
Fiscal year 2024 First Quarter

Financial Results
Explanatory Materials

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AIR WATER

August 8, 2024



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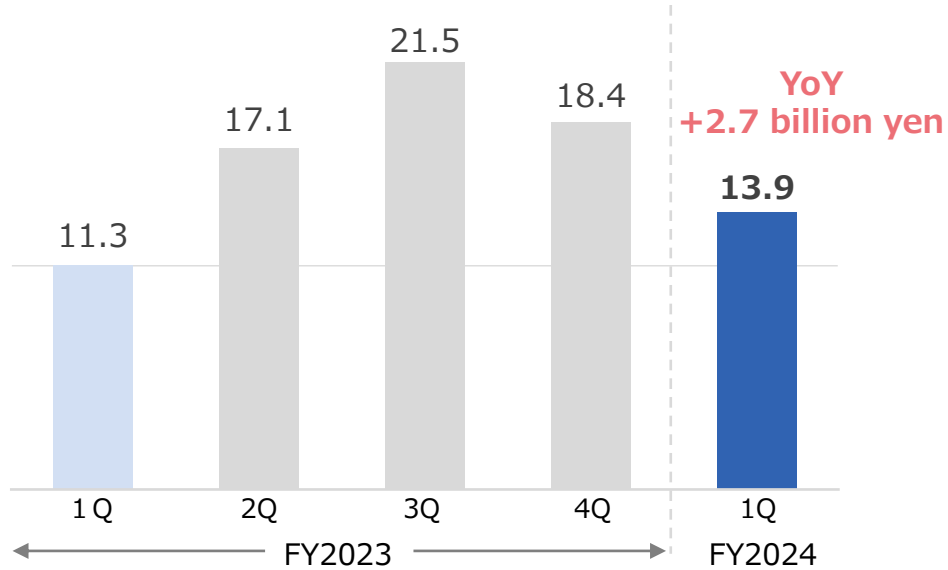
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Introduction

Main points of the First quarter financial results for Fiscal Year 2024

(Unit: Billion yen)	2023.1Q	2024.1Q	Increase/decrease	
			Amount	YoY
Revenue	230.0	245.9	+ 15.9	106.9%
Operating profit	11.3	13.9	+ 2.7	123.8%
Profit attributable to owners of parent	7.1	9.4	+ 2.2	131.1%
Operating profit ratio	4.9%	5.7%	+ 0.8pt	—

Operating profit by quarter (Billion yen)



First Quarter Financial Results for FY2024

- Revenue of 245.9 billion yen was a new record high for a first quarter. Operating profit was 13.9 billion yen, an increase of 2.7 billion yen year on year.
- All segments achieved year-on-year profit growth despite the uncertain business environment, such as a stagnant semiconductor market and weak yen in the business environment.
- In particular, the progress in the management of industrial gas prices in the Digital & Industry segment, the effect of new consolidation of Marushin Seika Co., Ltd. and American Gas Products, Inc., and growth of overseas businesses contributed to the profit growth.

FY2024 Full-Year Financial Results forecast

- No change from previous published figures. (Revenue of 1,100.0 billion yen and operating profit of 78.0 billion yen)

The Growth Strategy of Air Water



Efforts Made by the Group in Growth Markets during the First Quarter under Review

India (overseas business)



Cylinder gas filling plant started operation in the suburbs of Delhi, India

※ Faridabad, Haryana

- Cylinder gas filling plant started operation in an untapped area in the gas production and supply plant of Air Water India in the North.
- Expanded wide-area gas supply networks to improve market development and meet growing demand.

Digital (semiconductor)



Air Water Materials Inc. started construction of resource recycling plant for semiconductor materials in Kitakyushu.

- Established a joint company with Sanwa Yuka Industry Corporation, a leading solvent recycling company in Japan (Air Water's capital contribution ratio is 35%).
- Caters to demand for processing and recycling of used chemicals and waste materials in Kyushu where multiple new semiconductor plans are built.

Hydrogen (carbon neutrality)



Air Water Green Design Inc. built a new hydrogen gas production plant in Nagoya.

- Caters to demand for industrial hydrogen in Tokai area and responds to a rise in demand as future energy
- Established production plants for VHR, hydrogen gas generators, and compressed hydrogen gas to double the supply in the area.

* VHR is a device developed in house, which is capable of generating hydrogen gas from natural gas at the world's highest level of efficiency.

First Quarter Financial Results for Fiscal Year 2024

Consolidated income statement



(Unit: Billion yen)	FY2023.1Q	FY2024.1Q	Increase/decrease	
			Amount	YoY
Revenue	230.0	245.9	+ 15.9	106.9%
Cost of sales	▲182.2	▲193.3	▲11.1	
Gross profit	47.9	52.7	+ 4.8	110.1%
Selling, general and administrative expenses	▲37.7	▲39.9	▲2.2	
Other operating income and expenses	0.6	0.6	+ 0.0	
Share of profit of investments accounted for using the equity method	0.5	0.5	+ 0.0	
Operating profit	11.3	13.9	+ 2.7	123.8%
Finance income and costs	0.2	0.4	+ 0.1	
Profit before income taxes	11.5	14.3	+ 2.8	124.5%
Income taxes	▲4.1	▲4.7	▲0.6	
Loss from discontinued operations	▲0.0	▲0.0	▲0.0	
Profit	7.4	9.6	+ 2.3	130.6%
Owners of parent	7.1	9.4	+ 2.2	131.1%
Non-controlling interests	0.2	0.3	+ 0.0	
Operating profit margin	4.9%	5.7%		
Basic net earnings per share for the quarter *	31.39yen	41.01yen		

* Basic earnings per share for the quarter are calculated based on the average number of issued shares during the period.

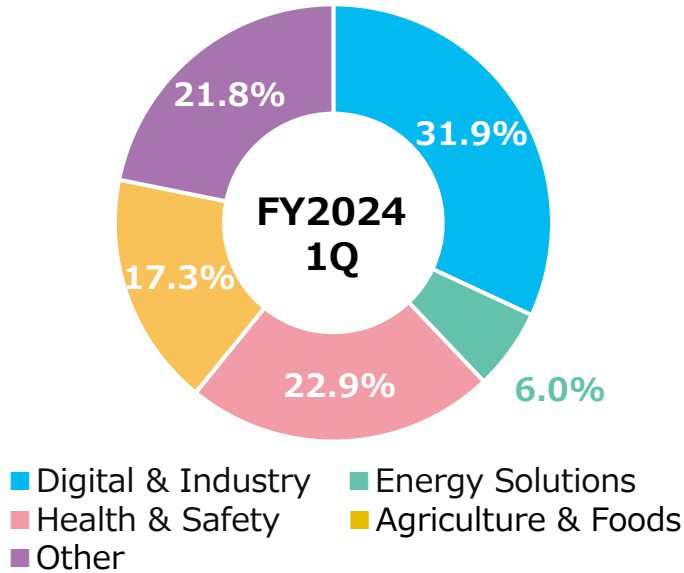


Revenue by segment

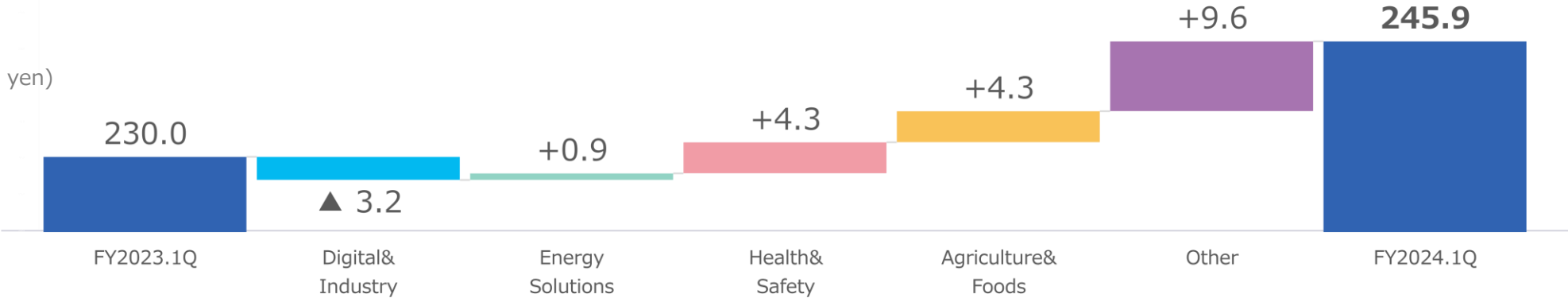
(Unit: Billion yen)

Group	FY2023.1Q	FY2024.1Q	Increase/decrease	
			Amount	YoY
Digital & Industry	81.7	78.5	▲3.2	96.1%
Energy Solutions	13.8	14.7	+0.9	106.7%
Health & Safety	52.1	56.4	+4.3	108.2%
Agriculture & Foods	38.3	42.6	+4.3	111.2%
Other	44.1	53.7	+9.6	121.9%
Total	230.0	245.9	+15.9	106.9%

Revenue composition ratio by segment



(Unit: Billion yen)



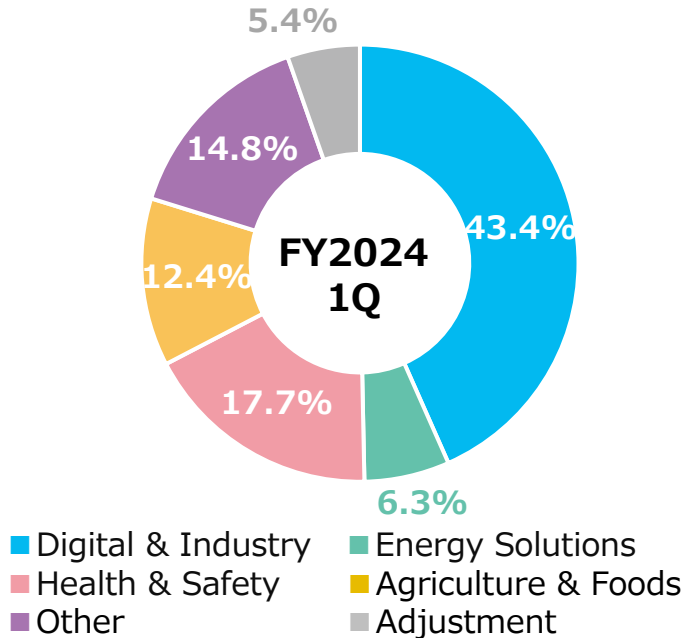


Operating profit by segment

(Unit: Billion yen)

Group	FY2023.1Q	FY2024.1Q	Increase/decrease	
			Amount	YoY
Digital & Industry	5.3	6.0	+ 0.7	114.0%
Energy Solutions	0.7	0.9	+ 0.2	132.1%
Health & Safety	2.4	2.5	+ 0.1	102.7%
Agriculture & Foods	1.4	1.7	+ 0.4	127.8%
Other	0.8	2.1	+ 1.3	253.7%
Adjustment*	0.7	0.7	+0.0	103.2%
Total	11.3	13.9	+ 2.7	123.8%

Operating profit composition ratio by segment



* Adjustment: Elimination of intersegment transactions and profit or loss of the Company's Head Office divisions that are not allocated to each reporting segment.

(Unit: Billion yen)





Digital & Industry increase/decrease factors

(Unit: Billion yen)	FY23.1Q	FY24.1Q	Increase/ decrease	YoY
Revenue	81.7	78.5	▲3.2	96.1%
Operating profit	5.3	6.0	+0.7	114.0%
Operating profit ratio	6.5%	7.7%	+1.2pt	—

Main increase/decrease factors

Revenue ▲3.2 billion yen

- 【－】
- Fall in the unit selling price of on-site gas supply ●★
 - Fall in the sale of basic chemicals ◆
- 【＋】
- Price revision of industrial gas ●

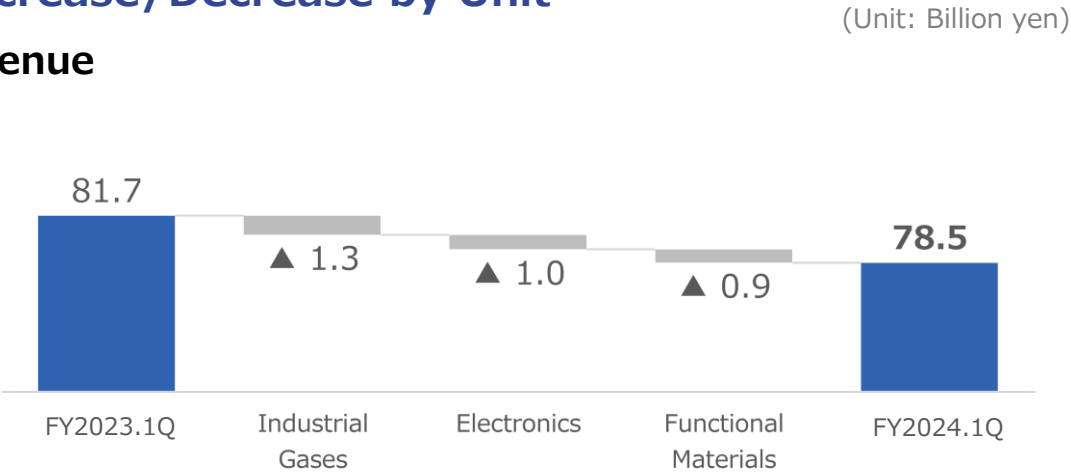
Operating profit +0.7 billion yen

- 【＋】
- Price revision of industrial gas ●
 - Increase in on-site gas sale for electronics ★
- 【－】
- Decrease in sale of o-rings for semiconductor manufacturing devices ★

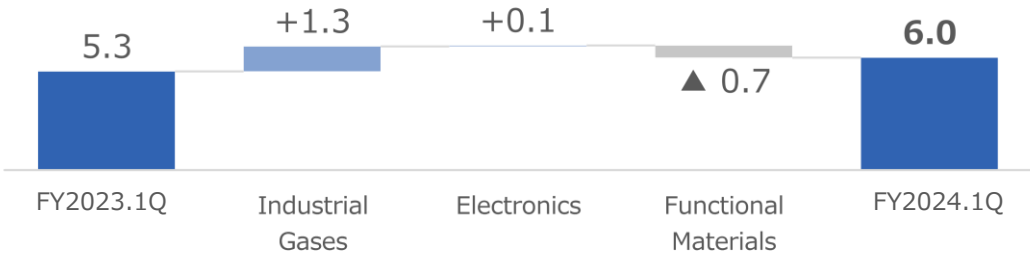
● Industrial Gases ★ Electronics ◆ Functional Materials

Increase/Decrease by Unit

Revenue



Operating profit





Energy Solutions increase/decrease factors

(Unit: Billion yen)

	FY23.1Q	FY24.1Q	Increase/ decrease	YoY
Revenue	13.8	14.7	+ 0.9	106.7%
Operating profit	0.7	0.9	+ 0.2	132.1%
Operating profit ratio	4.8%	6.0%	+ 1.2pt	—

Main increase/decrease factors

Revenue +0.9 billion yen

- 【+】
- Increase in LP gas sales prices due to market conditions ●

Operating profit +0.2 billion yen

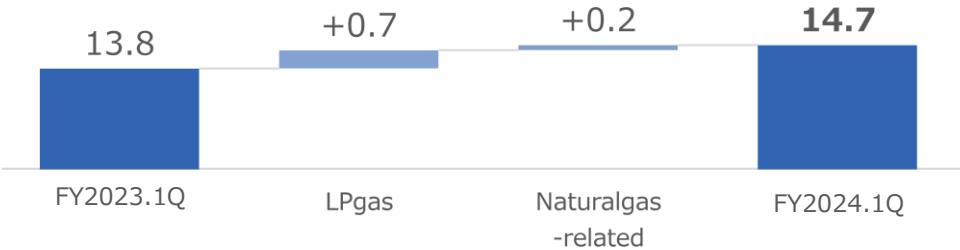
- 【+】
- Absence of the impact of inventory valuation that existed in the previous fiscal year ●

● LP gas ◆ LNG related and others

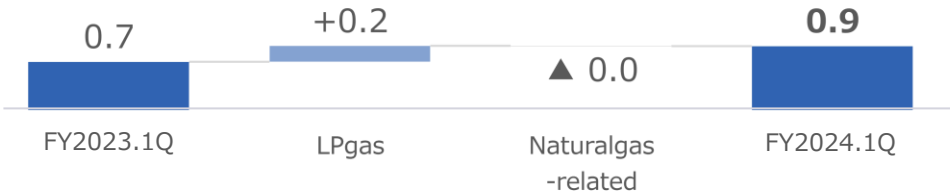
Increase/Decrease by Unit

Revenue

(Unit: Billion yen)



Operating profit





Health & Safety increase/decrease factors

(Unit: Billion yen)	FY23.1Q	FY24.1Q	Increase/ decrease	YoY
Revenue	52.1	56.4	+ 4.3	108.2%
Operating profit	2.4	2.5	+ 0.1	102.7%
Operating profit ratio	4.6%	4.4%	▲0.2pt	—

Main increase/decrease factors

Revenue +4.3 billion yen

- 【+】
- Increased handling of medical services ●◆
 - Progress in construction of emergency power generator system for data center ★

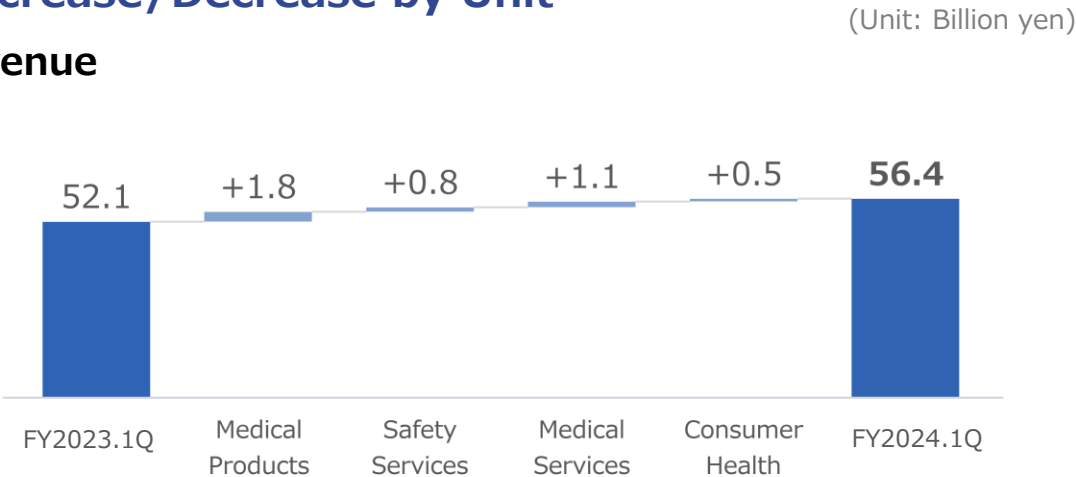
Operating profit +0.1 billion yen

- 【+】
- Price revision of medical gas ●
 - Increase in sales of medical equipment ●
- 【-】
- Increase in logistics and labor costs ■

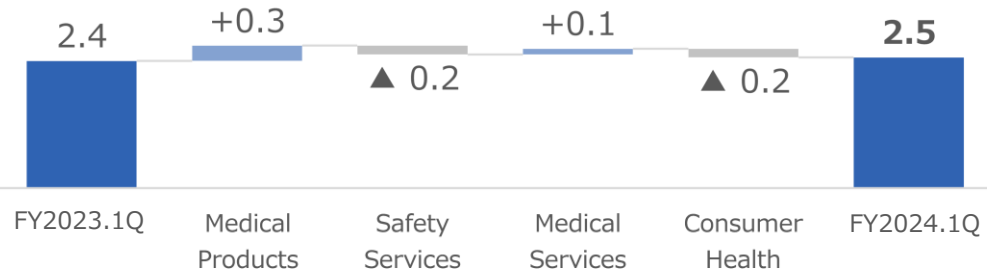
● Medical Products ★ Safety Services ◆ Medical Services ■ Consumer Health

Increase/Decrease by Unit

Revenue



Operating profit





Agriculture & Foods increase/decrease factors

(Unit: Billion yen)

	FY23.1Q	FY24.1Q	Increase/ decrease	YoY
Revenue	38.3	42.6	+ 4.3	111.2%
Operating profit	1.4	1.7	+ 0.4	127.8%
Operating profit ratio	3.5%	4.1%	+ 0.5pt	—

Main increase/decrease factors

Revenue +4.3 billion yen

- 【+】
- Effect of new consolidation of Marushin Seika co., Ltd ◆
 - Increase in consignment of fruit-based beverages, etc. ★
 - Increase in sale of frozen vegetables (broccoli) ●

Operating profit +0.4 billion yen

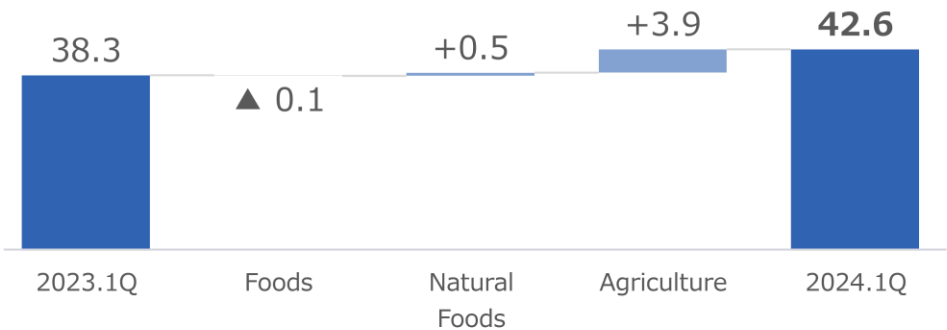
- 【+】
- Effect of new consolidation of Marushin Seika co., Ltd ◆
 - Increase in consignment of fruit-based beverages, etc. ★
 - Increase in sale of frozen vegetables (broccoli) ●
- 【-】
- Increase in the cost of raw materials such as meat ●

● Foods ★ Natural Foods ◆ Agriculture

Increase/Decrease by Unit

(Unit: Billion yen)

Revenue



Operating profit





Other increase/decrease factors

(Unit: Billion yen)

	FY23.1Q	FY24.1Q	Increase/decrease	YoY
Revenue	44.1	53.7	+ 9.6	121.9%
Operating profit	0.8	2.1	+ 1.3	253.7%
Operating profit ratio	1.8%	3.9%	+ 2.0pt	—

Main increase/decrease factors

Revenue +9.6 billion yen

- 【+】
- Effects of new consolidation in North America ●
 - Increase in handling of freight and food logistics ●
 - Kanda Biomass Power Plant began operating ★
 - Increase in construction work in Kyushu ▼

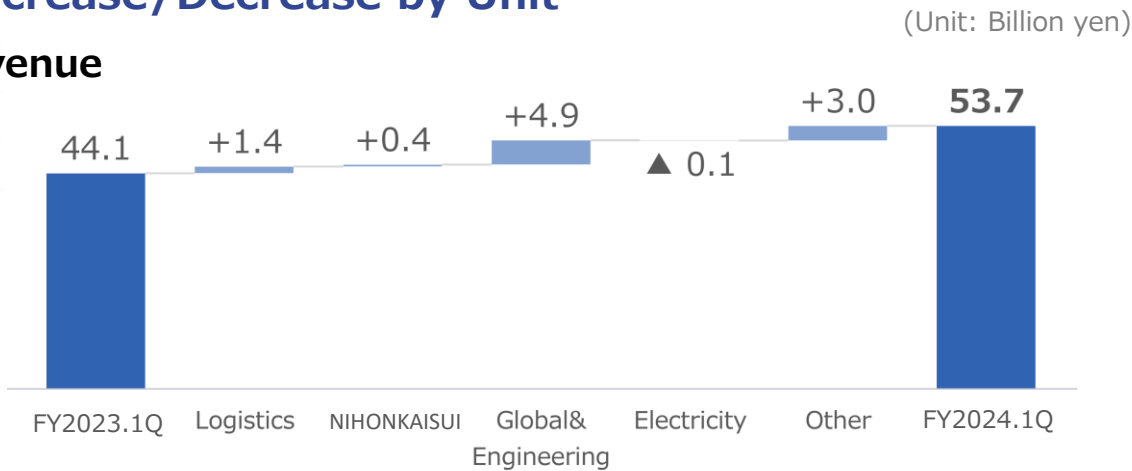
Operating profit +1.3 billion yen

- 【+】
- Effects of new consolidation in North America ◆
 - Increase in handling of freight and food logistics ●
 - Expand high-power UPS business ◆

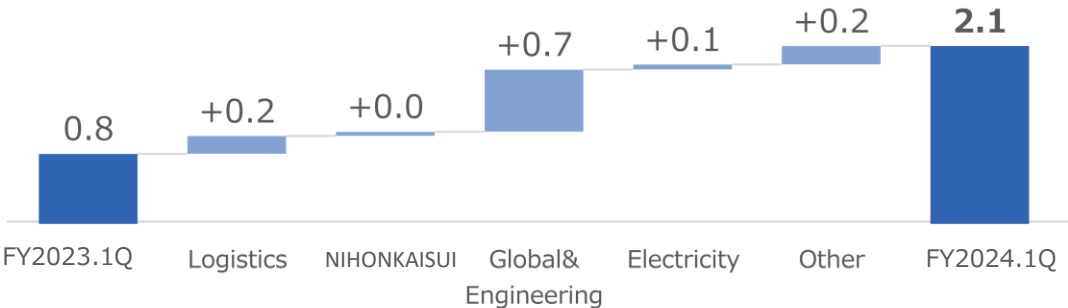
● Logistics ★ NIHON KAISUI ◆ Global & Engineering ■ Electricity ▼ Other

Increase/Decrease by Unit

Revenue



Operating profit



Consolidated statement of financial position



(Unit: Billion yen)		End of March 2024	End of June 2024	Increase/decrease	
				Amount	YoY
	Current assets	449.4	433.3	▲16.0	96.4%
	Non-current assets	773.3	798.1	+24.7	103.2%
	Total assets	1,222.7	1,231.4	+8.7	100.7%
	Current liabilities	317.5	310.5	▲7.0	97.8%
	Non-current liabilities	396.7	397.4	+0.7	100.2%
	Total liabilities	714.2	708.0	▲6.2	99.1%
	Total equity	508.5	523.4	+14.9	102.9%
	Total liabilities and equity	1,222.7	1,231.4	+8.7	100.7%
Equity attributable to owners of the parent		488.6	504.0		
Interest-bearing liabilities		443.3	448.0		
Equity ratio attributable to owners of the parent		40.0%	40.9%		
Net D/E ratio *		0.77times	0.76times		

*"Net interest-bearing liabilities" ÷ "Equity attributable to owners of the parent"

Cash flow status



(Unit: Billion yen)		FY2023.1Q	FY2024.1Q	Increase/ decrease
Operating cash flows	[(1)]	13.1	25.7	+12.6
Investment cash flows	[(2)]	▲19.3	▲17.6	+1.7
Financial cash flows	[(3)]	▲7.9	▲10.6	▲2.8
Total cash flows	[(1)+(2)+(3)]	▲14.0	▲2.5	+11.5
Cash and cash equivalents at the end of the period		52.8	63.2	+10.5
Free cash flows	[(1)+(2)]	▲6.2	8.1	+14.3

Fiscal Year 2024 Full-Year Financial Results forecast






Fiscal year 2024 full-year financial results forecast



(Unit: Billion yen)	FY2023 (Result)	FY2024 (Forecast)	Increase/decrease		FY2024 1-2Q (Forecast)
			Amount	YoY	
Revenue	1,024.5	1,100.0	+75.5	107.4%	510.0
Operating profit	68.3	78.0	+9.7	114.2%	33.0
Profit before income taxes	66.7	76.0	+9.3	113.9%	32.0
Profit attributable to owners of the parent	44.4	50.0	+5.6	112.7%	21.0
Operating profit margin	6.7%	7.1%			
Basic earnings per share	194.69yen	218.88yen			
Annual dividend	64.00yen	64.00yen			
Capital investment	73.3	94.0			






Full-year forecast by segment

		FY2023 (Result)	FY2024 (Forecast)	Increase/decrease	
(Unit: Billion yen)				Amount	YoY
 Digital & Industry	Revenue	339.4	360.0	+ 20.6	106.1%
	Operating profit	33.6	38.0	+ 4.4	113.2%
 Energy Solutions	Revenue	66.6	70.0	+ 3.4	105.1%
	Operating profit	4.0	4.5	+ 0.5	111.3%
 Health & Safety	Revenue	230.9	245.0	+ 14.1	106.1%
	Operating profit	15.1	17.0	+ 1.9	112.7%
 Agriculture & Foods	Revenue	162.6	180.0	+ 17.4	110.7%
	Operating profit	6.9	8.0	+ 1.1	115.7%
 Other (Logistics/NIHON KAISUI/Global & Engineering/ Electricity/Other)	Revenue	225.1	245.0	+ 19.9	108.9%
	Operating profit	10.8	13.3	+ 2.5	123.1%
(Adjustment)	Operating profit	▲ 2.1	▲ 2.8	▲ 0.7	—
Total	Revenue	1,024.5	1,100.0	+ 75.5	107.4%
	Operating profit	68.3	78.0	+ 9.7	114.2%

Supplementary Material



Segment classification table

Group	Unit	Business
 Digital & Industry	Industrial Gases	Industrial gases (oxygen, nitrogen, argon, carbonic acid, hydrogen, helium and others) and related equipment,Ecolocca (artificially regenerated wood)
	Electronics	Gas supply to semiconductor manufacturers, special gases and chemicals, gas refining systems, devices for semiconductor manufacturing systems and chemicals
	Functional Materials	Electronic materials, circuit products, precision polishing pads, O-rings, basic chemicals, chemicals for food and magnesia
 Energy Solutions	Energy	LP gas, kerosene, LP gas-related equipment, LNG-related equipment, development of businesses related to low carbon and decarbonization (CO ₂ capture, hydrogen energy, biomethane, LNG and others)
 Health & Safety	Medical Products	Medical gases, medical equipment, home care and dental materials
	Safety Services	Hospital facility construction, gas fire extinguishing equipment and respirators
	Medical Services	Supply processing & distribution (SPD; centralized management of medical materials and pharmaceuticals in hospitals) and sterilization
	Consumer Health	Hygiene materials, aerosols, injection needles, and cosmetics



Segment classification table

Group	Unit	Business
Agriculture & Foods	Foods	Ham and delicatessen products, frozen food and sweets
	Natural Foods	OEM contract manufacturing of beverages and manufacturing and sales of house brand beverages
	Agriculture	Vegetable processing, wholesaling, retailing and farm-fresh market for fresh vegetables and fruit and agricultural machinery
Other	Logistics	Transport, food distribution, medical and environmental distribution and designing and modifying vehicle bodies
	NIHON KAISUI CO., LTD.	Salt, environment and woody biomass power generation (Ako City, Hyogo Prefecture and Kanda machi, Fukuoka Prefecture)
	Global & Engineering	Industrial gases (India and Vietnam), industrial gas-related equipment (North America), plant engineering and high-power uninterrupted power supplies (UPS)
	Electricity	Woody biomass-fired power plant (Iwaki City, Fukushima Prefecture)
	Other	Construction work



Number of consolidated companies

	End of March 2024	End of June 2024	Increase/decrease
Consolidated subsidiaries*	138	133	Decrease of 5 companies
Equity method affiliates	12	11	Decrease of 1 company
Total	150	144	Decrease of 6 companies

* The number of consolidated subsidiaries include only companies which Air Water directly consolidates. Affiliated companies consolidated by consolidated subsidiaries are excluded from this number. Consolidated companies listed above include joint operations.

Major newly consolidated companies in first quarter of FY2024






There are no applicable companies.

(Reference) Major newly consolidated companies for FY2023

Company name	Segment	Consolidated period
Nihon Kaisui TTS Kanda Power Co.,Ltd.	Other	1-4Q (Consolidated period : 2Q)
Marushin Seika co., Ltd	Agriculture & Foods	3-4Q (Consolidated period : 3Q)
Phoenix Welding Supply LLC.	Other	1-4Q (Consolidated period : 3Q)
American Gas Products, Inc.	Other	3-4Q (Consolidated period : 4Q)



Revenue by unit

(Unit: Billion yen)

Group	Unit	FY2023.1Q	FY2024.1Q	Increase/decrease	YoY
 Digital & Industry	Industrial Gases	42.2	40.9	▲1.3	96.9%
	Electronics	23.8	22.8	▲1.0	95.9%
	Functional Materials	15.8	14.9	▲0.9	94.3%
	Group Total	81.7	78.5	▲3.2	96.1%
 Energy Solutions	LP gas	13.1	13.8	+0.7	105.5%
	LNG related and others	0.7	0.9	+0.2	128.0%
	Group Total	13.8	14.7	+0.9	106.7%
 Health & Safety	Medical Products	17.7	19.5	+1.8	110.3%
	Safety Services	6.3	7.1	+0.8	113.2%
	Medical Services	14.2	15.3	+1.1	107.7%
	Consumer Health	13.9	14.5	+0.5	103.8%
	Group Total	52.1	56.4	+4.3	108.2%
 Agriculture & Foods	Foods	12.2	12.1	▲0.1	99.0%
	Natural Foods	14.3	14.8	+0.5	103.7%
	Agriculture	11.8	15.6	+3.9	133.0%
	Group Total	38.3	42.6	+4.3	111.2%
 Other	Logistics	14.8	16.2	+1.4	109.3%
	NIHON KAISUI CO., LTD.	10.1	10.5	+0.4	103.8%
	Global & Engineering	15.2	20.2	+4.9	132.5%
	Electricity	3.5	3.4	▲0.1	98.1%
	Other	0.4	3.4	+3.0	852.4%
	Group Total	44.1	53.7	+9.6	121.9%

Domestic revenue by type of gases

(Unit: Billion yen)






Group	Gas Type	FY2023.1Q	FY2024.1Q	Increase/decrease	
		Amount	Amount	Amount	YoY
 Digital & Industry	Oxygen	10.4	9.2	▲1.2	88.4%
	Nitrogen	9.5	9.3	▲0.2	98.2%
	Argon	3.4	3.2	▲0.2	93.5%
	Carbon dioxide	5.0	5.7	+0.7	113.6%
	Hydrogen	1.5	1.4	▲0.1	93.7%
	Helium	0.9	1.1	+0.2	116.6%
	Other gases	6.3	4.9	▲1.4	78.1%
 Energy Solutions	LP gas	7.9	8.6	+0.6	108.1%
	Kerosene	1.8	1.8	▲0.0	99.8%

*Revenues generated by overseas industrial gas and LP gas businesses are not included.



Business profit^{*} by segment

(Unit: Billion yen)

Group	FY2023.1Q	FY2024.1Q	Increase/decrease	
			Amount	YoY
 Digital & Industry	4.9	5.6	+0.8	115.8%
 Energy Solutions	0.6	0.8	+0.3	152.5%
 Health & Safety	2.1	2.3	+0.2	109.2%
 Agriculture & Foods	1.2	1.7	+0.4	135.6%
 Other	0.5	1.5	+1.1	319.8%
(Adjustment)	1.5	1.3	▲0.1	92.6%
Total	10.7	13.3	+2.6	124.8%

* Business profit is calculated by subtracting other revenues and expenses from operating profit.



Revenue of regional business companies

(Unit: Billion yen)

Company name	FY2023.1Q	FY2024.1Q	Increase/decrease	
			Amount	YoY
Air Water Hokkaido	22.2	23.7	+1.5	106.8%
Air Water East Japan	23.3	24.2	+0.9	103.9%
Air Water West Japan	18.3	23.0	+4.7	125.4%
Total	63.8	70.9	+7.1	111.1%

* The above figures represent consolidated results for each regional company.

Major group companies / Global & Engineering revenue by segment

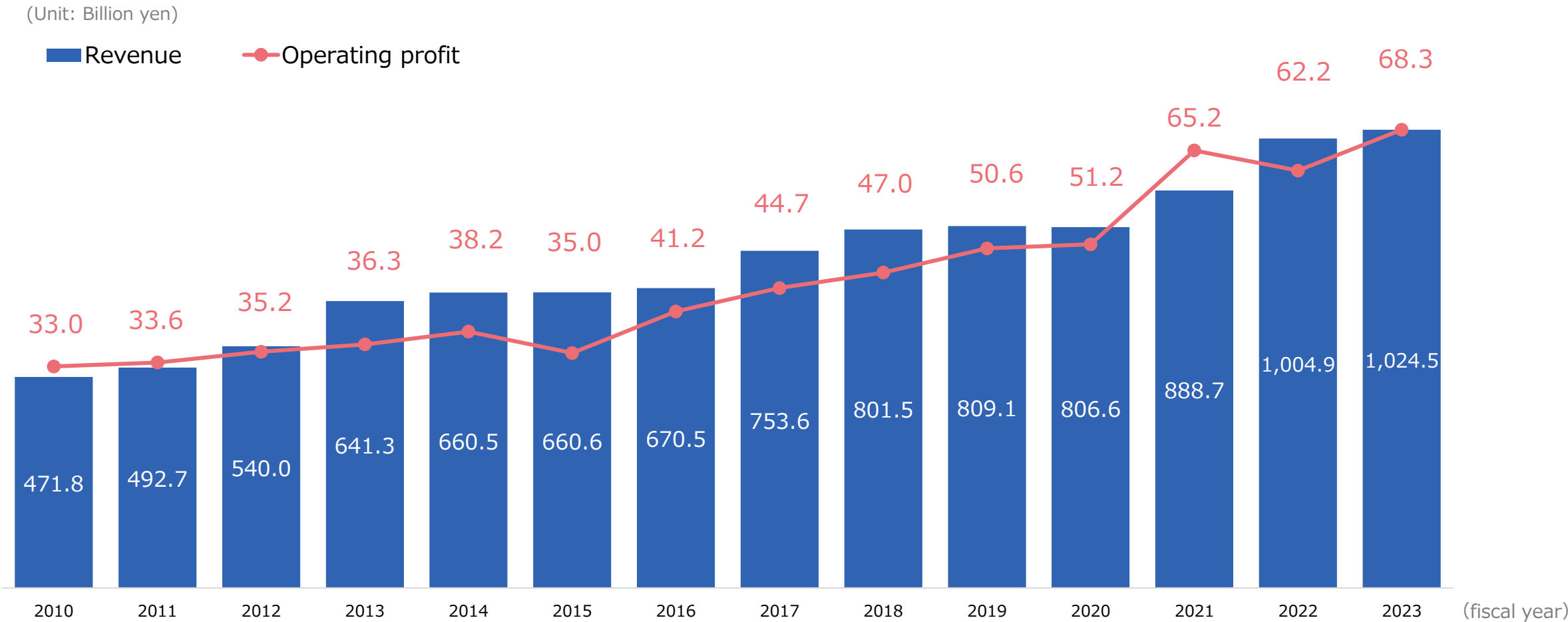
(Unit: Billion yen)

Company/Business Name	Segment	FY2023.1Q	FY2024.1Q	Increase/decrease	
				Amount	YoY
Air Water Materials Inc.	Digital & Industry (Electronics)	12.0	12.1	+ 0.1	101.2%
Air Water Performance Chemical Inc.	Digital & Industry (Functional Materials)	7.1	6.6	▲0.5	93.2%
Tateho Chemical Industries Co., Ltd.	Digital & Industry (Functional Materials)	2.2	2.1	▲0.1	97.1%
Kawamoto Corporation	Health & Safety (Consumer Health)	7.3	8.0	+ 0.7	109.4%
Air Water Realize Inc.	Health & Safety (Consumer Health)	6.9	6.8	▲0.2	97.5%
Gold Pak Co., Ltd.	Agriculture & Foods (Natural Foods)	13.9	14.6	+ 0.7	104.7%
Air Water Onahama Biomass Electric Power Co., Ltd.	Other (Electricity)	3.5	3.4	▲0.1	98.1%
India Industrial Gas Sector field [*]	Other (Global & Engineering)	4.8	5.1	+ 0.2	104.9%
North America Industrial Gases field [*]	Other (Global & Engineering)	5.0	9.9	+ 4.9	198.7%
High-power UPS business field [*]	Other (Global & Engineering)	3.9	5.3	+ 1.4	137.2%

* Simple sum of each group company.



Trends in revenue and operating profit



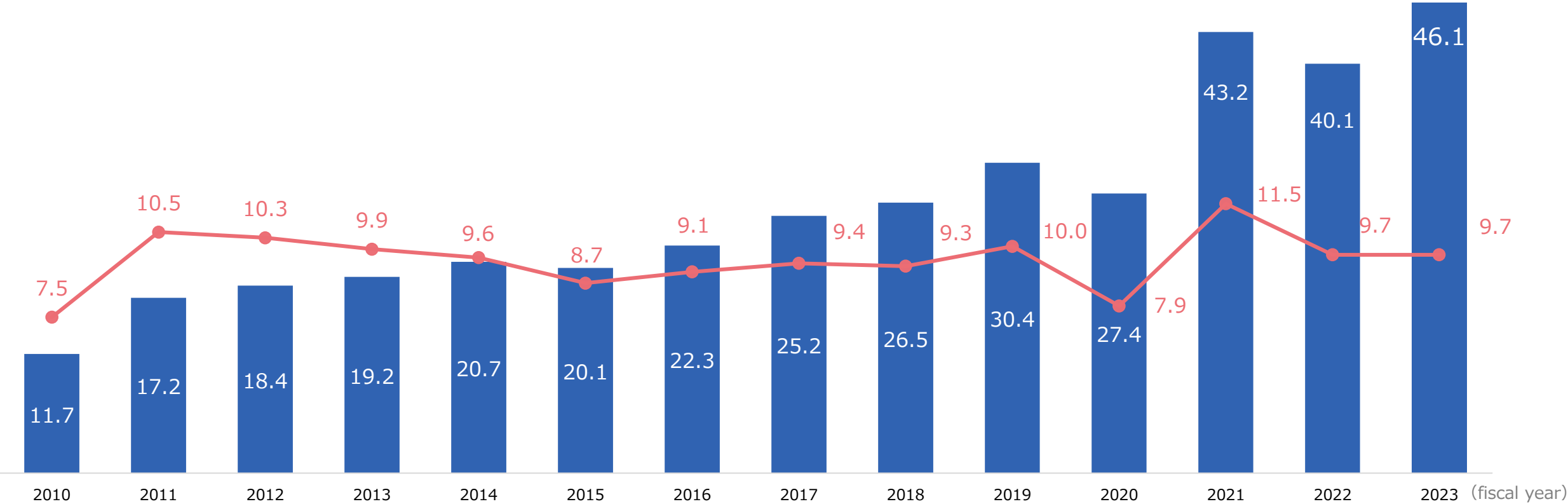
*IFRS accounting has been applied since FY2019
Up to FY2018, net sales and ordinary income (Japanese GAAP) is shown.



Trends in ROE and net income

(Unit: Billion yen)

Net income ROE



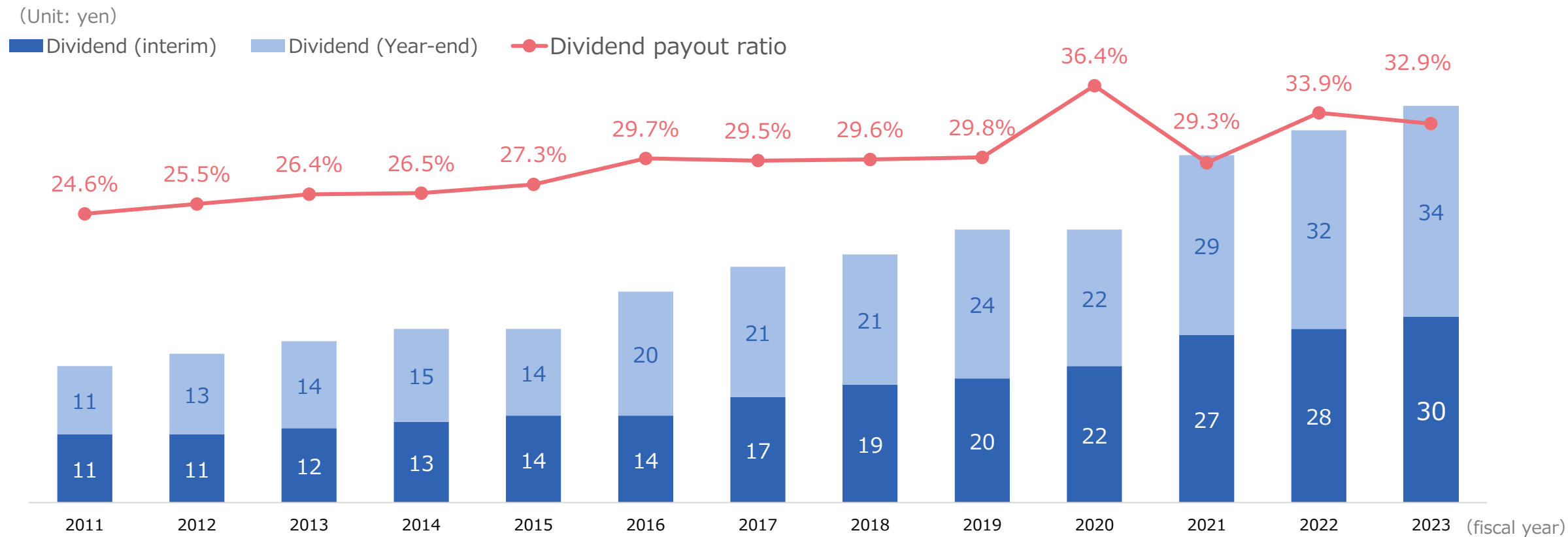
* International Financial Reporting Standards apply from FY2019 onwards



Trends in dividends and dividend payout ratio

Basic policy regarding dividend payments

Air Water has the basic policy of paying stable dividends appropriate to business results long into the future, aiming for 30% of for a reporting period.



* International Financial Reporting Standards apply from FY2019 onwards

Release Date	Topic
May 10	<div></div> Air Water Hokkaido Inc. signs a comprehensive partnership agreement with the municipality of Biei
May 10	<div></div> Commercial use of “biomethane” derived from livestock manure starts
May 16	<div></div> Social Cooperation Research Department announces findings of joint research, “IoT sensing analysis technology,” conducted by the Institute of Industrial Science, The University of Tokyo, and Air Water
May 17	<div></div> Cylinder gas filling plant starts operation in the suburbs of Delhi, India
May 30	<div></div> <div></div> Hokkaido Air Water Agriculture Inc. and Air Water Logistics Co., Ltd. are certified with superior business operators with “eco zip mark.”
June 3	<div></div> Application for FY2024 Furusato Ouen Eichi Program for local governments in Hokkaido starts.
June 17	<div></div> Joint discussion for green hydrogen supply in Chitose, Hokkaido
June 18	<div></div> Supply and use of B5 diesel fuel using biodiesel fuel starts in Hokkaido
July 1	<div></div> PTX Inc. which operates Powl, a point scavenging application used by more than 5 million members, joins the Air Water Group
August 1	<div></div> Participation in “New Space Port” Working Group

Meeting society's needs with nature's blessings.



Notes

- The numerical targets and forecasts presented in this document reflect the judgment of our company based on information currently available and involve potential risks and uncertainties. Therefore, the reader should note that actual business performance may differ significantly from the projections made herein due to changes in various factors.
- **Air Water Inc.'s financial statements are prepared in accordance with "IFRS"(International Financial Reporting Standards).**