May 12, 2022

FY 2021 Consolidated Financial Results (Under IFRS)

AIR WATER INC.
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(Note: All amounts are rounded down to the nearest million yen.)

1. Results for FY 2021 (The year ended March 31, 2022)

(1) Consolidated operating results

(% of change from previous year)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2021	888,668	10.2	65,174	27.2	64,230	29.4	46,263	52.1	43,214	57.9	54,130	27.5
FY2020	806,630	-0.3	51,231	1.2	49,651	-0.4	30,410	-9.3	27,367	-10.1	42,445	48.4

	Basic earnings per share	Diluted earnings per share	Ratio of profit to equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	Yen	Yen	%	%	%
FY2021	191.06	190.86	11.5	6.6	7.3
FY2020	120.98	120.84	7.9	5.4	6.4

(Reference) Share of profit of investments accounted for using the equity method:
1,942 million yen for FY2021, 2,287 million yen for FY2020

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	Million yen	Million yen	Million yen	%	Yen
FY2021	1,022,031	419,857	395,131	38.7	1,744.42
FY2020	926,821	372,389	357,797	38.6	1,584.86

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
FY2021	71,572	-53,154	-6,622	59,554
FY2020	76,601	-52,699	-20,889	45,983

2. Dividends

	Dividend per share					Total amount of dividends	Dividend payout ratio	Ratio of dividends to equity attributable to owners of parent
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2020	－	22.00	－	22.00	44.00	10,040	36.4	2.9
FY2021	－	27.00	－	29.00	56.00	12,817	29.3	3.4
FY2022 (Forecasts)	－	28.00	－	28.00	56.00		28.8	

3. Forecast of consolidated operating results for FY2022 (The year ending March 31, 2023)

(% of change from previous year)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2022(1st half)	465,000	10.8	32,000	1.1	31,500	1.0	20,500	-0.4	90.50
FY2022(Full year)	1,000,000	12.5	70,000	7.4	68,000	5.9	44,000	1.8	194.25

Notes

(1) Significant changes in subsidiaries during the period (changes in specified subsidiaries with changes in the scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

a. Changes in accounting policies required by IFRS: None

b. Changes in accounting policies other than (a): None

c. Changes in accounting estimates: None

(3) Number of shares outstanding (ordinary shares)

a. Total number of shares outstanding (including treasury shares)

As of March 31, 2022: 229,755,057 shares

As of March 31, 2021: 229,755,057 shares

b. Number of shares of treasury shares

As of March 31, 2022: 3,243,163 shares

As of March 31, 2021: 3,995,259 shares

c. Average number of shares during the term

Year ended March 31, 2022: 226,182,260 shares

Year ended March 31, 2021: 226,221,158 shares

(Reference) Non-consolidated financial results

1. Results of non-consolidated operations for FY2021 (The year ended March 31, 2022)

(1) Non-consolidated operating results

(% of change from previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2021	141,824	17.5	-4,665	－	14,447	61.5	12,950	11.2
FY2020	120,722	-7.7	-6,620	－	8,943	-16.8	11,647	－

	Net income per share	Fully diluted net income per share
	Yen	Yen
FY2021	57.26	57.20
FY2020	51.49	51.43

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2021	529,393	209,193	39.5	922.25
FY2020	503,432	216,146	42.9	955.98

(Reference) Shareholder’s equity: 208,901 million yen for FY2021, 215,820 million yen for FY2020

* This report is exempt from audit procedure based on the Financial Instruments and Exchange Act.

* Explanations and other special notes concerning the appropriate use of business performance forecasts

- The forward-looking statements such as result forecasts included in this document are based on the information available to AIR WATER INC. (hereinafter “the Company”) at the time of the announcement and on certain assumptions considered reasonable. Actual results may differ materially from the forecast depending on a range of factors. For matters relating to the forecasts, please, refer to “4-(4) outlook for the next fiscal year”.

4.**Summary of operating results**

(1) Explanation of Operating Results

1) Operating results for the current period

During the consolidated fiscal year, prospects for the Japanese economy remained unpredictable given the prolonged measures taken against the COVID-19 pandemic in parallel with socioeconomic activities, aggravated by global uncertainty caused by Russia’s invasion of Ukraine, which began in February 2022. While the domestic manufacturing industry generally maintained a recovery trend led by export-related industries, the disruption of global supply chains and surge in resource prices that occurred in the second half of the fiscal year contributed to a decline in corporate performance. Despite some signs of recovery, consumer spending remained low throughout the fiscal year due to the impact of COVID-19 on consumer behavioral psychology.

Notwithstanding these significant changes in the external environment, AIR WATER INC. (hereinafter “the Company”) and its consolidated subsidiaries (collectively, “the Group”) have steadily executed structural reforms and strategies for further growth through a stable revenue base comprising businesses in diverse industries.

In the Industrial Gas Business, the Group worked to expand the electronics segment and the overseas business in India, where the growth potential is high, revamped its business portfolio, and launched an integration and reorganization of Group companies and other business structural reforms in the chemical, medical, agricultural, and food businesses to develop a foundation for the total optimization of production and sales systems and future business growth. In addition to the infectious disease and electronics businesses, demand for which increased in response to COVID-19, efforts based on changes in the market due to “living with COVID-19” in the energy, food, distribution, and other businesses were the driving force of sustainable business growth. The Group was also active in increasing and improving solutions to social issues, including verification projects for carbon neutrality and the enhancement of medical service systems in the pandemic.

Moreover, the consolidated fiscal year was the final year in the Group’s medium-term management plan, NEXT-2020 Final, which was implemented between FY2019 and FY2021. The Group strived to reach the targets in the plan and strengthened the Group management base in view of growth in the next-generation. It implemented organizational reforms of gas production, engineering, and technological development divisions, improved the structure of the management division, and promoted DX to raise company-wide operational efficiency and strengthen the Group’s revenue base. The Group also established a strategic alliance with Mitsui & Co., Ltd. and took steps to strengthen its business operation system with a focus on the industrial gas and engineering businesses in India and North America, based on a global strategy of overseas businesses driving medium- to long-term corporate growth. In addition to these measures, the three regional business companies established in October 2020 as core companies that would lead domestic businesses sought to meet demand after the recovery from COVID-19 and bolster their earnings strength through integration and reorganization. They also undertook mergers and acquisitions in the agricultural, food product, and environmental distribution industries to expand new businesses corresponding to local needs.

As a result, the Group reported revenue for the fiscal year of ¥888,668 million (110.2％ that of the previous year), operating profit of ¥65,174 million (127.2％), and profit attributable to owners of parent of ¥43,214 million (157.9％). All segments achieved an increase in both revenue and operating profit from those in the previous fiscal year to reach new record highs.

In comparison to the targets for the final fiscal year in the medium-term management plan, NEXT-2020 Final, the operating profit and profit attributable to owners of parent substantially exceeded the targets of 60,000 million yen and 37,000 million yen, respectively, despite failing to reach the revenue target of 1,000,000 million yen.

2) Consolidated results by segment for this period

（Million yen）

	Revenue		Operating profit	
	FY 2021	**YoY Growth**	**FY 2021**	**YoY Growth**
Industrial Gas Business	194,568	104.8％	21,558	103.3％
Chemical Business	39,129	117.3％	3,529	177.2％
Medical Business	195,170	104.7％	11,857	112.9％
Energy Business	61,594	116.0％	4,773	104.7％
Agriculture and Food Products Business	139,467	105.2％	5,717	141.9％
Logistics Business	58,441	109.7％	3,121	110.2％
Seawater Business	46,175	112.7％	3,828	124.2％
Other Businesses	154,119	127.0％	10,110	208.3％
（Adjustment）	－	－％	677	－％
Total	888,668	110.2％	65,174	127.2％

(Note) The adjustment to operating profit is due to costs incurred at the Company’s headquarters division which was not allocated to any reporting segment.

<Industrial gas business>

Revenue in this segment was ¥194,568 million (104.8％ that of the previous year), and operating profit was ¥21,558 million (103.3％).

Overall, the strong results of the gas supply services for electronics applications, the sale of special chemicals and equipment, and the industrial gas business in India led to an increase in profitability and contributed to improved business performance. In addition, on-site gas supply services for steel manufacturers and production activities in the domestic manufacturing industry generally remained on a recovery trend, resulting in an overall recovery in demand for industrial gases and a steady performance.

In the **gas business**, our gas supply services for electronics applications remained firm thanks to the ongoing capital expenditures and high-level operation of domestic semiconductor manufacturers, our major customers. In on-site gas supply services for steel manufacturers, the gas sales volume increased thanks to the recovery in production in the domestic manufacturing industry and an increase in crude steel production led by steel material exports. In our tanker truck and cylinder gas supply services, the services for electronic components, chemicals, machinery, and other products performed steadily, with sales volumes exceeding the levels in the previous fiscal year. However, the segment was affected by an increase in the cost of producing industrial gas due to a steep rise in electricity expenses that began in the second half of the fiscal year. Carbon dioxide sold well due to an increase in demand for dry ice for home delivery.

The **overseas business** remained strong as our on-site gas supply services for steel manufacturers maintained a high operating rate as a result of increased crude steel production in India, a key market. At the same time, the manufacturing industry in India remained strong throughout the fiscal year and responded to the supply shortages of medical oxygen caused by the COVID-19 pandemic in the first half of the fiscal year. As a result, off-site sales of industrial and medical-use gases through tanker truck and cylinder supply also remained steady.

The **equipment and construction-related business** focused on meeting demand related to semiconductor manufacturers’ investment in production growth and facility expansion, which resulted in a significant increase in sales of related construction, special chemical supply equipment, gas purification equipment, heat control systems for semiconductor manufacturing equipment, and other products.

<Chemical business>

Revenue in this segment was ¥39,129 million (117.3％ that of the previous year), and operating profit was ¥3,529 million (177.2％).

This segment instituted structural reforms to shift to the functional chemicals business focusing on electronics materials led by Air Water Performance Chemical Inc., which was established through a business merger in October 2021. The overall result of the business remained strong thanks to substantial year-on-year growth in the market for basic chemicals in addition to an increase in sales of electronic materials and precision polishing pads, demand for which grew rapidly in response to COVID-19.

In the electronic materials business of **Air Water Performance Chemical Inc.**, sales of thermosetting resin and functional monomers used for making semiconductor sealing materials were brisk, as electronics-related demand remained robust. Profitability also improved as a result of optimizing the production systems for the entire business, which had been in progress in previous years, in addition to the expansion of contracted synthesis business focusing on products used for electronic materials. The basic chemical business performed strongly due to buoyant market conditions for organic acids and other products in response to rising crude oil prices. In the functional chemical business, sales of quinone-based products for agrochemicals increased steadily.

In **other businesses**, sales of precision polishing pads, the mainstay products of Filwel Co., Ltd., remained strong based on growing demand for hard disks in response to growth in the data center market, in addition to steady sales of high-performance circuit products of Printec Corporation used for industrial robots.

<Medical business>

Revenue in this segment was ¥195,170 million (104.7％ that of the previous year), and operating profit was ¥11,857 million (112.9％).

The overall business result remained strong thanks to the full-year recovery of the mainstay business targeting hospitals from the previous fiscal year that was severely affected by COVID-19, our responses to changes in medical needs such as treatment for COVID-19, infection control, and vaccination, and the collective strengths of our group companies in making proposals that contributed to the solution of challenges at clinical sites.

The performance in the **facility business** was strong thanks to recovery in repair work and inspection and maintenance of hospital facilities such as operating rooms, which had been suspended because of the impact of COVID-19. Revenue in the **medical service business** continued to rise thanks to new customers acquired in the contracted sterilization business and increased efficiency in material procurement in SPD (supply, processing, and distribution management for hospitals). In the **medical gas business**, demand for medical-use oxygen increased due to a recovery in the number of surgeries and treatment for COVID-19. In the **home medical care business**, the number of oxygen concentrators leased to local governments rose. In the **medical equipment business**, the number of patients undergoing nitric oxide respiratory therapy increased.

The **hygiene products business** performed solidly, reflecting the capturing of demand for masks, hand sanitizers, and other infection control products that have taken root in our lives, despite the absence of the special demand seen in the same period a year earlier. In **other businesses**, the injection needle business turned in a solid performance, reflecting increased sales of syringe needles used for vaccination. The dental business remained strong thanks in part to ongoing demand for infection control products at our equity method affiliate, Ci Medical Co., Ltd.

<Energy business>

Revenue in this segment was ¥61,594 million (116.0％ that of the previous year), and operating profit was ¥4,773 million (104.7％).

As an overall business result, the LP gas unit selling price continued to rise in connection with the CP price used as an indicator of import prices. The unit selling price of kerosene also rose in the high-demand winter season in response to an increase in crude oil price, resulting in revenue growth. Profit also steadily increased, thanks to the appropriate transfer of a rise in import prices to selling prices and sophistication of operational process such as streamlining of delivery using IoT.

In the **LP gas business**, the total sales volume of LP gas increased thanks to a recovery in demand for industrial-use products and new sales expansion, offsetting a slight fall in the sales volume of household-use products due to a decrease in stay-at-home demand. Sales of kerosene remained steady as a result of the appropriate adjustment of the selling price and rationalization of purchasing, despite the impact of a rise in the thriftiness of consumers due to price hikes. In the equipment and construction-related business, sales of garage products appropriate for the climate of Hokkaido remained strong, offsetting the impact of supply shortages of gas-operated water heaters caused by shortages of semiconductors. The LP gas wholesale business in Vietnam was affected by restrictions on the operation of filling stations due to the city lockdown imposed in the latter half of the fiscal year, resulting in a decline in sales volume.

In the **natural gas business**, sales in the LNG supply business in Hokkaido and sales of a small LNG supply system, V Satellite and LNG tanker trucks remained steady thanks to growing demand for fossil fuel phase-out based on a rise in customer actions for carbon neutrality in response to the Japanese government's declaration of Carbon Neutrality by 2050.

<Agriculture and food products business>

Revenue in this segment was ¥139,467 million (105.2％ that of the previous year), and operating profit was ¥5,717 million (141.9％).

The overall business result was an increase in revenue achieved through a recovery in sales, particularly of beverages and confectionery, and a focus on the development of commercial products and sales promotion responding to food-related needs that changed because of the COVID-19 pandemic. Air Water Agri & Foods Co., Ltd. established in October 2021 through mergers and reorganization of the Group companies for the purpose of creating synergy in manufacturing, development, and sales drove the Group’s efforts to raise revenue by streamlining production and management.

The **farm products and food processing business** performed steadily, reflecting efforts in the ham & delicatessen sector to develop products in line with changing lifestyles, including the adoption of fully cooked new products for consumers by major mass retailers. In the confectionery sector, revenue recovered significantly on the production and distribution fronts, which have long been a focus of efforts, and sales to mass retailers and convenience stores were strong, reflecting product development in response to stay-at-home demand and extended best-before periods. The farm products and food processing business was affected by a fall in the harvesting of agricultural products from Hokkaido due to unseasonable weather. Further, in November 2021, we included PLUS Corporation, which operates the Farmers' Market Yottette, which are direct sales stores of agricultural products mainly in the Kansai area, in the scope of consolidation and recorded a gain on sale of land of subsidiaries.

In the **beverage business,** results exceeded year-ago levels, reflecting brisk sales from the contract production of vegetable beverages and plant milk drinks amid growing health awareness and the maintenance of high utilization rates at the PET bottle filling lines at the Eniwa plant in Hokkaido, which began operating in 2020.

Among **other businesses**, sales in the fruit and vegetable retail sector remained unchanged from the level of the previous fiscal year, attributable to a lack of visitors returning to department stores and other retailers. The agricultural equipment sector on the other hand performed solidly, bolstered by firm demand particularly for renewal and maintenance.

<Logistics business>

Revenue in this segment was ¥58,441 million (109.7% that of the previous year), and operating profit was ¥3,121 million (110.2%).

The overall business result includes steady performance of low-temperature logistics, demand for which grew during the COVID-19 pandemic, and an increase in general cargo volume such as trunk line transportation related to e-commerce as a result of progress in the development of in-house logistics networks in Kanto and Hokkaido, despite a rise in the diesel fuel price and the impact of delayed adjustment of vehicles in the car body manufacturing business primarily in the second half of the fiscal year. The new consolidation of the environmental logistics sector in Hokkaido through M&A also contributed to the strong result.

In the **transport business,** we have received large online sales contracts through promotion activities using the features of the logistics centers constructed in the northern Kanto region and in Hokkaido and increased freight volume through trunk line transportation due in part to the favorable performance of chassis transportation on ferry routes mainly for manufacturing materials and construction materials. The operating rate of in-house warehouses increased thanks to growing demand for low-temperature logistics sector mainly handling food products. An increase in the volume of medical waste at Reprowork Holdings Co., Ltd. operating in Hokkaido, which was merged in August 2021, also contributed to revenue growth.

In the **3PL (third party logistics) business** centered on food distribution, the volume of goods delivered to supermarkets and convenience stores steadily increased. The business continued to rationalize contract rates due to cost increase.

The **vehicle custom installation business**, which designs truck bodies and installs accessories, was affected by delayed production of truck bodies, and results were down year on year.

<Seawater business>

Revenue in this segment was ¥46,175 million (112.7% that of the previous year), and operating profit was ¥3,828 million (124.2%).

Starting from its main products such as commercial-use salts and magnesia for electromagnetic steel plates, in which we have the largest shares of the market, this segment has steadily enhanced its earning power through the development of diverse businesses derived from seawater involving the environment, electricity, foods, and urban infrastructure (water treatment and sewage pipe rehabilitation). The business as a whole maintained a strong result thanks to recovery in demand for the environment business and magnesia business and the start of operation of the new Ako No. 2 Biomass Power Plant.

The **salt business** performed steadily thanks to an increase in sales of salt for commercial-use and salt for roads. We revised the prices of salt products in the fourth quarter to accommodate an increase in energy costs. In the food product business, sales of environmentally friendly dried seaweed products for rice balls increased at convenience stores. Sales of magnesium hydroxide, particularly for steelworks, recovered in the **environment business**. The **electric power business** remained steady thanks to the continuously stable operation of the Ako No. 2 Biomass Power Plant, which commenced operation in January 2021. On the other hand, the results of **urban infrastructure business** decreased year on year, affected by the delayed start of water treatment facility construction.

The **magnesia business** performed strongly overall, reflecting an increase in the sales volume of ceramic products associated with growth in demand for fused magnesia used for heaters primarily for home appliances, despite the impact of rising prices of raw materials produced in China and an increase in the cost of ocean transportation.

<Other businesses>

Revenue in this segment was ¥154,119 million (127.0% that of the previous year), and operating profit was ¥10,110 million (208.3%).

In the **aerosol business**, profit remained flat due to a decrease in alcohol-based sanitizing agent, for which special demand emerged in the previous fiscal year, and an increase in raw material prices associated with a rising crude oil price, despite a continued high level of outsourced production of insecticides and paints for models to meet stay-at-home demand.

The **information and electronic materials business** continued to perform strongly both in Japan and overseas due to the ongoing trend for customers to increase their product inventory in response to growing global demand for semiconductors and electronic components.

The industrial gas equipment sector in the **overseas engineering business** remained steady thanks to growing demand for equipment backed by decarbonization such as liquefied hydrogen tanks and an increase in orders for carbon dioxide-related equipment and water-treatment-related equipment. The high power uninterrupted power supply systems (UPS) sector was affected by a number of delays in ongoing construction and the postponed start of new projects caused by restrictions on traveling to neighboring countries and economic activities primarily in Asia, offsetting the steady performance of service business, including maintenance.

The **electric power business** posted large year-on-year gains in sales and profit thanks to the continuously stable operation of the woody biomass fired power plant in Iwaki, Fukushima, which commenced operation in April 2021.

In **other businesses,** the O-rings business performed strongly, reflecting a sharp rise in sales of products for semiconductor manufacturing equipment.

(2) Summary of financial position for the current period

Total assets at the end of the consolidated fiscal year stood at ¥1,022,031 million, an increase of ¥95,210 million from the end of the previous consolidated fiscal year due primarily to increases in property, plant and equipment. Liabilities stood at ¥602,174 million, an increase of ¥47,743 million from the end of the previous consolidated fiscal year due mainly to increases in bonds and borrowings. Equity stood at ¥419,857 million, an increase of ¥47,467 million from the end of the previous consolidated fiscal year, due mainly to an increase in other components of equity and accumulation of profit attributable to owners of parent.

Equity attributable to owners of parent per share grew from ¥1,584.86 at the end of the previous consolidated fiscal year to ¥1,744.42, and ratio of equity attributable to owners of parent to total assets was 38.7%, compared with 38.6% at the end of the previous consolidated fiscal year.

(3) Summary of cash flows for the current period

Cash flows from operating activities was an inflow of ¥71,572 million after deducting payments including corporate income taxes from profit before tax and allowances for depreciation, which was a decrease of ¥5,028 million from the previous consolidated fiscal year.

Cash flows from investing activities was an outflow of ¥53,154 million, which was a decrease in expenditures of ¥455 million from the previous consolidated fiscal year, due mainly to a decrease in expenditures resulting from the purchase of property, plant and equipment, payments for the acquisition of shares in a subsidiary resulting in a change in the scope of consolidation, and the acquisition of businesses, despite a decrease in proceeds resulting from the recording of proceeds from sale of businesses in the previous fiscal year.

Cash flows from financing activities was an outflow of ¥6,622 million, which was a decrease in expenditures of ¥14,266 million from the previous consolidated fiscal year, due mainly to an increase in proceeds from the issuance of bonds and a decrease in expenditures resulting from repayments of borrowings a decrease in proceeds from borrowings, despite a decrease in proceeds from borrowings.

As a result, cash and cash equivalents at the end of the consolidated fiscal year stood at ¥59,554 million, an increase of ¥13,570 million from the end of the previous consolidated fiscal year.

(4) Outlook for the next fiscal year

Future socioeconomic activities are still expected to be inevitably affected by the repeated fluctuations in the severity of the COVID-19 pandemic. The clear emergence of geopolitical risk caused by the situation in Ukraine is having adverse effects on the entire global economy, and uncertainties such as the continuous depreciation of the yen and disruption in supply chains in the economic environment are expected to remain for the time being, in addition to the continuously high energy prices, raw material prices, and logistics costs.

The Air Water Group has established two key concepts, protection of the global environment and people’s wellness (healthy life), taking into account the diverse business domains in which the Group operates and global social issues such as the impact of climate change and the progress of the super aging society. In doing so, the Group strives to achieve corporate growth sustainable over many years in the future while responding to the uncertain economic outlook. Meanwhile, the Group adopted organizational reforms as of April 1, 2022, reorganizing the conventional internal companies and business units into four business groups and 12 business units in an attempt to strengthen the function of Group management strategy of the corporate divisions in line with the two growth concepts. The Company and its Group companies accompanied by regional business companies and engineering and technical development divisions, the structures for which were organized in previous years, will optimize the management resources of the Group, which grew through M&A, and create synergy beyond business borders through a shift to a more unified management system in order to further improve profitability and establish new businesses to lead the growth of the next generation. Because business strategies and human resource strategies are complementary, the Group will institute a personnel system reform to promote the mobility of human resources in the Group and the self-supportive career development of employees. Moreover, the Group will continue its efforts to reduce CO2 emissions and establish a renewable energy supply model through local production for local consumption with the aim of achieving its sustainability vision, a recycling-oriented society through coexistence with society and the Earth.

As its business strategy going forward, the Group will continue to actively improve M&A and capital investment under a basic policy of increasing domestic earnings strength and driving growth overseas. In overseas markets, the Group positions the industrial gas supply business in India and North America as a priority domain and will actively expand its businesses using the engineering technologies it has built over many years, in addition to its alliance with Mitsui & Co., Ltd. In the domestic market, the four business groups as new organizations will pursue business synergy based on technological innovation with the aim of achieving new growth in view of prevailing trends. In regional businesses, the Group will work to create new businesses to help address local issues and further increase earnings strength using the Group's diverse business domains and business bases rooted in local communities.

Meanwhile, the Group will seek thorough cost reduction and timely price revisions corresponding to global surges in raw material and fuel prices in the industrial gas business, in which the manufacturing costs rose due to a steep rise in electricity expenses, and other businesses such as chemicals, logistics, processed foods, salt, and industrial magnesia.

In consideration of these conditions, we forecast revenue of ¥1,000,000 million, operating profit of ¥70,000 million, profit before tax of ¥68,000 million, and profit attributable to owners of parent of ¥44,000 million for the next fiscal year.

The Group has executed its medium-term management plan, Next-2020 Final, for three years between FY2019 and FY2021, which was the period of the plan, as the final step toward the Group's growth target, the one-trillion-yen net-sales company vision, which the Group has been working to achieve since FY2010. In FY2022, the Group launched the next three-year medium-term management plan, which is based on the aim of creating synergy using the Group's strengths in business, technological, and human resource diversity, in view of the Group's target for 2030. The Group plans to announce the new medium-term management plan on its website and other media in July 2022.