rose as a result of revenue from the large volume of equipment sales for Japanese electronics manufacturers. In addition, sales of welding and cutting equipment (including laser cutting equipment) remained strong, carrying over the momentum achieved in the previous term. The Housewares Business showed a steady growth in revenue and earnings, owing primarily to brisk sales of stainless steel vacuum flasks for holding cool beverages ahead of the summer sales season.

(2) Financial Position (¥ million)

(Amounts less than ¥1 million are omitted)

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
As of June 30, 2005 Taiyo Nippon Sanso	406,512	155,109	38.2%	¥385.07
As of June 30, 2004 Nippon Sanso	257,912	95,997	37.2%	¥327.97
As of June 30, 2004 Taiyo Toyo Sanso	126,249	49,229	39.0%	¥351.26

Cash Flows (¥ million)

(Amounts less than ¥1 million are omitted)

	Cash flows provided by/used in operations	Cash flows provided by/ used in investment	Cash flows provided by/used in financing activities	Cash and cash equivalents at end of first quarter
First quarter of Fiscal 2005 Taiyo Nippon Sanso	3,997	(4,150)	(1,135)	16,604
First quarter of Fiscal 2004 Nippon Sanso	5,354	(2,916)	(1,819)	13,838

Note: Taiyo Toyo Sanso did not disclose cash-flow data on a quarterly basis in the previous reporting term.

Supplementary disclosure on financial position

As a result of the merger of Nippon Sanso and Taiyo Toyo Sanso in October 2004, total assets and shareholders' equity substantially increased year-on-year. Total assets reached ¥406,512 million, and shareholders' equity increased to ¥155,109 million, with an equity ratio of 38.2% as of June 30, 2005.

Net cash provided by operating activities amounted to ¥3,997 million; net cash used in investing activities amounted to ¥4,150 million, due mainly to the acquisition of property, plant and equipment; and net cash used in financing activities came to ¥1,135 million, due mainly to the purchase of the Company's own shares. As a combined result of these factors, cash and cash equivalents at the term-end totaled ¥16,604 million at the end of the 1st quarter.

2. Forecasts for the full term (April 1, 2005 to March 31, 2006)

	Sales	Recurring profit	Net income
Interim	184,000	10,000	5,000
Full term	380,000	24,500	13,000

Notes:

1. Estimated earnings per share (full term): ¥32.27.
2. Our performance forecasts were made based on the information that was available at the time of the announcement of earnings results, and is susceptible to exchange rate fluctuations and other latent risks and uncertainties. It is therefore possible that actual results may differ substantially from forecasts.

Supplementary disclosure on performance forecasts

We have made no revisions to our previous business performance forecasts, announced on May 16, 2005. Please take note that these forecasts do not reflect the possible effects on the Company's performance of the integration of business in the fields of carbon dioxide and medical-use gases, a move which was recently announced by the Company.