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CONSOLIDATED FINANCIAL RESULTS

AIR WATER INC.

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1. Results for the year Ended March 31, 2009

(1) Financial Results

(The percentage figures represent the percentage of increase or decrease against the previous year.) Millions of Yen

	Net Sales	Percent Change	Operating Income	Percent Change	Net Income	Percent Change
Year Ended March 31, 2009	448,772	+5.3%	25,779	+0.8%	12,680	(12.6%)
Year Ended March 31, 2008	426,226	+5.3%	25,578	+10.7%	14,502	+22.1%

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)	Net Income to Equity	Operating Income to Net sales
Year Ended March 31, 2009	68.56	68.49	9.8%	5.7%
Year Ended March 31, 2008	79.29	78.63	12.2%	6.0%

Reference: Equity in net income of non-consolidated subsidiaries and affiliates : Year ended March 31, 2009 ; 2,304 million yen
Year Ended March 31, 2008 ; 2,283 million yen

(2) Financial Position

Millions of Yen

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share(Yen)
As of March 31, 2009	385,563	143,230	34.3%	715.60
As of March 31, 2008	353,399	137,991	36.1%	689.41

Reference: Equity : As of March31,2009 ; 132,327 million yen
As of March31,2008 ; 127,567 million yen

(3) Summary of Consolidated Cash Flows

Millions of Yen

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Year Ended March 31, 2009	27,884	(39,999)	22,784	23,185
Year Ended March 31, 2008	21,664	(36,033)	9,800	12,524

2. Dividends

	Dividend per Share(Yen)			Total Dividend Payment (Millions of yen)	Pay-out Ratio (Consolidated)	Dividend to Net Assets (Consolidated)
	Interim	Year-End	Annual			
Year Ended March 31, 2009	11.00	11.00	22.00	4,068	32.1%	3.1%
Year Ended March 31, 2008	10.00	12.00	22.00	4,071	27.7%	3.3%

3. Other Information

(1) Changes in Significant Consolidated Subsidiaries (Changes in Specified Subsidiaries Involving Changes of Scope of Consolidation)

None

(2) Changes in Accounting Principles, Procedures and Presentation Methods for Consolidated Financial Results

(1) Changes arising from revision of accounting standards: Yes

(2) Changes arising from other factors: None

(3) Number of shares Outstanding (Ordinary Shares)

(1) Number of shares outstanding (including treasury stock)	as of March 31, 2009 ;	185,205,057 shares
	as of March 31, 2008 ;	185,205,057 shares
(2) Number of shares of treasury stock	as of March 31, 2009 ;	286,177 shares
	as of March 31, 2008 ;	165,218 shares

1. Operating Results

(1) Analysis of Operating Results

<FY 2008 Operating Results>

The business circumstances in this term for AWI Group had been good until the end of the second quarter as a high level of production continued in the manufacturing industry in general. After the financial crisis in September, however, the business environment for major Industrial and Chemical business rapidly worsened as both production and investment slowed down with the sharp decline in exports. With respect to steel business, production adjustment started by the end of the third quarter and one of the biggest production cuts started during the forth quarter. In the field of electronics, silicon wafers and special glass were the first to start production adjustment, followed by significant production reduction. Production adjustment further expanded to such fields as the chemical, automobile, construction equipment and construction business, leading to contraction of production in all industries in Japan except shipbuilding and creating unprecedentedly difficult circumstances for AWI Group.

Under such circumstances, Medical business, Energy business, Food Products business and other businesses targeting consumers generated greater earnings than in previous year as the structural reform to increase profitability laid out in the med-term business plan solidly made progress. Those consumer businesses, together with the industrial businesses until the second quarter, led the operating results of the fiscal year 2008.

As the result of the foregoing, net sales increased to ¥448,772 million (105.3% of the previous fiscal year) and operating income to ¥25,779 million (100.8%). Ordinary income also increased to ¥27,873 million (100.6%) while net income and net income per share decreased to ¥12,680 million (87.4%) and ¥68.56 (86.5%), respectively.

Results by segment are summarized as follows:

(million yen)

	Net Sales		Operating Income	
	FY 2008	Y/Y Growth	FY 2008	Y/Y Growth
Industrial Business	201,245	103.4%	16,652	93.9%
Medical Business	52,958	102.2%	2,299	175.6%
Chemical Business	109,560	120.0%	3,001	94.6%
Energy Business	47,545	93.1%	1,908	112.7%
Other Businesses	37,463	100.1%	1,916	115.2%
Total	448,772	105.3%	25,779	100.8%

<Industrial Business>

Driven by high production and steady capital investment in the manufacturing industry in general, strong demand for industrial gas continued by the end of the second quarter. After the third quarter, however, production adjustment started first with silicon wafers which had suffered from the global semiconductor market slowdown, followed by massive production cutbacks by integrated steelmakers. That caused significant decrease in the supply of oxygen and argon. In relation to flat panel business including special glass, growth in the supply of nitrogen gas slowed down as new capital investment plans were reconsidered and postponed while investment to on-site plants being rescheduled. Nonetheless, existing plants of major customers in the electronics industry continued solid operation and showed steady growth. Meanwhile the large-scale cryogenic air separation unit which started operation in January 2008 within the premise of AWI's Kashima factory contributed greatly to the every conservation and rationalization of the factory. Construction of the on-site plant at SHARP's industrial complex in Sakai was completed as originally planned, and the test run started. Moreover a total of four the ”VSU”, the liquid oxygen/nitrogen co-production plant, started operation during fiscal year 2009 including the eighth VSU built in Fuji city, Shizuoka in January 2009. They expanded local production bases and contribute to more efficient transportation and more stable supply of industrial gases to meet local demands. The VSU decentralized industrial gas supply system was recognised as an innovative business model to supply industrial gases while significantly reducing carbon dioxide emissions and won “Agency for Natural Resources and Energy Director-General’s Award” at Energy Conservation Best Practice Competition 2008.

<Chemical Business>

Until the end of the second quarter, crude benzene in Basic Chemical business remained steady on tight supply-demand balance. From the third quarter, however, the business circumstances turned sour as sales price sharply declined with the market slowdown of oil-related products. In relation to tar distillation business of C-Chem Co., Ltd., electrode pitch cokes remained steady. With additional promotion and introduction of existing products and new products, Fine Chemical business also stood firm in the pharmaceutical intermediate market which has shown steady growth in recent years. Magnesia business remained firm as a high level production continued for magnesium oxide for electromagnetic steel sheets to meet global development of electricity infrastructure.

Seawater business centering on salt production faced difficult circumstances as efforts to enhance profitability through streamlined distribution system and group-based sales activities failed to absorb increasing costs caused by an unexpectedly steep rise of energy price.

<Medical Business>

In respect of Medical business, medical oxygen showed steady growth as local production bases with VSU contributed to efficient manufacturing and distribution of medical oxygen. In the field of medical equipment, profitability has been improved through concentration on perinatal and pediatric ventilators which utilize the medical gas technology and growing circulatory equipment. Hospital facility construction business remained steady with increased orders for interior design/finish work for operation rooms. SPD (Supply Processing and Distribution) business significantly improved profitability by actively engaging itself in improvement of contract terms with client hospitals and rationalization of purchasing process while making efforts to increase client hospitals and reduce transportation cost, for instance, for Contract Sterilization Services business.

<Energy Business>

Energy business faced difficult circumstances as sales of LP gas and kerosene declined because of the searing summer and warm winter, consumers’ increasing awareness toward energy consumption and intensified competition with other energy sources as shown in increasingly popular house entirely powered by electricity while sharp change in purchase prices caused loss of inventory revaluation. Despite such circumstances, results of structural reform such as increased proportion of direct sales as a result of acquisition of trade rights and reduction of costs for recharging and transporting LP gas certainly contributed to increased profits.

<Other Businesses>

Although Logistics business faced difficult circumstances such as decline in overall handling volume in general logistics in addition to surge in energy prices food logistics and medical/environmental logistics remained steady.

Despite declined sales in fishery products resulted from high cost of raw materials and market shrink, Food Products business as a whole remained steady with solid growth in livestock products supported by expanded sales of raw ham to major retail stores and acquisition of new customers for ham for institutional use.

<Outlook for Fiscal Year 2009>

As prospects for Japanese and world economy remain bleak, business circumstances similar to those of the forth quarter of 2008 are expected to continue in fiscal year 2009. Although some industries in Japan have began to ease production cuts, significant time seems to be required for a real recovery.

Under such circumstances, AWI Group which has participated as industrial gas supplier in all the major national-level projects in Kinki area in the field of, for instance, iron and steel, liquid crystal and PDP is developing industrial gas supply systems as planned to meet demands of each company. In relation to solar cell business which attracts worldwide attention as a new energy field, demands from various peripheral industries are increasing as market grows and further growth is expected especially with special gases and chemical products. In fiscal year 2010 which marks the final year of the medium-term business plan “Renovation 330,” we will focus on growth business while further reinforcing and promoting structural reform to enhance profitability in the difficult economic environment.

Based on the foregoing, our earnings forecast for fiscal year 2009 is: consolidated net sales -- ¥425 billion (94.7% of the previous year); consolidated operating income -- ¥27 billion (104.7%); consolidated ordinary income -- ¥28 billion (100.5%) and consolidated net income ¥13.8 billion (108.8%).

(2) Analysis of Financial standing

Assets, liabilities and net assets (consolidated)

Total assets as of March 31, 2009 increased by JPY32.1 billion from March 31, 2008 to JPY385.5 billion, due primarily to increases in current assets and property, plant and equipment. Liabilities increased by JPY26.9 billion to JPY242.3 billion, due to issuance of unsecured convertible bonds and an increase in long-term borrowings. Net assets recorded a JPY5.2 billion growth over the previous period to arrive at JPY143.2 billion, owing chiefly to current net profits being added to retained earnings.

Net assets per share, which was JPY689.41 as of March 31, 2008 , rose to JPY715.60 as of March 31, 2009.

Cash flows (consolidated)

Cash flows from operating activities increased by JPY6.2 billion from the previous period to JPY27.8 billion, due to an increase in depreciation expense and a decrease in working capital, despite a decline in income before income taxes and minority interests.

Cash flows from investing activities ware an outflow of JPY39.9 billion, an increase of JPY3.9 billion compared with the previous period, due to increases in expenditures on property, plant and equipment and loans relating to plant and equipment investments in industrial gas business. As a result, free cash flow was an outflow of JPY12.1 billion, an increase of JPY 2.2 billion over the previous period.

Cash flows from financing activities increased by JPY12.9 billion from the previous period to JPY22.7 billion, due to borrowing of investment funds and issuance of bonds with new share reservation rights.

As a result, the balance in cash and cash equivalents as of March 31, 2009 increased by JPY10.6 billion from March 31, 2008 to JPY23.1 billion.