

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

July 30, 2021

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: August 6, 2021
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 quarter of FYE2022 (April 1, 2021– June 30, 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 quarter of FYE2022	218,303	18.3	24,572	74.6	24,572	74.6	16,403	115.0	16,062	116.0	20,387	14.3
First quarter of FYE2021	184,503	(12.3)	14,070	(35.2)	14,070	(33.3)	7,629	(40.2)	7,436	(39.1)	17,835	—

(Reference) Income before income taxes

First quarter of FYE2022: ¥22,202 million [93.1%]

First quarter of FYE2021: ¥11,495 million [(37.1%)]

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 quarter of FYE2022	37.12	—
First quarter of FYE2021	17.19	—

(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 quarter of FYE2022 (June 30, 2021)	1,842,429	557,316	526,326	28.6
FYE2021 (March 31, 2021)	1,836,294	543,900	513,164	27.9

2. Dividends

	Annual Dividend				
	End of 1 st quarter (Yen)	End of 2 nd quarter (Yen)	End of 3 rd quarter (Yen)	Term end (Yen)	Total (Yen)
FYE2021	—	14.00	—	16.00	30.00
FYE2022	—				
FYE2022 (est.)	—	16.00	—	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	865,000	5.7	96,000	10.0	96,500	8.6	60,000	5.5	58,200	5.4	134.49

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

(Reference) Income before income taxes

FYE2022 full term: ¥ 86,000 million [10.7%]

* Notes

(1) Changes in significant subsidiaries during the period: 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 Jun. 30, 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 Jun. 30, 2021	342,615 shares	As of Mar. 31, 2021	342,332 shares
3. Average number of shares during the period	As of Jun. 30, 2021	432,750,371 shares	As of Jun. 30, 2020	432,753,552 shares

* Quarterly financial reports are out of the scope of audit 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 quarter results.”

Contents

1. General information relating to the first quarter results.....	4
(1) Explanation concerning business results	4
(2) Explanation concerning financial position	5
(3) Explanation concerning predictive information such as forecasts for business operations	6
2. Condensed consolidated financial statements and main notes.....	7
(1) Condensed Consolidated Statement of Financial Position	7
(2) Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income	9
(3) Condensed Consolidated Statement of Changes in Equity.....	11
(4) Condensed Consolidated Statement of Cash Flows.....	13
(5) Notes to the Condensed Consolidated Financial Statements	14
(Note regarding going concern assumption).....	14
(Segment information)	14

1. General information relating to the first quarter results

(1) Explanation concerning business results

(General overview)

In the business environment surrounding the Nippon Sanso Holdings Group (NSHD Group) in the first quarter of the fiscal year under review (from April 1, 2021 to June 30, 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, mainly in Europe and the United States, 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 quarter 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 stable supply structure for air separation gases in its global geographic hubs.

Against this backdrop, the NSHD Group achieved the following results for the first quarter of the fiscal year under review. Revenue on a consolidated basis increased 18.3% year on year to ¥218,303 million, core operating income increased 74.6% to ¥24,572 million, operating income increased 74.6% to ¥24,572 million, and net income attributable to owners of the parent increased 116.0% to ¥16,062 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 changed its reportable segments. Therefore, to facilitate the year-on-year comparisons shown below, the figures for the first quarter 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. Meanwhile, in the electronics-related business, revenue from electronic materials gases also increased. In equipment and installation, medical-related equipment sales performed favorably, and sales in the electronics-related business also grew year on year.

As a result, in the Gas Business in Japan, revenue increased 8.0% year on year to ¥83,085 million and segment income increased 36.9% to ¥6,503 million.

② Gas Business in the United States

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

As a result, in the Gas Business in the United States, revenue increased 15.1% year on year to ¥51,659 million and segment income increased 100.1% to ¥7,043 million.

③ Gas Business in Europe

In the previous fiscal year, demand dropped sharply overall in the key regions 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 recovered gradually, leading to an increase in sales.

As a result, the Gas Business in Europe, revenue increased 35.3% year on year to ¥47,489 million and segment income increased 99.1% to ¥6,641 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 LPG, which makes up a large portion of sales in the Australia region, sales increased from an increase in unit sales prices due to an increase in the purchasing price on steady shipment volumes. In the electronics-related business, sales increased due to improved performance in electronic material gas shipment volume in East Asia. In equipment and installation, sales increased in the electronic-related business.

As a result, in the Gas Business in Asia & Oceania, revenue increased 29.8% year on year to ¥29,271 million and segment income increased 40.8% to ¥3,035 million.

⑤ **Thermos Business**

In the Thermos Businesses, in Japan revenue increased significantly year on year due to a sharp recovery in sales of portable mugs and sports bottles. 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 36.0% year on year to ¥6,744 million, and segment income increased 143.8% to ¥1,501 million.

(2) **Explanation concerning financial position**

Total assets amounted to ¥1,842,429 million as of June 30, 2021, an increase of ¥6,134 million from March 31, 2021. Due to the impact of foreign exchange rates, total assets were stated approximately ¥10.1 billion higher than they otherwise would have been reported. This mainly reflected foreign exchange rate changes such as the yen's depreciation of ¥0.13 against the U.S. dollar and the yen's depreciation of ¥1.78 against the euro as of June 30, 2021, compared with the rates as of March 31, 2021.

[Assets]

Total current assets amounted to ¥373,816 million as of June 30, 2021, an increase of ¥4,914 million from March 31, 2021, mainly reflecting increases in trade receivables and inventories, and a decrease in cash and cash equivalents.

Total non-current assets were ¥1,468,613 million, an increase of ¥1,219 million from March 31, 2021, mainly reflecting an increase in goodwill and a decrease in property, plant and equipment.

[Liabilities]

Total current liabilities were ¥335,778 million, an increase of ¥9,758 million from March 31, 2021, mainly reflecting an increase in bonds and borrowings and a decrease in income taxes payable.

Total non-current liabilities were ¥949,334 million, a decrease of ¥17,039 million from March 31, 2021, mainly reflecting a decrease in bonds and borrowings and an increase in deferred tax liabilities.

[Equity]

Total equity amounted to ¥557,316 million, an increase of ¥13,416 million from March 31, 2021. The main changes were an increase due to the recording of net income attributable to owners of the parent, a decrease in 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 28.6%, up 70 basis points from the previous fiscal year-end.

(Cash flow analysis)

(Cash flow from operating activities)

Net cash provided by operating activities amounted to ¥24,843 million. The main components were profit before income taxes, depreciation and amortization, and income taxes refund (paid).

(Cash flow from investing activities)

Net cash used in investing activities was ¥16,739 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 ¥15,153 million. The main uses of cash included repayments of long-term borrowings, a net increase in short-term borrowings, and net increase in commercial papers.

As a result of the Company's operating, investing and financing activities, the balance of cash and cash equivalents as of June 30, 2021, after accounting for the effects of exchange rates, was ¥85,252 million.

(3) Explanation concerning predictive information such as forecasts for business operations

The Company has not revised its forecasts for business operations announced on May 10, 2021.

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 June 30, 2021
Assets		
Current assets:		
Cash and cash equivalents	91,058	85,252
Trade receivables	182,077	186,181
Inventories	69,613	73,516
Other financial assets	6,710	7,332
Other current assets	19,441	21,532
Total current assets	368,901	373,816
Non-current assets:		
Plant, property and equipment:	685,733	682,947
Goodwill	455,036	457,679
Intangible assets	237,751	239,469
Investments accounted for using the equity method	32,295	33,034
Other financial assets	49,739	48,496
Retirement benefit asset	2,467	2,448
Other non-current assets	1,120	1,163
Deferred tax assets	3,249	3,372
Total non-current assets	1,467,393	1,468,613
Total assets	1,836,294	1,842,429

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

(Millions of yen)

	As of Mar. 31, 2021	As of June 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade payables	96,093	93,630
Bonds and borrowings	131,721	149,911
Income taxes payable	11,022	6,909
Other financial liabilities	58,428	55,335
Allowance	469	449
Other current liabilities	28,284	29,541
Total current liabilities	326,019	335,778
Non-current liabilities:		
Bonds and borrowings	780,895	761,253
Other financial liabilities	29,453	28,084
Retirement benefit liabilities	14,037	14,209
Allowance	3,870	4,135
Other non-current liabilities	19,359	20,251
Deferred tax liabilities	118,757	121,400
Total non-current liabilities	966,374	949,334
Total liabilities	1,292,394	1,285,112
Equity		
Share capital	37,344	37,344
Capital surplus	55,901	55,919
Treasury stock	(273)	(275)
Retained earnings	422,838	432,019
Other components of equity	(2,646)	1,318
Total equity attributable to owners of parent	513,164	526,326
Non-controlling interests	30,736	30,990
Total equity	543,900	557,316
Total liabilities and equity	1,836,294	1,842,429

**(2) Condensed Consolidated Statement of Profit or Loss and
 Condensed Consolidated Statement of Comprehensive Income**

(Condensed Consolidated Statement of Profit or Loss)

(Millions of yen)

	Three-months ended June 30, 2020	Three-months ended June 30, 2021
Revenue	184,503	218,303
Cost of sales	(113,769)	(131,548)
Gross profit	70,733	86,754
Selling, general and administrative expenses	(56,366)	(62,796)
Other operating income	545	509
Other operating expense	(616)	(567)
Share of profit of investments accounted for using the equity method	(225)	672
Operating profit	14,070	24,572
Finance income	867	639
Finance costs	(3,441)	(3,009)
Income before income taxes	11,495	22,202
Income taxes	(3,865)	(5,798)
Profit	7,629	16,403
Profit attributable to:		
Owners of parent	7,436	16,062
Non-controlling interests	192	340
Net income per share		
Basic earnings per share (Yen)	17.19	37.12

(Condensed Consolidated Statement of Comprehensive Income)

	(Millions of yen)	
	Three-months ended June 30, 2020	Three-months ended June 30, 2021
Profit	7,629	16,403
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	2,052	(301)
Remeasurements of defined benefit plans	(31)	0
Share of other comprehensive income of investments accounted for using the equity method	(33)	38
Total of items that will not be reclassified to profit or loss	1,987	(261)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	8,637	3,455
Effective portion of net change in fair value of cash flow hedges	28	20
Share of other comprehensive income of investments accounted for using the equity method	(446)	770
Total of items that may be reclassified subsequently to profit or loss	8,218	4,246
Total other comprehensive income	10,205	3,984
Comprehensive income	17,835	20,387
Comprehensive income attributable to:		
Owners of parent	17,482	20,029
Non-controlling interests	352	358

(3) Condensed Consolidated Statement of Changes in Equity

Three-months ended June 30, 2020 (April 1, 2020 to June 30, 2020)

	Share capital	Capital surplus	Treasury stock	(Millions of yen) Retained earnings
Balance at April 1, 2020	37,344	56,387	(268)	379,322
Net income	-	-	-	7,436
Other comprehensive income	-	-	-	-
Comprehensive income	-	-	-	7,436
Purchase of treasury stock	-	-	(0)	-
Dividends	-	-	-	(6,060)
Changes in ownership interest in subsidiaries	-	(318)	-	-
Transfer from other components of equity to retained earnings	-	-	-	(31)
Change in scope of consolidation	-	-	-	(110)
Other changes	-	-	-	-
Total transactions with owners	-	(318)	(0)	(6,202)
Balance at June 30, 2020	37,344	56,068	(269)	380,556

	Other components of equity								
	Exchange difference 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	
Net income	-	-	-	-	-	7,436	192	7,629	
Other comprehensive income	8,063	25	1,988	(31)	10,045	10,045	159	10,205	
Comprehensive income	8,063	25	1,988	(31)	10,045	17,482	352	17,835	
Purchase of treasury stock	-	-	-	-	-	(0)	-	(0)	
Dividends	-	-	-	-	-	(6,060)	(358)	(6,418)	
Changes in ownership interest in subsidiaries	-	-	-	-	-	(318)	(2,288)	(2,607)	
Transfer from other components of equity to retained earnings	-	-	(0)	31	31	-	-	-	
Change in scope of consolidation	-	-	-	-	-	(110)	-	(110)	
Other changes	-	-	-	-	-	-	10	10	
Total transactions with owners	-	-	(0)	31	31	(6,490)	(2,635)	(9,126)	
Balance at June 30, 2020	(63,106)	44	9,697	-	(53,364)	420,336	29,065	449,402	

Three-months ended June 30, 2021 (April 1, 2021 to June 30, 2021)

	Share capital	Capital surplus	Treasury stock	(Millions of yen) Retained earnings
Balance at April 1, 2021	37,344	55,901	(273)	422,838
Net income	-	-	-	16,062
Other comprehensive income	-	-	-	-
Comprehensive income				16,062
Purchase of treasury stock	-	-	(1)	-
Dividends	-	-	-	(6,926)
Changes in ownership interest in subsidiaries	-	17	-	-
Transfer from other components of equity to retained earnings	-	-	-	2
Change in scope of consolidation	-	-	-	43
Other changes	-	-	-	-
Total transactions with owners	-	17	(1)	(6,881)
Balance at June 30, 2021	37,344	55,919	(275)	432,019

	Other components of equity					Total	Total equity attributable to owners of parent	Non-controlling interests	Total 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	
Net income	-	-	-	-	-	16,062	340	16,403	
Other comprehensive income	4,200	20	(254)	0	3,967	3,967	17	3,984	
Comprehensive income	4,200	20	(254)	0	3,967	20,029	358	20,387	
Purchase of treasury stock	-	-	-	-	-	(1)	-	(1)	
Dividends	-	-	-	-	-	(6,926)	(425)	(7,3523)	
Changes in ownership interest in subsidiaries	-	-	-	-	-	17	242	259	
Transfer from other components of equity to retained earnings	-	-	(1)	(0)	(2)	-	-	-	
Change in scope of consolidation	-	-	-	-	-	43	-	43	
Other changes	-	-	-	-	-	-	78	78	
Total transactions with owners	-	-	(1)	(0)	(2)	(6,867)	(104)	(6,971)	
Balance at June 30, 2021	(13,828)	92	15,054	-	1,318	526,326	30,990	557,316	

(4) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Three-months ended June 30, 2020	Three-months ended June 30, 2021
Cash flow from operating activities		
Income before income taxes	11,495	22,202
Depreciation and amortization	21,456	23,204
Interest and dividends income	(376)	(406)
Interest expenses	3,428	3,009
Share of (profit) loss of investments accounted for using the equity method	225	(672)
Loss (gain) on sales and retirement of property, plant and equipment, and intangible assets	(0)	(28)
(Increase) decrease in trade receivables	9,590	(3,255)
(Increase) decrease in inventories	(2,666)	(3,624)
Increase (decrease) in trade payables	(11,459)	(3,376)
(Increase) decrease in retirement benefit asset	(98)	(144)
Increase (decrease) in retirement benefit liabilities	241	215
Other	(3,321)	(717)
Subtotal	28,512	36,406
Interest received	55	52
Dividends received	650	1,758
Interest paid	(3,659)	(2,895)
Income taxes refund (paid)	(4,667)	(10,479)
Net cash provided by operating activities	20,892	24,843
Cash flow from investing activities		
Purchase of property, plant and equipment	(15,242)	(15,875)
Proceeds from sale of property, plant and equipment	148	513
Purchase of investment	(187)	(714)
Proceeds from sales and redemption of investments	5	11
Payments for acquisition of subsidiaries	-	(520)
Other	(40)	(154)
Net cash used in investing activities	(15,317)	(16,739)
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	(2,211)	13,800
Net increase (decrease) in commercial papers	24,000	11,000
Proceeds from long-term borrowings	48,690	1,762
Repayments of long-term borrowings	(38,873)	(32,167)
Repayments of lease obligations	(1,986)	(2,193)
Purchases of investments in subsidiaries not resulting in change in scope of consolidation	(323)	(2)
Dividends paid	(6,060)	(6,926)
Dividends paid to non-controlling interests	(358)	(425)
Other	(0)	(0)
Net cash used in financing activities	22,875	(15,153)
Effect of exchange rate changes on cash and cash equivalents	344	990
Net increase (decrease) in cash and cash equivalents	28,794	(6,059)
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 term-end	128,819	85,252

(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 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 manufactures and distributes houseware items 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 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	Houseware and motion related products

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

Three-months ended June 30, 2020 (April 1, 2020 to June 30, 2020)

(¥ million)

	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	76,923	44,898	35,109	22,559	4,959	184,450	53	184,503
Revenue from inter-segment transactions and transfers	5,145	4,080	2	563	14	9,807	(9,807)	—
Total	82,069	48,979	35,112	23,122	4,973	194,257	(9,753)	184,503
Segment income (Note 2)	4,749	3,520	3,335	2,156	615	14,378	(308)	14,070

Notes: 1. The (¥308) million negative adjustment for segment income is comprised of (¥94) million of intersegment eliminations and companywide expenses of (¥214) 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).

Three-months ended June 30, 2021 (April 1, 2021 to June 30, 2021)

(¥ million)

	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	83,085	51,659	47,489	29,271	6,744	218,249	53	218,303
Revenue from inter-segment transactions and transfers	2,324	4,823	47	714	3	7,913	(7,913)	—
Total	85,410	56,482	47,536	29,986	6,747	226,163	(7,859)	218,303
Segment income (Note 2)	6,503	7,043	6,641	3,035	1,501	24,726	(153)	24,572

Notes: 1. The (¥153) million negative adjustment for segment income is comprised of ¥157 million of intersegment eliminations and companywide expenses of (¥311) 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.

	(¥ million)	
	Three-months ended June 30, 2020	Three- months ended June 30, 2021
Segment income	14,070	24,572
Operating income	14,070	24,572
Financial revenue	867	639
Financial expenses	(3,441)	(3,009)
Income before income taxes	11,495	22,202