Our vision toward FY2030 = terrAWell30

Our Purpose

Meeting society's needs
with nature's blessings.

"Terra" means the earth in Latin, and "Well" comes from wellness = healthy life. The name "terrAWell30" represents our aspiration that AW (AIR WATER) will connect the earth and wellness.

terrAWell30

The "terrAWell30" concept

The Air Water Group will contribute to solving social issues through its business activities in line with the two growth axes of "Global Environment" and "Wellness" toward 2030, taking into account social challenges such as climate change and super-aging society, to achieve sustainable growth and enhance corporate value. We will aim to maximize both economic and social value through "creating new corporate value by solving social issues," and by achieving synergies generated by creatively combining "diverse business, human resources, and technologies" acquired over approx. 20 years since Air Water's establishment.

Capital Efficiency Initiatives

Through the pursuit of integrated group management, the Group's management resources will be totally optimized, increasing capital efficiency.

ROE: 12 % or higher

ROIC: 8 % or higher

Increased Profitability

Operating Profit 160 billion yen

Operating Margin: 10%

Non-financial KPIs

GHG emissions cut
30 %
(vs. FY2020)
(65% in FY2021)

Waste recycling rate
80 %

Water consumption intensity cut
10 %
(vs. FY2021)

Global Environment

Create new corporate value through solving social issues

Wellness

Expanded business

Revenue 1.6 trillion yen

of which 20% from overseas revenue

Society we aim for

- Decarbonization
- Resource recycling-oriented
- Where people and nature coexist
- Smart Society
- With long healthy lifespan

Basic policy of "terrAWell30"

We create synergies by optimizing Group management resources to expand growth areas, strengthen profitability, and incubate new businesses.

Optimizing group-wide resources

Bases	Key Initiatives
Core Business	● Drive growth by expanding overseas ● Evolve it through inter-business fusion ● Incubate new regional businesses
Technology	● Develop technologies, harness the group-wide engineering resources
Human Resources	● Conduct management that leverages human resources
Corporate	● Strengthen the group strategy functions Data management (DX) / logistics / procurement / ESG initiatives
Investment & Financing	● Positively reinforce the cycle of growth and investment

Business Strategy → Expand Growth Areas

Creating Synergies → Strengthen Profitability

Functional Strategies → Incubate New Businesses

Progress in growth strategies

Toward the realization of "terrAWell30," we will work on creating new businesses that contribute to solving social issues, with carbon neutrality and agriculture business as key themes while aiming for medium-term growth in the digital, semiconductor-related, and overseas industrial gas fields.

Expand Growth Areas

FOCUS 1 **Digital and semiconductor related** (→P28-29)

Providing total solution in addition to stable gas supply

FOCUS 2 **Overseas industrial gases** (→P30-31)

India

Driving both the "expansion of gas production and supply infrastructure" and "on-site gas supply to the steel industry" as our two core initiatives

North America

Positioning the "expansion of industrial gas supply infrastructure" and "enhancement of cryogenic equipment technology" as growth drivers.

Incubate New Businesses

FOCUS 3 **Carbon neutrality** (→P32-35)

Incorporating carbon neutrality into growth to achieve a sustainable society

FOCUS 4 **Agriculture** (→P36-37)

Solving agriculture and fruit and vegetable distribution issues through diverse business foundations and strengthened alliances

FOCUS 1

Digital and semiconductor related

— Providing total solution in addition to stable gas supply

In Japan, the semiconductor production base is being strengthened, and the market is expected to expand in the future.

We see this as a major growth opportunity for the Group and are executing the largest capital investment in our history. We aim to further expand our digital and semiconductor-related business by leveraging our business model that captures market growth as demand, covering various phases from new semiconductor plant construction to operation and facility expansion for production expansion.

Edge 1

Stable supply of high-purity gases to semiconductor plants

We provide on-site gas supply with our latest large-scale air separation plant "V1D" as core equipment, earning a high reputation from customers for our stable supply of high-purity gases essential for semiconductor manufacturing, maximizing the technologies from our founding industrial gas business. In addition, we will accelerate investment in gas supply plants to meet future demand growth.

Implementing largest ever investment in plant and equipment in conjunction with new and expanded large-scale semiconductor plant

In response to the industry trends of increasing capital investment in the fields of memory and sensors, as well as the establishment of manufacturing plants for advanced logic semiconductors in Japan, we are aggressively executing capital investment in large cryogenic air separation plants.

Increase in orders in line with renovation and expansion of existing (mid-size) semiconductor plants

In addition to the fact that production facilities are being expanded at existing semiconductor plants, demand for semiconductors shows signs of recovery due to developments in edge computing and generative AI technologies. In response to these industry trends, we are focusing on promoting the "V1," a nitrogen gas generator, and orders received doubled over the past five years on average.

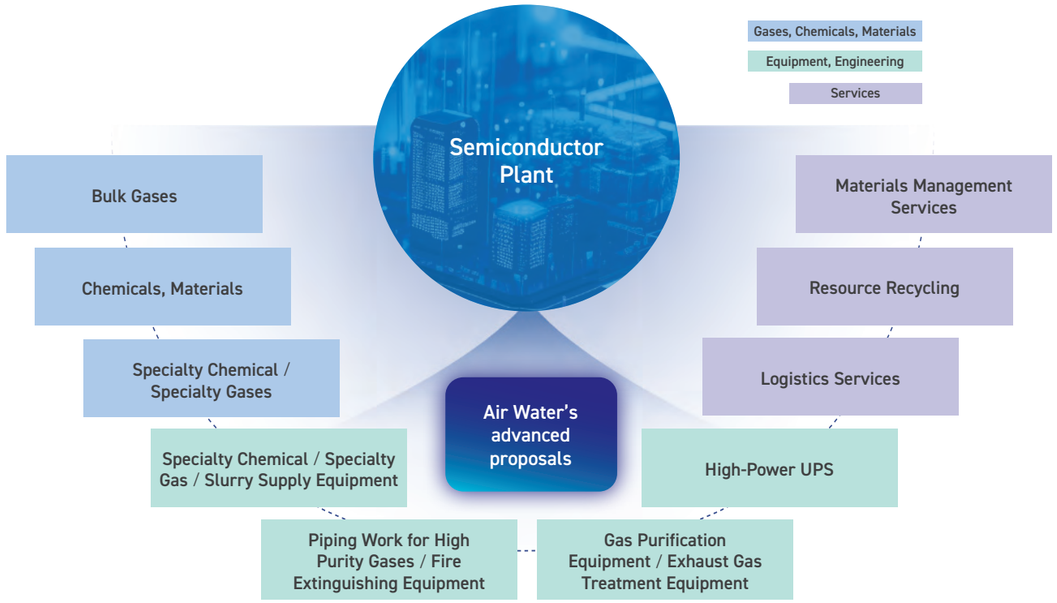
Edge 2

Providing products and services supporting semiconductor manufacturing as a one-stop total solution

We provide services as a one-stop total solution, integrating typically fragmented processes such as gas supply management and equipment maintenance, going beyond mere gas supply.

We have further evolved from being a stable supplier of not only gases but also specialty chemicals, chemical products, and other materials necessary for semiconductor manufacturing, and we support semiconductor plant operations by providing services such as materials management, logistics, and venous resource recycling.

Additionally, we provide products and services essential for the construction and stable operation of semiconductor plants, including the delivery of necessary equipment and facilities and the installation of high-purity piping. We support semiconductor manufacturing at every phase, making comprehensive contribution toward efficient semiconductor production.



The Group has built a business model that captures semiconductor market growth as demand by covering various phases from construction to operation of semiconductor plant, and from facility enhancement to production expansion, through our wide range of product and service groups.

When the plant is constructed, we build the gas plant and warehouse as our own facilities, while piping and equipment are laid as customer facilities. Upon completion of the plant, we will supply gases, specialty materials and chemicals as well as provide material management, logistics and resource recycling services. Moreover, this structure increases our opportunities to support our customers through factory expansions and other means.

FOCUS 2

Overseas Industrial Gases

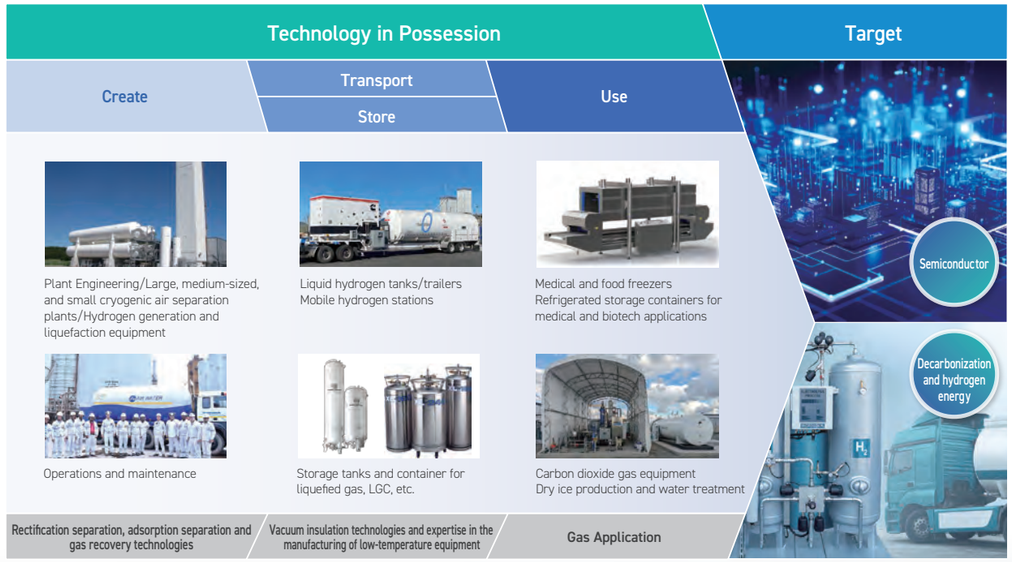
— For India, driving both the "expansion of gas production and supply infrastructure" and "on-site gas supply to the steel industry" as our two core initiatives
For North America, positioning the "expansion of industrial gas supply infrastructure" and "enhancement of cryogenic equipment technology" as growth drivers

The Group's overseas expansion is part of its efforts to strengthen its industrial gas business and pursue growth potential. The industrial gas business can continuously develop in coexistence with the customers and communities where the plants are installed, and can be expected to serve as a cash cow for the Group. Therefore, in 2013, we began overseas business development targeting India, where market growth has been remarkable due to an increase in population and domestic demand expansion, followed by America in 2016, the world's largest industrial gas market and a place where innovation is thriving.

Concept of Overseas Expansion

Our strategy for overseas expansion is to tap into the emerging industrial gas market by combining the plant engineering, cryogenic, and plant operation technologies we have developed over many years at each phase of the industrial gas supply chain with added value such as energy conservation, low-carbon and decarbonization, and stable supply. The Company possesses competitive capabilities in these technologies that enable us to effectively compete against its peers in overseas markets. In addition, we are one of the few companies that can provide all the technologies related to industrial gases in-house, including cryogenic air separation, adsorption separation, liquefaction, capture and purification of carbon dioxide and noble gases, hydrogen production, cryogenic equipment, and gas applications. Furthermore, we are accelerating growth by early infrastructure development in target markets through large-scale M&A and capital investment.

In addition, the steel, semiconductor, and decarbonization sectors, which are potential key customers, are undergoing a period of market transformation, becoming green fields that require further technological innovation. These areas are also receiving strategic government support across various countries for strengthening and expanding domestic industries and ensuring economic security, presenting numerous business opportunities for us. In the medium- to long-term, we will expand our efforts overseas as well to address social issues and create added value.

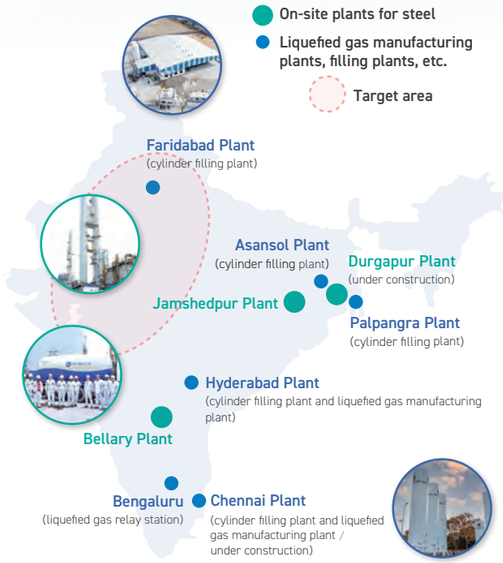


India

In India, we aim to achieve dramatic growth through our growth strategies of "expansion of gas production and supply infrastructure" and "on-site gas supply for the steel industry" to capture the robust industrial gas demand driven by domestic consumption.

Currently, we are constructing a liquefied gas production plant and cylinder filling plant in Chennai, South India, expected to start operations. Prior to this, cylinder filling plant in Faridabad near Delhi was completed and put into operation in April 2024. Going forward, we will expand liquefied gas production and supply infrastructure in the northern and western regions to capture demand in these areas.

Furthermore, in on-site gas supply for steel, we secured a gas supply contract with the Durgapur steel plant of SAIL, the Indian state-owned Steel Authority of India Limited, in 2023. Construction of an on-site gas supply plant with a capacity of 1,250 tons/day is scheduled to start operation in FY2025 or later. With this contract, we will have established supply capabilities to three out of India's four major blast furnace manufacturers. The Indian government has set a goal of raising crude steel production to 300 million tons by 2030, and we will continue to expand our business by acquiring on-site projects.



North America

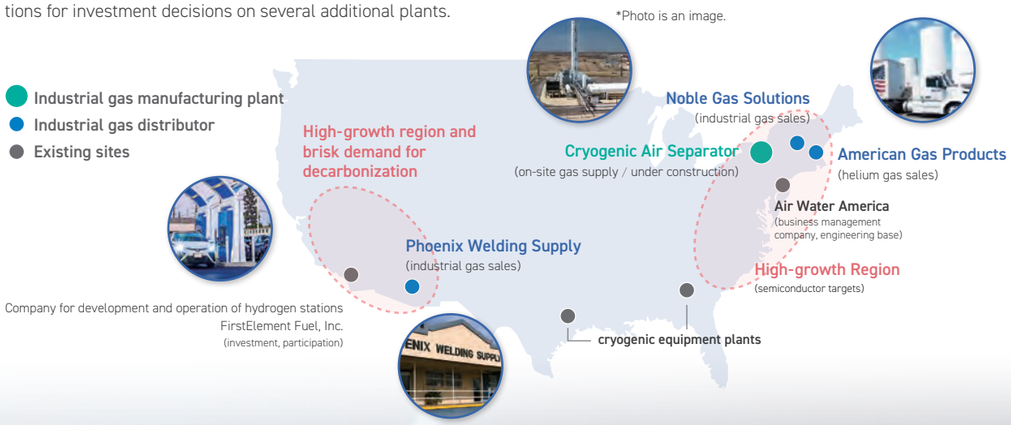
In the U.S., we aim to grow our industrial gas business mainly on the East Coast, a market growth area, with the growth strategies of "acquiring commercial rights and bases through M&A of distributors and industrial gas businesses" and "expanding gas production and supply infrastructure" and "large-scale on-site gas supply for new semiconductor plants and green chemical plants."

Currently, we are constructing an on-site and liquefied gas production plant in New York State, scheduled to be operational in FY2026 or later. New semiconductor plant is planned to be built in the vicinity of the plant construction site, and this plant will be used as a back-up base to acquire on-site gas supply projects in the surrounding area. In FY2024, we are in negotiations for investment decisions on several additional plants.

In addition, we are working on the manufacture and sale of green liquefied hydrogen and liquefied hydrogen transportation and storage equipment to meet the growing demand for hydrogen that is expected to accompany the spread of FC commercial vehicles in the future, as well as to capture emerging gas and equipment demand. In FY2024, we received an order for a mobile liquefied hydrogen recharger from commercial FC truck manufacturer.

Going forward, we aim to achieve dramatic growth in the world's most advanced North American market, with "expansion of industrial gas supply infrastructure" and "enhancement of cryogenic equipment technology" as growth drivers.

*Photo is an image.



FOCUS 3

Carbon Neutrality

Incorporating carbon neutrality into growth to achieve a sustainable society

The Group promotes initiatives from the two aspects of "responsibility" to reduce its own greenhouse gas (GHG) emissions and "contribution" to reduce GHG emissions in society through its products and businesses, not only viewing global environmental issues as its "corporate social responsibility," but as a path to sustainable growth.

In particular, we see "contribution" to reducing society's GHG emissions as a key growth strategy for our group, and will accelerate our efforts in this area.

Responsibility

Reducing GHG emissions from Air Water Group

(Scope 1+2)

- 30% cut by FY2030 (vs. FY2020*)
- Carbon neutrality by 2050

Contribution

Reducing GHG in society through business activities

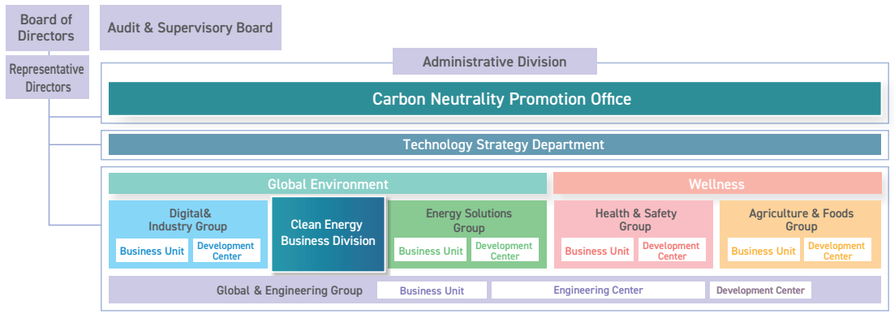
- Providing products and solutions that contribute to carbon neutrality
- Developing technologies to realize carbon neutrality and driving rapid social implementation

*It targets energy-derived CO_2 emissions (Scope 1 and 2) from consolidated subsidiaries in Japan, out of GHG.

Established Carbon Neutrality Promotion Office

In April 2024, we established the Carbon Neutrality Promotion Office to plan and promote various measures to address climate change, creating a system to make advanced efforts in "responsibility" and "contribution". We support our efforts to be a "leading carbon neutral company" by introducing the visualization of CO_2 value within the Group (Internal Carbon Pricing), promoting investment in energy-saving, and accelerating our social contributions.

At the same time, we established the "Clean Energy Business Division" as a cross-group organization to promote business development and technological innovation for carbon neutrality. We set carbon neutrality as one of our core themes of our management strategy and strengthens our efforts in this area.



TOPICS

In April 2024, we introduced the "Internal Carbon Pricing (ICP) System," under which the company sets its own CO_2 price and uses it as a basis for investment decisions. The introduction of the ICP will recognize the CO_2 costs associated with investments and promote decarbonization investments.

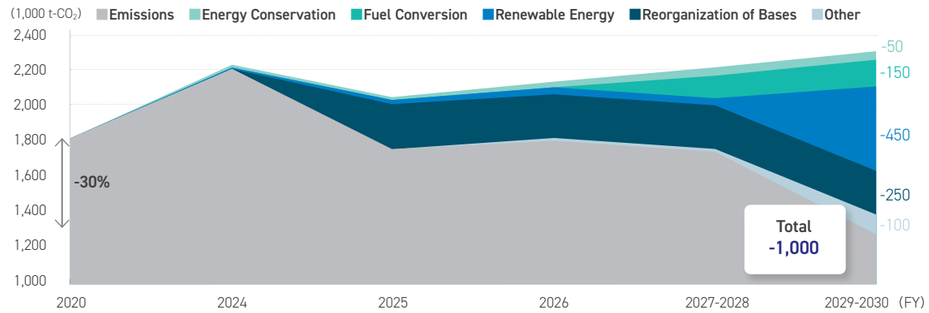
Our "Responsibility" (Reducing GHG emissions from Air Water Group)

The Group consumes a large amount of energy and emits CO_2 in its business activities, primarily through the operation of industrial gas production plants. Currently, we are taking proactive measures to address climate change, focusing on energy conservation, power greening, and biomass fuel utilization, aiming to achieve both GHG emission reduction targets and our business growth.

GHG Emission Reduction Targets and Policies

Following the establishment of "Environmental Vision 2050," the Group has set a KPI for CO_2 emission reduction targets (Scope 1 and 2) for domestic consolidated subsidiaries by FY2030 as a milestone in its response to climate change. Based on GHG Protocol calculations, we aim for a "30% reduction by FY2030 (vs. FY2020)."

GHG Emissions Reduction Roadmap



For direct emissions from our own production activities (Scope 1), we reduce emissions through low-carbon and decarbonization measures including converting energy used in production processes to biomass fuels, etc., and energy conservation activities. In addition, for indirect emissions from externally purchased energy (Scope 2), we aim to reduce emissions through green power utilization including solar power, leveraging environmental value withing the Group. Our vision is to achieve carbon neutrality by 2050, including the use of next generation energy sources (hydrogen, ammonia, synthetic fuels, etc.).

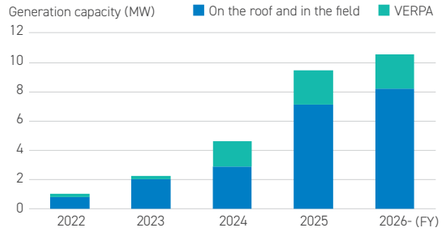
Initiatives to reduce our GHG emissions

Installation of renewable energy

The Group is working to reduce GHG emissions by converting part of the energy used at its plants and other facilities to renewable energy sources. In FY2023, we installed solar power generation system at four of the Group's sites, including the Atsugi Logistics Center of Air Water Logistics Co., Ltd., utilizing the PPA*. This is expected to reduce annual emissions by approximately 600 t-CO_2. Going forward, we will also focus on expanding the installation of the vertical solar power system "VERPA" to our group companies, aiming to achieve a 10 MW power generation capacity early on. We will continue to install PPA and solar power systems at our sites to conduct environmentally conscious business activities.

*PPA is an abbreviation for "Power Purchase Agreement Model," which refers to a "power sales contract" between a power provider (PPA provider) who sells electricity to users and power users.

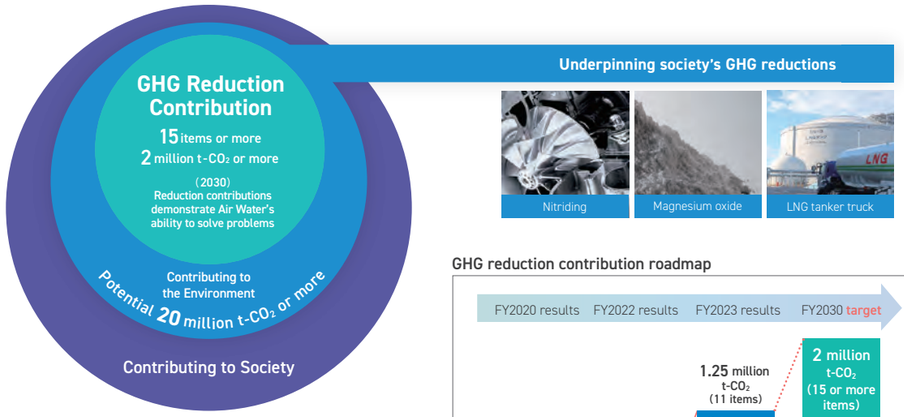
Solar power system installation plan



"Contribution" to Society (Reducing GHG in society through our products and business activities)

The Group considers the reduction of greenhouse gas (GHG) emissions in society through its business activities as a "contribution" and promotes efforts to reduce GHG emissions from both the perspective of its own "responsibility" and our "contribution."

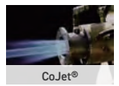
Products and services groups that contribute to society (conceptual diagram)



GHG reduction contribution roadmap

*Scheduled for third-party verification

Products that Contribute to GHG Reductions for Society

Scope	Areas	Business and products	Product image
Scope1	• Renewable energy • Equipment powered by alternative fuels • Chemical products • Exhaust gas treatment equipment • Hydrogen generator • CO_2 recovery system • Welding gas (not containing carbon) • Water and space heating system • Shower bathing system	Biomethane, biodiesel V Satellite, a compact LNG satellite facility MAXIMOL®, an urethane raw material NF3, detoxification equipment VHR, a high-efficiency hydrogen gas generator $ReCO_2$ STATION®, a small CO_2 recovery and dry ice production system ELNACKS®, an argon-oxygen mixture gas VIVIDO®, hybrid water and space heating system Biami®, shower bathing system for nursing care	 V satellite  VHR  $ReCO_2$ STATION®  Maximol®
Scope2	• Energy-saving devices and equipment • Oxygen burner for electric furnaces • Biomass power generation business • Solar power generation	Nitrogen PSA CoJet® Wood biomass power plant VERPA®, a vertical solar power system	 CoJet®  Wood biomass power plant
Scope3	• Regenerated wood	ECOROCA® series of deck materials	 ECOROCA®

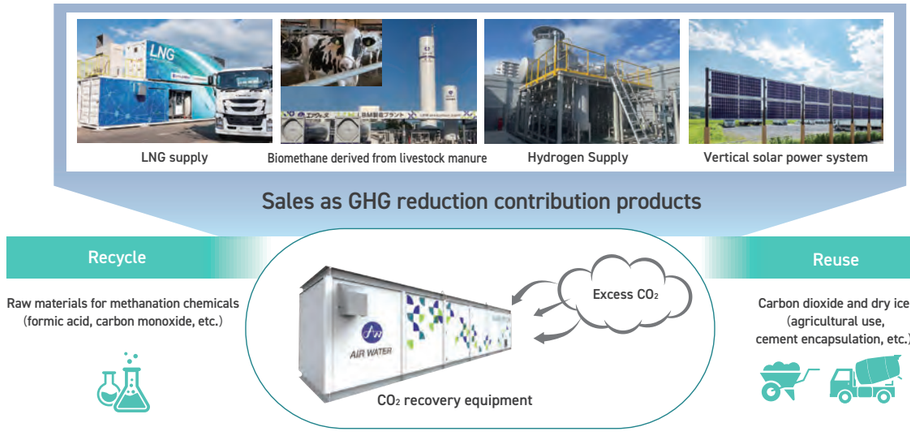
Total GHG reduction contribution 1.25 million t-CO_2/year (FY2023 results)

The total GHG reduction contribution from our products and services that contribute to carbon neutrality is 1.25 million t-CO_2/year (FY2023 results). Specific products and businesses include renewable energy and fuel conversion equipment, urethane raw materials that replace fluorocarbons with low global warming potential, energy-saving nitrogen gas generators, and oxygen burners for electric furnaces that reduce electricity consumption. From a business perspective, in addition to increasing the sales of these products, we will also enhance our external image as a "leading carbon neutral company," which will lead to an increase in our corporate value. This initiative will also broadly aligns with our commitment to "solve social issues."

We have set GHG reduction contribution as an indicator of our ability to solve social issues, targeting 2 million t-CO_2 in FY2030.

Technology development contributing to carbon neutral society

The issue of climate change is not only our Materiality to address, but a great business opportunity. We are focusing on development in the fields of clean energy supply, such as biomethane and low-carbon hydrogen, and CO_2 capture and reuse, by making full use of gas control technologies cultivated in our industrial gas business, including separation, purification, liquefaction, and storage. The technologies developed here will contribute to the reduction of society's GHG emissions in the future as "GHG reduction contribution products."



Social implementation initiatives

The Group has a diverse business portfolio related to industrial gas, including medical, energy, agriculture, and food, as well as infrastructure, human resources, and customer bases rooted in each region. By creating synergies from these management resources, the Group's strength lies in its ability to contribute to solving complex social issues.

We believe that in order to create new businesses in line with the progress of carbon neutrality, it is important to explore needs, understand the growth potential of the market, and identify technologies that can be our strengths, so we have established a wide range of external collaborations, including private companies, local governments, universities, and even local communities. Particularly in Hokkaido, where the Group's management resources are concentrated, we are developing new donation system for local governments and establishing open innovation facilities, providing a venue for exploring new business opportunities. In June 2024, Sapporo City, Hokkaido was also designated as a "GX Financial and Asset Management Special Zone", we plan to continue working on various social demonstrations and business models.

Started joint demonstration operation of vertical solar power generation at "Seven-Eleven" store parking lots

In Hokkaido, Donation support programs for municipalities

Commercial use of biomethane derived from livestock manure begins

Open innovation facility "Air Water Forest" (Scheduled to open in December 2024)

FOCUS 4

Agriculture

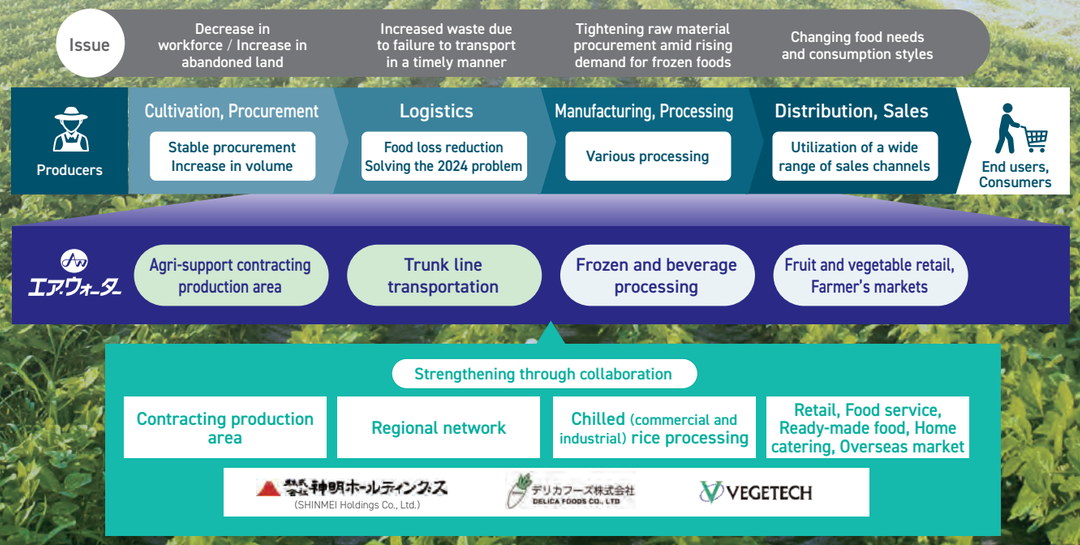
Solving agriculture and fruit and vegetable distribution issues through diverse business foundations and strengthened alliances

Our agribusiness (Agroprocessing) is based in Hokkaido, the largest agricultural production area in Japan. Based on strong connections with producers through contract cultivation and procurement of raw vegetables, we have developed a stable supply system by processing agricultural products into the required form and utilizing our distinctive logistics network that links production areas and consumption areas, and freshness preservation technology developed through our industrial gas business.

On the other hand, the domestic agriculture and fruit and vegetable distribution sectors are facing challenges such as food security, declining food self-sufficiency, shortage of agricultural workers, and insufficient transportation capacity for agricultural products due to the logistics 2024 problem.

Recognizing the necessity of building large-scale collaboration partnerships to address these social issues, we have started partnering with VEGETECH Co.,Ltd a fruit & veg trading company, and DELICA FOODS HOLDINGS CO., LTD. which sells whole/cut vegetables for commercial use, in February 2023. And in March 2024, we entered into a capital and business alliance with SHINMEI Holdings Co., Ltd., Japan's largest rice wholesaler. The combined annual fruit and vegetable handling volume of these four companies is approx. 900,000 tons (7% of total domestic fruit and vegetable shipments), the largest volume in the industry, with total sales exceeding 700 billion yen, forming Japan's largest industry alliance.

Through this four-company collaboration, we will lead to increased transactions among the four companies by strengthening raw material procurement functions and utilizing each other's resources in processing, distributions, and sales, and will also contribute to the establishment of a stable supply system and the promotion of local agriculture. By strengthening rice, fruit and vegetables procurement networks and enhancing "rice, fruit and vegetable distribution and processing platform," which has a value chain and logistics network that extends from the procurement to processing and sales, we will build a sustainable agricultural model and work to solve social issues faced by agriculture and fruit and vegetable distribution.

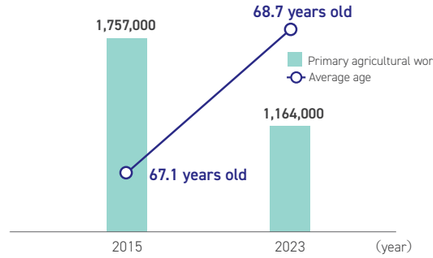


Our initiatives in the agribusiness

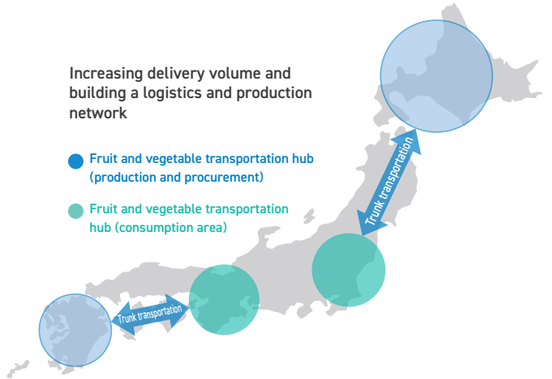
1. Cultivation and procurement

Through collaboration, we will mutually utilize each company's contract farmers and procurement routes to diversify production area risks and increase the handling volume of products. In production areas facing serious labor shortages, we develop an agri-support business providing services such as arranging agricultural machinery and performing farm work such as seeding and harvesting. By guaranteeing complete purchase of crops, we stabilize farm management while expanding contract farming to strengthen procurement capabilities. The business is currently focused on Hokkaido, but will be expanded to Kyushu and the mainland in the future, as well as to train agricultural experts to support growth.

Declining and aging agricultural workforce



Source: Compiled by the Company based on "Statistics on Agricultural Labor Force" (Feb. 2024), Ministry of Agriculture, Forestry and Fisheries of Japan



2. Logistics

We have completed construction of a trunk distribution network linking distribution centers in the Kanto and Kansai regions, which are consumption areas, with production areas, establishing transportation centers in Hokkaido and Kumamoto Prefecture, which are production areas. Switching from one-way to round-trip transport between Hokkaido-Kanto and Kyushu-Kansai, and adding new routes between Hokkaido-Kansai and rice transport from Tohoku, our regular service frequency in FY2024 increased 7.5 times from the previous fiscal year. In collaboration, we are further strengthening our logistics network by utilizing the secondary delivery networks of each company.

3. Manufacturing and processing

We possess diverse production and processing technologies to meet a variety of food needs, from mainly agricultural products to frozen and beverage processing, as well as ham, delicatessen and confectionery.

We reduce food waste by utilizing non-standard products as ingredients for confectionery, and will also further promote the prevention of deterioration of freshness during transportation by utilizing our preservation technology.

4. Distribution and sales

Through collaboration with each company, we aim to develop and expand our sales network with a focus on the retail and food service, and ready-made food industry. VEGETECH Co.,Ltd. has a strong network with supermarkets and convenience stores while Delica Foods Holdings Co., Ltd. has strong connections with the food service industry. Shinmei Holdings Co., Ltd. is engaged in retail sales, as well as overseas sales and restaurant operations. Each company will ensure a stable supply to the sales networks where they have strengths.

Technology Development Strategy

For the Company, technology development is the source of solutions to add value to products and services and to meet customer needs, and is indispensable in creating businesses that contribute to solving social issues.

Technology development structure

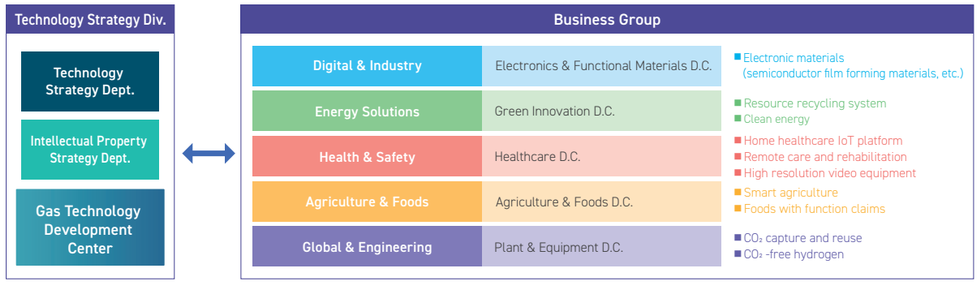
The "Development Center" established within each business group conducts integrated operations from market analysis through development to commercialization, accelerating and streamlining technological development.

To manage this development across the divisions, in July 2024, we established the Technology Strategy Division, which includes the Technology Strategy Department, the Intellectual Property Strategy Department, and the Gas Technology Development Center, as an organization directly under the president. The Technology Strategy Department and the Intellectual Property Strategy Department serve as a technological platform for the entire group, providing internal development support and encouraging external collaboration to accelerate technological development. In addition, the Gas Technology Development Center explores gas applications across all business fields and develops new businesses, creating connection across our diverse operations.

R&D themes

Each business group has established core themes such as "semiconductor materials," "decarbonized energy," "medical devices," "smart agriculture," and "plant technology," and is advancing technological development.

We are also advancing development in three additional themes. The first is "industrial gas," our foundation and source of synergy, focusing on gas production methods, utilization and application development. Additionally, we have identified "seawater," including magnesium, which was the origin of our company name, and "regenerative medicine," including the world's first practical application of dental pulp regenerative treatment, as themes we intend to further strengthen.



Air Water Group's R&D & Incubation hubs

We are developing bases for the creation, development, and dissemination of new businesses that will contribute to solving social issues. These facilities will serve as a stage for the development of technology through the promotion of open innovation, as well as for the enhancement of brand power through information dissemination, and develop human resources through the process of creating new businesses by technology.

Birthplace of the dental pulp regenerative treatment

International Advanced Medical Center @Kobe

R&D center to create new products and services for healthy "living" for people **[Opened in Sept. 2019]**

Gathering of wisdom in Hokkaido

Air Water Forest

A hub to create new businesses that contribute to solving regional issues in Hokkaido by bringing new ideas and collaboration with research institutions, universities, local governments, and local companies. **[Opening in Dec. 2024]**

For experiencing and co-creating a healthy lifestyle

Air Water Kento

A place to create and communicate a wide business related to "wellness" in the 100-year-life era, contributing to a longer healthy life. **[Opened in Sept. 2023]**

Circulating resources, energy, agriculture, and aquaculture

Nature's Blessing Farm Matsumoto

Developing a carbon-neutral, resource recycling-oriented model where energy is locally produced and consumed in four plants: biomass gasification & power generation, methane fermentation, smart land-based aquaculture, and smart agriculture **[Under construction]**

AI/DX Strategy

The Group is strengthening its AI and DX strategy and actively working to achieve sustainable growth and solve social issues. As digital technology becomes increasingly important worldwide, we are promoting data-driven management across the entire group. This initiative aims not only to improve operational efficiency, but also to create new value by maximizing synergies among the various businesses within the group.

Furthermore, to further accelerate digital transformation utilizing cutting-edge technologies such as AI and IoT, we implemented an organizational restructuring in July 2024 to strengthen its digital infrastructure. This enables rapid decision-making and technology adoption, and promotes a higher level of innovation.

In addition, we are also focusing on the development of digital human resources through in-house recruitment and practical training, building a framework where all employees can enjoy the benefits of digital technology and be ready to take charge of future-oriented change.

3 DX pillars + 2 infrastructure enhancements

The Group has three DX pillars of "Management," "Operations," and "Business," and is promoting digital transformation by deploying highly specialized personnel in each of these areas. To support these initiatives, we are also focusing on strengthening foundation systems and structures. By enhancing the human resources and organizational structure supporting these three initiatives, the Group will achieve sustainable growth and improve its competitiveness.

DX for management

Promoting data-driven management

To strengthen data-driven management decisions, we have assembled a team of data scientists and members with management expertise, ensuring speedy and highly accurate decision-making.

DX for operation

Dramatic improvement of operational efficiency

To promote automation and efficiency in business processes, we have assigned specialists in RPA implementation and process improvement to optimize operations.

DX for business

Efficient new business development

Promoting the creation of new business models and the advancement of existing businesses by utilizing cutting-edge technologies such as AI and IoT. Maximize inter-business synergies to enhance group-wide competitiveness.

Infrastructure & Security

Strengthening DX infrastructure

We will build an infrastructure system that will enable us to "create new corporate through solving of social issues" while improving profitability and capital efficiency, along with strengthening security measures.

DX management

Strengthening AI and DX structures

Starting with online courses, we will address the shortage of AI/DX human resources and train professionals in management, business innovation, and business creation to accelerate DX promotion through the activation of community activities and other opportunities to share case studies that lead to the creation of business results.

PTX, inc., an operating company of the "Powl," a point scavenging application with over 5 million membership users, joins the Group.

- Strengthening digital marketing -

We will strengthen the connection between the Group and public individuals, etc., to improve our recognition and brand image, which will also benefit our new graduate recruitment activities. Additionally, by utilizing digital marketing across the Group's various businesses, we will strengthen product development capabilities based on customer feedback and implement targeted promotions to expand awareness of our products and services. Through these efforts, we will not only improve customer satisfaction but also create innovative businesses.

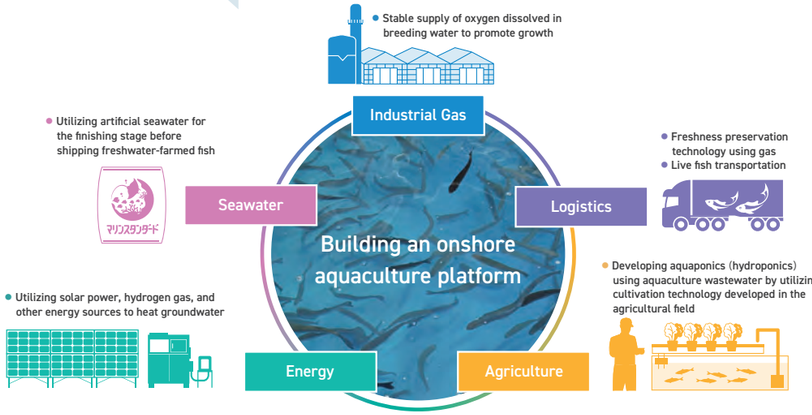
Creating Synergies

The Group's strength lies in our ability to create (incubate) new businesses by combining our abundant management resources, including human resources, technologies, and business models, from our diverse business portfolio, which we have cultivated with industrial gas as our core business. We will create businesses that contribute to solving social issues that cannot be confronted by a single business alone, generating the seeds for the next stage of growth.

Case 1

Confronting the food crisis and protein crisis by establishing a "land-based aquaculture platform" business

The Group possesses numerous technologies necessary for aquaculture operations, including oxygen and other gas supply, energy, artificial seawater, fish freshness preservation, and water treatment plant development and design, and is working to commercialize an "onshore aquaculture platform" that combines and packages these technologies.

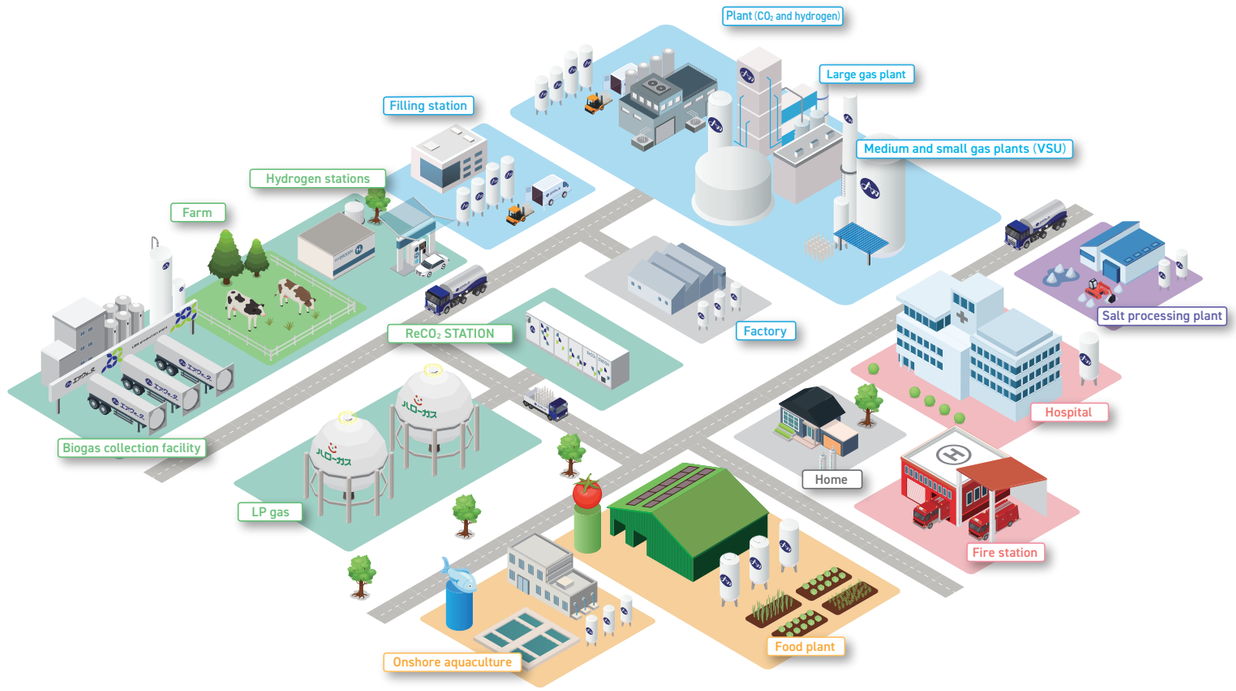


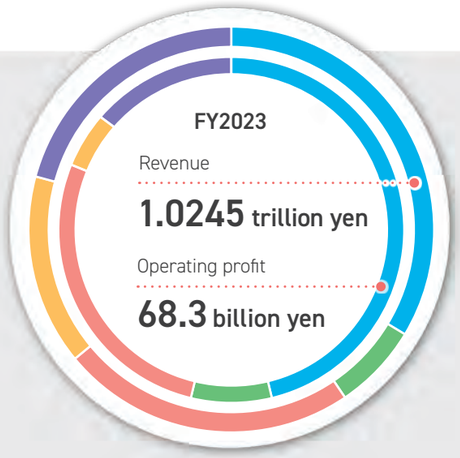
Case 2

In addition to providing a stable supply of high-purity gases essential for semiconductor manufacturing, we will steadily capture demand from the ever-expanding semiconductor market by offering integrated in-house solutions ranging from developing of various equipment devices to manufacturing and sales.

Business Overview

Starting from the industrial gas supply, our business has expanded diversely in stable markets that are essential to manufacturing and people's daily lives. Our stable business portfolio is now able to generate sustainable growth, regardless of changes in the business environment.





	FY2023 (Results)		FY2024 (Forecast)*2	
	Revenue	Operating profit (billion yen)	Revenue	Operating profit (billion yen)
Digital & Industry	339.4	33.6	360	38
Energy Solutions	66.6	4	70	4.5
Health & Safety	230.9	15.1	245	17
Agriculture & Foods	162.6	6.9	180	8
Other	225.1	10.8	245	13.3
Adjustments*1		(2.1)		(2.8)
Total	1024.5	68.3	1100	78

*1 Adjustments: Elimination of intersegment transactions and profit/loss of the Company's headquarter divisions not allocated to each segment
*2 Figures are forecasts at the beginning of the period