May 10, 2023

FY 2022 Consolidated Financial Results (Under IFRS)

AIR WATER INC.
Head Office: 12-8, Minami semba 2-chome,
Chuo-ku, Osaka, Japan

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

1. Results for FY 2022 (The year ended March 31, 2023)

(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	%
FY2022	1,004,914	13.1	62,181	-4.6	60,978	-5.1	42,649	-7.8	40,137	-7.1	51,206	-5.4
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

	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	%	%	%
FY2022	176.84	176.66	9.7	5.8	6.2
FY2021	191.06	190.86	11.5	6.6	7.3

(Reference) Share of profit of investments accounted for using the equity method:
2,502 million yen for FY2022, 1,942 million yen for FY2021

(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
FY2022	1,091,645	446,482	430,232	39.4	1,892.36
FY2021	1,022,031	419,857	395,131	38.7	1,744.42

(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
FY2022	56,953	-71,135	19,257	65,944
FY2021	71,572	-53,154	-6,622	59,554

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	%	%
FY2021	―	27.00	―	29.00	56.00	12,817	29.3	3.4
FY2022	―	28.00	―	32.00	60.00	13,736	33.9	3.3
FY2023 (Forecasts)	―	30.00	―	30.00	60.00		31.0	

(Note) Year-end dividend for the fiscal year 2022 includes a commemorative dividend of ¥4.00 in addition to ordinary dividend of ¥28.00

3. Forecast of consolidated operating results for FY2023 (The year ending March 31, 2024)

(% 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
FY2023(1st half)	500,000	7.8	32,000	23.4	31,000	22.4	20,000	22.4	87.97
FY2023(Full year)	1,080,000	7.5	72,000	15.8	70,000	14.8	44,000	9.6	193.53

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, 2023: 229,755,057 shares
  - As of March 31, 2022: 229,755,057 shares
- b. Number of shares of treasury shares
  - As of March 31, 2023: 2,402,613 shares
  - As of March 31, 2022: 3,243,163 shares
- c. Average number of shares during the term
  - Year ended March 31, 2023: 226,972,674 shares
  - Year ended March 31, 2022: 226,182,260 shares

(Reference) Non-consolidated financial results

1. Results of non-consolidated operations for FY2022 (The year ended March 31, 2023)

(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	%
FY2022	169,014	19.2	-7,904	—	10,219	-29.3	16,453	27.1
FY2021	141,824	17.5	-4,665	—	14,447	61.5	12,950	11.2

	Net income per share	Fully diluted net income per share
	Yen	Yen
FY2022	72.49	72.42
FY2021	57.26	57.20

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2022	568,827	216,209	38.0	949.74
FY2021	529,393	209,193	39.5	922.25

(Reference) Shareholder’s equity: 215,925 million yen for FY2022, 208,901 million yen for FY2021

* This report is exempt from review 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, there was a trend toward a recovery in personal consumption in the Japanese economy due to the normalization of social and economic activity, which has been impacted by the COVID-19 pandemic. However, the Japanese economy was seriously impacted by soaring energy prices, the disruption of global supply chains and rising prices caused by the weakening of the yen. In the second half of the year, the situation continued to be unstable and affected by concerns regarding a global economic slowdown due to inflation in other countries, a rapid decline in demand for semiconductors and other factors.

In these circumstances, the Company and its affiliates (the "Group") established the “terrAWell 30” long-term vision towards 2030 to enable the Company to contribute to solutions to social issues through its business activities in line with its two foundations for growth, the “global environment” and “wellness (healthy life)”, with an aim to achieve sustainable growth and an increase in corporate value. The Company has also established the “terrAWell 30 1st Stage medium-term management plan” for the three years from FY2022 to FY2024. In addition, as a step toward achieving its goals, the Group aims to maximize the synergy created leveraging the Group's strengths, specifically its diverse businesses, human resources and technologies, so the Group introduced a new unit system to shift to a group management system which has integrated the Company’s head office organization and the Group companies.

Under the new management strategy and organizational structure, the Group aspires to achieve revenue of ¥1 trillion, a goal of the entire Group since 2010, while establishing a foundation for overseas and electronics-related businesses which we position as a growth area, enhancing the revenue structure of domestic businesses through the creation of Group synergy and the optimal allocation of management resources, and promoting the creation of new businesses for the next stage of growth leveraging ideas that transcend the conventional boundaries between businesses and proactive technology development.

In overseas business, the Group promoted the establishment of production and logistics infrastructure in India where a series of integrated blast furnace steel mills have been constructed in succession, while it entered the industrial gas sales business through M&A activities in North America. The electronics-related businesses took on the task of reinforcing their relationships with customers leveraging their ability to develop materials that can meet advanced needs and the Group's comprehensive strengths under the new business operation system that combines the industrial gas and chemical businesses, in addition to capital investments in gas supply plants in response to the strengthening of the production capabilities of domestic semiconductor device manufacturers.

In existing domestic businesses, we worked to ensure profitability by reducing costs through the streamlining of production and logistics and the review of procurement to address soaring energy prices and the rising cost of raw materials and distribution, and by correcting sales prices to shift the increased costs that cannot be covered by our own efforts. We also proceeded with the transformation to a business structure that can flexibly respond to changes in the environment by integrating and reorganizing the Group companies in each business segment and starting capital and business alliances with other companies in the agricultural segment.

Regarding new businesses that contribute to solving social issues, in the global environment segment, we focused on the realization of decarbonization solutions in society by developing compact CO_2 recovery equipment and constructing a energy supply model featuring local production for local consumption including the production of liquified biomethane derived from livestock manure. In the wellness segment, the construction of the Air Water in KENTO open innovation promotion facility progressed steadily with the goals of strengthening cooperation with universities and local governments and creating new businesses by combining the Group's technologies and business models.

Regarding its sustainability initiatives, the Group has reviewed its targets for the reduction of CO_2 emissions and promoted the reduction of energy consumption and the improvement of production processes in accordance with the newly set goal of reducing GHG emissions 30% by FY2030 (compared with FY2020). Also, the Group bolstered its diversity and inclusion efforts including the improvement of the environment enabling the Group's personnel in charge of diverse businesses can work energetically and actively, and strengthened its human capital who play central roles in value creation by reforming its personnel system to encourage autonomous career development.

Performance during the consolidated fiscal year grew robustly through the steady capturing of demand through the reinforcement of supply infrastructure through proactive capital investments in electronics-related businesses and industrial gas supply businesses in India. After increasing the Group's synergy in its adaptation to change in the business environment following the pandemic, the Health & Safety segment exhibited strong performance on the whole, driving the results of the Company as a whole.

Consequently, all operating segments achieved revenue growth due to the revision of prices and rising sales prices linked to market trends and also due to our pursuit of Group synergy leveraging the Group's unit system.

In terms of profits, the feed-in tariff (“FIT”) system for renewable energy which is used in the electric power business prevented the Company from transferring an increase in the cost of power generation fuels and marine transportation to the selling price. This significantly affected its business result throughout the fiscal year.

As a result, for the consolidated fiscal year, the Group’s revenue was ¥1,004,914 million (113.1％ that of the previous year), operating profit was ¥62,181 million (95.4％), and profit attributable to owners of parent was ¥40,137 million (92.9％).

2) Consolidated results by segment for this period

(Unit：Million yen)

	Revenue		Operating profit	
	FY 2022	**YoY Growth**	**FY 2022**	**YoY Growth**
Digital & Industry	342,549	118.6％	29,002	104.3％
Energy Solutions	91,919	108.8％	5,703	81.4％
Health & Safety	235,992	108.5％	15,482	116.6％
Agriculture & Foods	152,069	109.0％	5,521	96.6％
Other Businesses	182,382	115.1％	1,062	9.9％
（Adjustment）	−	−％	5,409	−％
Total	1,004,914	113.1％	62,181	95.4％

(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.

<Digital & Industry >

Revenue in this segment was ¥342,549 million (118.6％ that of the corresponding period of the previous year), and operating profit was ¥29,002 million (104.3％).

For the **business as a whole,** in a severe environment where the Group was significantly affected by soaring energy prices and the rising prices of goods, we endeavored to improve productivity and thoroughly revised prices. The industrial gas supply business in India remained buoyant, and the electronics business also performed steadily, although there were some signs of a slowdown in the latter half of the fiscal year. As a result, both revenue and profit increased from the previous fiscal year.

In the **electronics business,** the performance of on-site gas supply for large semiconductor manufacturers was steady. Sales of special chemical materials and equipment for supplying special chemical materials and sales of heat control equipment for gas refining machinery and for semiconductor manufacturing equipment were steady despite the influence of customers' inventory adjustments and the postponement of capital investments in the latter half of the fiscal year. In the information electronic materials sector, sales of semiconductor materials and electronic components were strong in Japan and abroad.

In the **functional materials business,** the rising prices of basic chemicals connected to the conditions of the petrochemical market resulted in an increase in revenue. The results of the functional materials business as a whole remained steady due to the recovery of sales of sodium acetate which is used to extend the life of food products and increased sales of O-rings (sealing materials) for semiconductor manufacturing facilities and high-function circuit products for industrial robots which offset a decrease in demand for precision polishing pads, electronic materials, etc.

In the **industrial gas business,** the volume of gas sold dropped slightly year on year due to the weak production of steel and automobiles. However, revenue increased due to the revision of the prices of various gas products in addition to rising per-customer sales of on-site gas supply services for steel manufacturers caused by a continuous increase in electricity charges and distribution costs. The impact on profit partially remained until the price revision was applied.

The **overseas and engineering business** remained strong throughout the current consolidated fiscal year, given that our on-site gas supply services to steel manufacturers maintained a high operating rate in tandem with the buoyant crude steel production in India and that we worked to streamline plant operations. Regarding tanker truck and cylinder gas supply services, climbing demand for services for automobiles led to a growth in sales volume.

<Energy solutions>

Revenue in this segment was ¥91,919 million (108.8％ of that of the corresponding period of the previous year), and operating profit was ¥5,703 million (81.4％).

The **business as a whole** the energy and environment sectors were integrated to construct a new business model to supply energy in a way that contributes to carbon neutrality by using unutilized local resources. The business suffered a huge dip in profit resulting mainly from a slowdown in sales of dry ice affected by a shortage of raw materials in the carbonic acid gas supply despite revenue growth following the rise of the unit selling price of LP gas in connection with import prices.

The **energy business** saw sales grow due to a surge in unit selling price for LP gas linked to import prices. Prices were revised to address rising distribution and other expenses, but profit was influenced by inventory valuation as import prices fluctuated in the latter half of the fiscal year when inventory volume increased.

In the **resources recycling business**, sales plunged considerably from the previous fiscal year. This was due to a decrease in dry ice sales chiefly due to a shortage of the raw material gas in the carbonic acid gas supply. In contrast, hydrogen gas achieved brisk sales mainly in on-site supply to the nonferrous metals industry. In addition, the Group developed the small CO_2 collection device, ReCO_2 STATION, and liquefied biomethane usable as an alternative fuel for LNG and built a business model for the collection and use and new energy.

< Health & Safety>

Revenue of this segment was ¥235,992 million (108.5％ of that of the corresponding period of the previous year), and operating profit was ¥15,482 million (116.6％).

Regarding the **business as a whole,** recognizing the changing environment surrounding medical institutions and consumers due to the COVID-19 pandemic, the Group promoted the business structure establishment with an eye on infectious disease control that will be needed in the future and new methods of providing healthcare. As a result, the business steadily captured the demand generated by medical fields including the stable supply of medical oxygen, the renovation of hospital facilities, the streamlining of hospital management through supply, processing and distribution (SPD) management, etc. The consumer health sector, which includes home medical care, dental services, hygiene materials and other operations that are closer to consumers, recorded strong performance with revenue and profit both exceeding the level in the previous year and drove the entire results of the Company.

In the **medical products business**, contracts for leasing oxygen concentrators to local governments continued and sales volume of medical oxygen increased mainly due to a recovery in the number of surgeries at hospitals. In the dental sector, strong results were posted as CAD/CAM crown materials as the inlay for the treatment of cavities began to be covered by insurance.

In the **safety services business**, renovation projects increased in the hospital facility construction sector, while a large-scale construction project was completed, resulting in robust performance. Hospital facility construction projects in Singapore were accelerated after restrictions on activities were eased. The fire extinguishing system sector performed firmly with demand steadily captured for products used at power generation facilities and data centers.

In the **medical service business,** which mainly involves contracted sterilization and SPD management, progress in the acquisition of new customers contributed to an increase in revenue mainly due to proactive proposals for streamlining of hospital operations where labor shortage has been continued.

For the **consumer health business,** in the hygiene material sector, sales of surgical products and infection control products for consumers such as self-developed masks increased. The aerosol sector performed steadily because contracted production of cosmetics and ultraviolet (UV) protection sprays increased toward the latter half of the fiscal year, which offset the negative impact of rising raw materials costs. The performance of the injection needle sector was strong after the rallying of dental needles and cosmetic needles in overseas markets in addition to sales related to vaccination needles.

<Agriculture & Foods>

Revenue of this segment was ¥152,069 million (109.0% of that of the corresponding period of the previous year), and operating profit was ¥5,521 million (96.6%).

In the **business as a whole**, performed robustly in the first half of the fiscal year as sales channels for delicatessen products expanded, demand for commercial food products recovered and progress was made in the revision of prices to address the rising cost of raw materials and energy. However, it was influenced by the cost of raw materials such as eggs and fertilizers which continued to rise in the second half of the fiscal year. The new consolidation of companies following M&A activities in the previous fiscal year had a positive effect, but there was a slight reactionary decline in operating profit slightly from the previous year due to the absence of the gain on sale of land posted in the previous fiscal year.

In the **foods business**, demand for commercial products generated by hotels and restaurants recovered in the delicatessen sector. The development of new sales channels and the release of new products led to brisk sales of products for consumers. On the other hand, conditions in the sweets sector were severe due to the rising cost of eggs and other raw materials and reduced consumer confidence caused by the increase of prices in the latter half of the fiscal year.

In the **natural food business** that conducts the contract manufacturing of vegetable- and fruit-based drinks, sales of mineral water to major customers increased, but profit levelled off from the previous year due to increased energy costs incurred by the factory.

For the **agriculture business,** in fruit and vegetable wholesale and processing sector, the wholesale and retail sales for fruit and vegetable showed weaker performance toward the latter half of the fiscal year due to the poor growth of some agricultural products in Hokkaido. Sales in the fruit and vegetable retail sector, which operates stores in department stores and other facilities, were sluggish due to weaker consumer confidence resulting from increased prices. However, thanks to the effects of the new consolidation of Plus K.K. which directly sells agricultural products in the Kansai area, the performance of the business as a whole was steady.

<Other business>

Revenue of this segment was ¥182,382 million (115.1%), and operating profit was ¥1,062 million (9.9%).

In the **logistics business**, the volume of cargo transported on trunk lines, mainly those between Hokkaido and Eastern Japan, increased after the expansion of the Group's logistics networks. The third party logistics (3PL) business, centering on food distribution, began the full operation of Low-Temperature Logistics Center II in Sapporo, while the volume of cargo related to online shopping that was handled at the Atsugi logistics center increased. Our efforts to optimize contract fees also contributed to robust results. The vehicle custom installation business, which designs truck bodies and installs accessories, was affected by the delayed deliveries of truck bodies. The negative effect of this was compensated for by a rise in the volume of industrial and medical waste collected and transported. Consequently, the performance of the business as a whole was brisk.

Revenue of **Nihonkaisui Co., Ltd**. grew as a result of the two price revisions centered on commercial salt in response to the soaring prices of coal and LNG which are used as fuels for boilers in the salt manufacturing process. However, its results declined from the previous fiscal year due to the increase of marine transportation fees for palm kernel shells (PKS) used as fuel for power generation in the power generation sector, which uses the FIT system.

The **industrial gas business in North America** received steady orders for carbon dioxide-related equipment and liquefied hydrogen tanks reflecting rising demand for solutions related to carbon reduction in the low-temperature equipment and engineering sector. In addition, sales of low-temperature containers for storage increased. In terms of profit, the situation was tough due to the delayed procurement of some components and the resulting stagnation of production. The Company made Dohmeyer Holding BVBA, which provides ultra-low temperature freezing systems, and Noble Gas Solutions, LLC., which is an industrial gas distributor based in New York, USA, through M&A activities. The **power supply system (UPS) business** performed well due to the improved progress of construction which is a result of the relaxation of activity restrictions in Southeast Asia. On the other hand, in Europe and the United States, conditions were more severe due to customers postponing their investment plans and surging materials prices.

The **electric power business** was severely impacted by the continued increase of the prices of woody biomass and coal which are the fuels used in power generation, the continued increase of marine transportation costs and the cost of demurrage that has been incurred due to the congestion of port unloading facilities and equipment failure. There were great difficulties in the business throughout the fiscal year as the selling price of the power generated is fixed under the FIT system, making it not possible to shift the increased costs to the selling price. The Company transferred the shares of Air Water & Energia Power Yamaguchi that it owned to Chugoku Electric Power Co., Inc. on January 18, 2023. Consequently, Air Water & Energia Power Yamaguchi has become a wholly owned subsidiary of Chugoku Electric Power Co., Inc. and it is no longer a consolidated subsidiary of the Company.

(2) Summary of financial position for the current period

Total assets at the end of the consolidated fiscal year stood at ¥1,091,645 million, an increase of ¥69,613 million from the end of the previous consolidated fiscal year due primarily to increases in trade and other receivables. Liabilities stood at ¥645,162 million, an increase of ¥42,988 million from the end of the previous consolidated fiscal year due mainly to increases in bonds and borrowings. Equity stood at ¥446,482 million, an increase of ¥26,625 million from the end of the previous consolidated fiscal year, due mainly to an accumulation of profit attributable to owners of the parent.

Equity attributable to owners of parent per share grew from ¥1,744.42 at the end of the previous consolidated fiscal year to ¥1,892.36, and ratio of equity attributable to owners of parent to total assets changed to 39.4% from 38.7% 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 ¥56,953 million after deducting payments including corporate income taxes from profit before tax and depreciation, which was a decrease of ¥14,619 million from the previous consolidated fiscal year.

Cash flows from investing activities was an outflow of ¥71,135 million, which was an increase in expenditures of ¥17,980 million from the previous consolidated fiscal year, due mainly to an increase in expenditures resulting from purchase of property, plant and equipment and a decrease in proceeds resulting from sale of investment securities, despite a decrease in expenditures resulting from purchase of investment securities.

Cash flows from financing activities was an inflow of ¥19,257 million, which was an increase ¥25,880 million from the previous consolidated fiscal year, due mainly to an increase in proceeds from borrowings.

As a result, cash and cash equivalents at the end of the consolidated fiscal year stood at ¥65,944 million, an increase of ¥6,390 million from the end of the previous consolidated fiscal year.

(4) Outlook for the next fiscal year

The future outlook is increasingly the risk of global economic slowdown increasing due to various countries increasing interest rates to control inflation. Furthermore, the outlook for the semiconductor demand, which is a leading indicator in the manufacturing industry, is becoming even more uncertain, as inventory adjustment is expected to continue until the middle of FY2023.

Against this backdrop, the Group will accelerate its efforts to realize "terrAWell 30," the vision it aims to achieve in FY2030, in response to society's heightened expectations for the Group as it has risen to the corporate stage of "1 trillion yen of revenue.

Under a group management system based on a unit system, we seek the creation of Group synergy through the optimization of the Group's strengths, specifically its diverse businesses, human resources and technologies and its business bases which are deeply rooted in local communities in line with the two growth axes of "global environment" and "wellness (healthy life)," while at the same time, we will strive to practice "ambidextrous management" by "digging deep" to refine the profitability of existing businesses and "exploring" to discover and nurture business opportunities that will lead to the next stage of growth.

In increasing development, we will continue to promote the reform of the business structure, including the integration and reorganization of group companies in each business sector, in parallel with the enhancement of profitability through the review of assets, the utilization of the digital transformation (DX) and the allocation of personnel in optimal positions. In addition, we also address the improvement of profitability by continuing to revise prices in response to increased prices and the fluctuation of foreign exchange rates and by maintaining proper prices that appropriate in light of costs.

In leveraging development, the Group will aggressively promote M&A activities for the full-scale expansion of the industrial gas business overseas, while establishing a foundation for its business centered around the engineering technology that constitutes the core of the business. At the same time, the Group will create new businesses that contribute to solving the social issues faced by local communities by combining the innovations derived from its technological development in businesses deeply rooted in local communities and in diverse business sectors.

In order to realize our medium-term management plan, it is important to expand our overseas business. We will accelerate the expansion of our industrial gas and related equipment and engineering businesses, particularly in India and North America, as priority regions, leveraging the superior equipment and engineering technologies possessed by our group. In addition, we will focus on acquiring large customers by winning orders for on-site gas supply projects, as well as building our own plants, filling stations, and other bases. Furthermore, we will "strengthen our organization and structure" as the foundation to support these business expansions. We will develop a new organizational structure and risk management system to manage and operate our business according to the characteristics and environment of each region, not only by business field but also by region.

With regard to investments such as capital expenditures and M&A, we will be more aggressive than before, especially in overseas markets such as India and North America, to achieve business expansion and improve profitability. We will also strategically invest in intangible capital such as human capital, intellectual property, and brand power in order to flexibly respond to changes in the environment and achieve sustainable growth in the future. At the same time, in order to appropriately allocate limited management resources, we will implement "selection and concentration" in each business area by assessing profitability and growth potential, as well as monitoring and verifying investment projects.

The Group is making company-wide efforts to realize a "decarbonized society", a "resource-recycling society" and a "A society in which humanity and nature coexist" aiming to achieve a "30% reduction in GHG emissions" by FY2030 and to achieve carbon neutrality by 2050. We will also focus on resource recycling and water resource conservation to achieve the goals of "80% waste recycling rate" and "10% reduction of water consumption per unit production".

The Group will continue to focus on solving social issues through its business activities and create products and services that are indispensable to people's lives and industry. In particular, in the " Agriculture & Foods segment, we will contribute to solving social issues against the backdrop of the recent international situation, such as food security and improving food self-sufficiency, and in the "Health & Safety" segment, we will contribute to solving social issues related to people's lives, such as the aging of the population. We have also decided to participate in the Osaka-Kansai Expo to be held in 2025, and will communicate the Group's corporate mission, "Meeting society's needs with nature's blessings," both domestically and internationally.

For the next fiscal year, we forecast net sales of ¥1,080,000 million, operating income of ¥72,000 million, income before income taxes of ¥70,000 million, and net income attributable to owners of the parent of ¥44,000 million.

(5) Basic Principles of Profit Distribution and Dividends for the Fiscal Year and for the Next Fiscal Year

The Company has positioned returning profits to shareholders as one of the most important management issues, while it works to enhance its management foundation to continuously increase corporate value. The Company's basic policy is to ensure the stable distribution of dividends from surplus in line with its business results in the future periods that targets a dividend payout ratio of 30% of profit attributable to owners of parent, taking into consideration the enhancement of internal reserves that are needed for strategic investment, etc. for medium- to long-term growth.

The Company has determined the year-end dividend for the fiscal year will be ¥28 per share based on the targeted dividend payout ratio in this basic policy. In addition, the Company decided to pay a commemorative dividend of ¥4 to celebrate the achievement of revenue of ¥1 trillion which is the result of the concerted efforts of all of the group companies since 2010.

As a result, the Company plans to pay an interim dividend of ¥28, a year-end dividend of ¥28, a commemorative dividend of ¥4, for an annual dividend of ¥60 per share.

With regard to dividends for the next fiscal year, the Company expects to pay interim and year-end dividends of ¥30 per share, which will bring the annual dividend to ¥60 per share.

2.Basic Rationale for Selection of Accounting Standards

The Air Water group has adopted the International Financial Reporting Standards (IFRS) from the year ended March 31, 2020 in order to enhance the international comparability of its financial information in the capital markets and to improve the efficiency and quality of group management.

3. Consolidated Financial Statements and Significant Notes

(1) Consolidated Statement of Financial Position (As of March 31, 2022 and March 31, 2023)

(Unit：Million yen)

	FY2021 (March 31, 2022)	FY2022 (March 31, 2023)
Assets		
Current assets		
Cash and cash equivalents	59,554	65,944
Trade and other receivables	203,049	229,276
Inventories	76,404	92,014
Other financial assets	5,323	6,151
Income taxes receivable	3,663	4,307
Other current assets	28,895	33,444
Total current assets	376,889	431,139
Non-current assets		
Property, plant and equipment	442,852	443,443
Goodwill	60,129	65,130
Intangible assets	28,095	32,568
Investments accounted for using equity method	30,633	32,630
Retirement benefit asset	2,846	3,836
Other financial assets	76,808	78,182
Deferred tax assets	1,400	2,184
Other non-current assets	2,373	2,528
Total non-current assets	645,141	660,505
Total assets	1,022,031	1,091,645

	FY2021 (March 31, 2022)	FY2022 (March 31, 2023)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	149,098	166,601
Bonds and borrowings	72,648	83,340
Other financial liabilities	4,928	5,035
Income taxes payable	4,167	10,127
Provisions	1,191	901
Other current liabilities	31,011	33,691
Total current liabilities	263,045	299,697
Non-current liabilities		
Bonds and borrowings	273,852	283,385
Other financial liabilities	32,399	30,192
Retirement benefit liability	7,156	6,365
Provisions	4,685	3,157
Deferred tax liabilities	12,746	14,601
Other non-current liabilities	8,289	7,762
Total non-current liabilities	339,129	345,465
Total liabilities	602,174	645,162
Equity		
Share capital	55,855	55,855
Capital surplus	52,638	49,962
Treasury shares	(4,838)	(3,532)
Retained earnings	275,158	303,680
Other components of equity	16,317	24,266
Total equity attributable to owners of parent	395,131	430,232
Non-controlling interests	24,725	16,249
Total equity	419,857	446,482
Total liabilities and equity	1,022,031	1,091,645

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

Consolidated Statement of Profit or Loss
(April 1 to March 31, 2022 and 2023)

(Unit：Million yen)

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Continuing operations		
Revenue	888,668	1,004,914
Cost of sales	(689,555)	(804,830)
Gross profit	199,112	200,084
Selling, general and administrative expenses	(139,703)	(150,379)
Other income	7,768	15,049
Other expenses	(3,946)	(5,075)
Share of profit of investments accounted for using equity method	1,942	2,502
Operating profit	65,174	62,181
Finance income	1,369	2,051
Finance costs	(2,314)	(3,253)
Profit before tax	64,230	60,978
Income tax expense	(17,823)	(18,023)
Profit from continuing operations	46,406	42,954
Discontinued operations		
Profit (loss) from discontinued operations	(142)	(305)
Profit	46,263	42,649
Profit attributable to		
Owners of parent	43,214	40,137
Non-controlling interests	3,049	2,512
Profit	46,263	42,649

Earnings per share		
Basic earnings (loss) per share		
Continuing operations	191.69Yen	178.18Yen
Discontinued operations	(0.63)Yen	(1.34)Yen
Basic earnings per share	191.06Yen	176.84Yen
Diluted earnings (loss) per share		
Continuing operations	191.48Yen	178.00Yen
Discontinued operations	(0.63)Yen	(1.34)Yen
Diluted earnings per share	190.86Yen	176.66Yen

Consolidated Statement of Comprehensive Income
(April 1 to March 31, 2022 and 2023)

(Unit：Million yen)

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Profit	46,263	42,649
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured through other comprehensive income	(2,241)	3,237
Remeasurements of defined benefit plans	(839)	972
Share of other comprehensive income of investments accounted for using equity method	28	27
Total of items that will not be reclassified to profit or loss	(3,053)	4,237
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	7,005	6,630
Effective portion of gains and losses on hedging instruments in a cash flow hedge	3,688	(2,408)
Share of other comprehensive income of investments accounted for using equity method	225	97
Total of items that may be reclassified to profit or loss	10,919	4,319
Total other comprehensive income	7,866	8,557
Comprehensive income	54,130	51,206
Comprehensive income attributable to		
Owners of parent	49,196	49,671
Non-controlling interests	4,933	1,535
Comprehensive income	54,130	51,206

(3) Consolidated Statement of Changes in Equity
FY2021 (April 1, 2021 to March 31, 2022)

(Unit：Million yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Capital	Capital surplus	Treasury shares	Retained earnings	Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations
Balance as of April 1, 2021	55,855	54,517	(5,947)	244,794	－	(2,437)
Profit	－	－	－	43,214	－	－
Other comprehensive income	－	－	－	－	(861)	7,085
Comprehensive income	－	－	－	43,214	(861)	7,085
Purchase of treasury shares	－	－	(2)	－	－	－
Disposal of treasury shares	－	25	1,140	－	－	－
Dividends	－	－	－	(11,213)	－	－
Share-based payment transactions	－	－	－	－	－	－
Increase (decrease) due to changes in equity	－	(1,698)	－	－	－	－
Increase (decrease) due to new consolidation	－	－	(28)	(133)	－	(32)
Increase (decrease) due to exclusion of subsidiaries from consolidation	－	－	－	－	－	－
Decrease due to mergers	－	(61)	－	(224)	－	－
Transfer from other components of equity to retained earnings	－	－	－	(1,279)	861	－
Put option provided to non-controlling shareholders	－	(144)	－	－	－	－
Transfer to non-financial assets	－	－	－	－	－	－
Total transactions with owners	－	(1,879)	1,108	(12,850)	861	(32)
Balance as of March 31, 2022	55,855	52,638	(4,838)	275,158	－	4,614

(Unit：Million yen)

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity				Total		
	Net change in fair value of financial assets measured through other comprehensive income	Effective portion of gains and losses on hedging instruments in a cash flow hedge	Share acquisition rights	Total			
Balance as of April 1, 2021	9,186	1,504	325	8,578	357,797	14,591	372,389
Profit	－	－	－	－	43,214	3,049	46,263
Other comprehensive income	(2,188)	1,946	－	5,981	5,981	1,884	7,866
Comprehensive income	(2,188)	1,946	－	5,981	49,196	4,933	54,130
Purchase of treasury shares	－	－	－	－	(2)	－	(2)
Disposal of treasury shares	－	－	－	－	1,166	－	1,166
Dividends	－	－	－	－	(11,213)	(372)	(11,585)
Share-based payment transactions	－	－	(33)	(33)	(33)	－	(33)
Increase (decrease) due to changes in equity	－	－	－	－	(1,698)	(316)	(2,014)
Increase (decrease) due to new consolidation	－	930	－	898	735	6,270	7,006
Increase (decrease) due to exclusion of subsidiaries from consolidation	－	－	－	－	－	－	－
Decrease due to mergers	－	－	－	－	(285)	－	(285)
Transfer from other components of equity to retained earnings	417	－	－	1,279	－	－	－
Put option provided to non-controlling shareholders	－	－	－	－	(144)	(11)	(156)
Transfer to non-financial assets	－	(385)	－	(385)	(385)	(370)	(756)
Total transactions with owners	417	545	(33)	1,757	(11,862)	5,199	(6,662)
Balance as of March 31, 2022	7,416	3,995	291	16,317	395,131	24,725	419,857

FY2022 (April 1, 2022 to March 31, 2023)

(Unit：Million yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Capital	Capital surplus	Treasury shares	Retained earnings	Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations
Balance as of April 1, 2022	55,855	52,638	(4,838)	275,158	—	4,614
Profit	—	—	—	40,137	—	—
Other comprehensive income	—	—	—	—	960	6,636
Comprehensive income	—	—	—	40,137	960	6,636
Purchase of treasury shares	—	—	(2)	—	—	—
Disposal of treasury shares	—	24	1,309	—	—	—
Dividends	—	—	—	(13,047)	—	—
Share-based payment transactions	—	—	—	—	—	—
Increase (decrease) due to changes in equity	—	(1,851)	—	—	—	—
Increase (decrease) due to new consolidation	—	—	—	500	—	176
Increase (decrease) due to exclusion of subsidiaries from consolidation	—	—	—	—	—	—
Decrease due to mergers	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	931	(960)	—
Put option provided to non-controlling shareholders	—	(849)	—	—	—	—
Transfer to non-financial assets	—	—	—	—	—	—
Total transactions with owners	—	(2,676)	1,306	(11,615)	(960)	176
Balance as of March 31, 2023	55,855	49,962	(3,532)	303,680	—	11,427

(Unit：Million yen)

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity				Total		
	Net change in fair value of financial assets measured through other comprehensive income	Effective portion of gains and losses on hedging instruments in a cash flow hedge	Share acquisition rights	Total			
Balance as of April 1, 2022	7,416	3,995	291	16,317	395,131	24,725	419,857
Profit	−	−	−	−	40,137	2,512	42,649
Other comprehensive income	3,263	(1,326)	−	9,533	9,533	(976)	8,557
Comprehensive income	3,263	(1,326)	−	9,533	49,671	1,535	51,206
Purchase of treasury shares	−	−	−	−	(2)	−	(2)
Disposal of treasury shares	−	−	−	−	1,333	−	1,333
Dividends	−	−	−	−	(13,047)	(602)	(13,650)
Share-based payment transactions	−	−	(7)	(7)	(7)	−	(7)
Increase (decrease) due to changes in equity	−	−	−	−	(1,851)	(4,264)	(6,115)
Increase (decrease) due to new consolidation	−	−	−	176	677	769	1,446
Increase (decrease) due to exclusion of subsidiaries from consolidation	−	−	−	−	−	(5,283)	(5,283)
Decrease due to mergers	−	−	−	−	−	−	−
Transfer from other components of equity to retained earnings	28	−	−	(931)	−	−	−
Put option provided to non-controlling shareholders	−	−	−	−	(849)	−	(849)
Transfer to non-financial assets	−	(822)	−	(822)	(822)	(629)	(1,452)
Total transactions with owners	28	(822)	△7	(1,585)	(14,570)	(10,011)	(24,581)
Balance as of March 31, 2023	10,708	1,846	284	24,266	430,232	16,249	446,482

(4) Consolidated Statement of Cash Flow

(Unit：Million yen)

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before tax	64,230	60,978
Profit (loss) before tax from discontinued operations	(106)	(275)
Depreciation and amortization	43,378	44,987
Interest and dividend income	(1,162)	(1,435)
Interest expenses	1,932	2,411
Share of loss (profit) of investments accounted for using equity method	(1,942)	(2,502)
Loss (gain) on sale and retirement of fixed assets	217	(3,266)
Decrease (increase) in trade and other receivables	(10,874)	(26,422)
Decrease (increase) in inventories	(6,570)	(14,689)
Increase (decrease) in trade and other payables	9,228	20,177
Decrease (increase) in contract assets	(2,005)	(942)
Increase (decrease) in contract liabilities	2,052	(55)
Other	(4,050)	(8,746)
Subtotal	94,326	70,217
Interest and dividends received	1,579	1,972
Interest paid	(2,001)	(2,280)
Income taxes paid	(22,331)	(12,956)
Net cash provided by (used in) operating activities	71,572	56,953
Cash flows from investing activities		
Purchase of property, plant and equipment	(44,975)	(64,549)
Proceeds from sale of property, plant and equipment	1,793	6,321
Purchase of intangible assets	(1,360)	(2,120)
Purchase of investment securities	(10,468)	(3,934)
Proceeds from sale of investment securities	5,931	447
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,651)	(5,284)
Collection of loans receivable	481	907
Payments for acquisition of businesses	—	(2,094)
Other	93	(827)
Net cash provided by (used in) investing activities	(53,154)	(71,135)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	168	6,080
Proceeds from long-term borrowings	7,667	52,176
Repayments of long-term borrowings	(20,243)	(30,521)
Proceeds from issuance of bonds	20,000	10,000
Additional purchase of shares of subsidiaries	(3,188)	(1,302)
Proceeds from sale and leaseback transactions	522	776
Repayments of lease liabilities	(5,963)	(5,515)
Proceeds from payments from non-controlling interests	4,895	—
Dividends paid	(11,207)	(13,041)
Dividends paid to non-controlling interests	(421)	(602)
Other	1,148	1,206
Net cash provided by (used in) financing activities	(6,622)	19,257
Impact of exchange fluctuations for cash and cash equivalents	782	47
Net increase (decrease) in cash and cash equivalents	12,577	5,122
Net increase (decrease) in cash and cash equivalents due to a change in the scope of consolidation	992	1,267
Cash and cash equivalents at beginning of period	45,983	59,554
Cash and cash equivalents at end of period	59,554	65,944

(5) Notes to Consolidated Financial Statements
(Notes on assumption of going business)
Not applicable.

(Reporting company)
Air Water Inc. (the “Company”) is a joint-stock company located in Japan. The registered address of the head office of the Company is in Chuo-ku, Osaka-shi.
The consolidated financial statement of the Company and its subsidiaries (the “Group”) closes on December 31 and consists of equity interests of the Group and its affiliates and joint control agreement.
The Group operates manufacturing and sale in the segments, Digital & Industry, Energy Solutions, Health & Safety, Agriculture & Foods, and Other products and services. See the section, “segment information, etc.” for the details of each business.

(Basis of preparation)
(1) Compliance with the IFRS
The consolidated financial statement of the Group satisfies the requirements of a Specified Company engaging in international financing activities in Article 1-2 of the Ordinance on Consolidated Financial Statements and have been prepared in accordance with IFRS as prescribed in Article 93 of the Ordinance.

(2) Basis of Measurement
The consolidated financial statement of the Group is prepared based on acquisition costs except retirement benefit liability (Assets) and financial instruments, etc. measured at fair value.

(3) Functional Currency and Presentation Currency
The monetary amounts in the consolidated financial statement are presented in units of yen, the functional currency of the Company. All financial data presented in Japanese yen are rounded down to the nearest million yen.

(4) Important Accounting Estimates and Decisions involving Estimates
In the preparation of the Group’s consolidated financial statement, the business manager must make decisions, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. The actual results may vary from such estimates.
Estimates and assumptions that become the basis of estimates are reviewed continuously. The impact of a revision of accounting estimates is recognized during the accounting period in which the estimates are revised and future accounting periods that will be affected.
The important accounting estimates and decisions involving estimates in this consolidated financial statement are the same as the consolidated financial statement for the accounting year ending March 31, 2022.

(Significant accounting policies)
The accounting principles that the Group applies to the consolidated financial statement are the same as the accounting principles applied to the consolidated financial statement for the consolidated fiscal year ending March 31, 2022.

(Segment Information)
(1) Overview of Reportable Segments
The Group’s reportable segments are components of an entity for which separate financial information is available and is evaluated regularly by the Board of Directors in determining the allocation of management resources and in assessing performance.
The Group plans comprehensive strategies for each product and service and operates its business activities. Therefore, the Group consists of operating segments for each product and service, and has five reportable segments, including “Digital & Industry,” “Energy Solutions,” “Health & Safety,” “Agriculture & Foods,” and “Other

Businesses.”
The Digital & Industry segment primarily manufactures and sells oxygen, nitrogen, argon, and other industrial gasses, produces equipment related to high-pressure gases, and manufactures and sells functional materials, electronic materials, etc.
The Energy Solutions segment chiefly sells LP gas and kerosene, manufactures and sells carbonic acid gas and hydrogen gas.
The Health & Safety segment generally manufactures and sells oxygen and other medical gases, manufactures and sells hygiene materials, operates hospital facility construction, provides home medical care, and operates an OEM contract business of aerosol products.
The Agriculture & Foods segment primarily distributes and processes vegetables and fruits, manufactures and sells frozen food and processed meat products, and operates contract manufacturing of soft drinks.
The Other Business segment consists of Nihonkaisui Co., Ltd. manufacturing and selling commercial-use salt, a distribution business providing distribution services for general cargos, food products, medical supplies, environmental products, etc., a North American instrument gas business providing instrument gas-related equipment and engineering services mostly in North America, a business supplying high-output uninterruptible power sources (UPS), electric power business using woody biomass, etc.

(2) Matters regarding Changes in Reporting Segments

The Air Water Group has established two key concepts, protection of the global environment and people’s wellness (healthy life), in view of global social issues we are going to confront such as the impact of climate change and the progress of the super aging society. In April 2022, the Group conducted an organizational reform restructuring the Group's diverse business sectors into four business groups in line with the above two key concepts.

As a result, from the first quarter of the current consolidated fiscal year, the conventional eight segments, Industrial Gas Business, Chemical Business, Medical Business, Energy Business, Agriculture and Food Products Business, Logistics Business, Seawater Business and Other Businesses, were reorganized into five segments: Digital & Industry, Energy Solutions, Health & Safety, Agriculture & Foods and Other Businesses. For the electric power business using woody biomass, the management system has been changed to optimize business operations in view of the drastic changes in the business environment. Accordingly, the electric power business using woody biomass is included in the Other Business segment from the third quarter of the current consolidated fiscal year onwards. It was previously categorized as part of Energy Solutions. The segment information for the cumulative third quarter of the previous consolidated fiscal year shown here was prepared based on the revised reporting segments.

(3) Information about the Amounts of Revenue and Profit or Loss by Reportable Segment

The accounting method of the reported operating segments is the same as the accounting method used to prepare the consolidated financial statements.

The profit figures of the reportable segments are operating profit. Intersegment revenue and transfers of funds are presented based on prevailing market prices.

FY 2021 (April 1, 2021 to March 31, 2022)

(Unit：Million yen)

	Reportable Segment						Adjustments (Note)	Consolidated
	Digital & Industry	Energy Solutions	Health & Safety	Agriculture & Foods	Other Business	Total		
Revenue								
Revenue from external customers	288,809	84,465	217,524	139,467	158,401	888,668	－	888,668
Intersegment revenue or transfers	11,775	5,147	765	709	13,144	31,541	(31,541)	－
Total	300,584	89,612	218,290	140,176	171,545	920,209	(31,541)	888,668
Segment profit	27,801	7,002	13,275	5,717	10,710	64,508	666	65,174
Finance income								1,369
Finance costs								(2,314)
Profit before income tax								64,230
Segment assets	335,379	56,644	152,673	91,463	232,886	869,046	152,984	1,022,031
Other items								
Depreciation and amortization	18,589	4,418	4,124	4,861	11,384	43,378	－	43,378
Impairmemnt loss	－	－	4	40	－	45	1	46
Gains on equity-method investments	371	－	1,021	43	507	1,942	－	1,942
Investments accounted for using equity method	3,817	－	11,963	171	14,680	30,633	－	30,633
Capital expenditures	19,100	6,011	3,289	4,838	9,367	42,607	2,854	45,461

(Note) 1: Adjustments of intersegment revenue or transfers of -31,541 million yen are elimination of intersegment transactions.

2: Adjustments of segment profit of 666 million yen are related to the elimination of intersegment transactions and profit or loss of the Company’s corporate divisions not allocated to reportable segments.

3: Adjustments of segment assets of 152,984 million yen are related to the elimination of intersegment assets and corporate assets not allocated to reportable segments. Corporate assets are mainly cash and deposits, financial assets and shared corporate facilities not attributable to reportable segments.

4: Adjustments of capital expenditures of 2,854 million yen are mainly corporate assets not attributable to reportable segments.

FY 2022 (April 1, 2022 to March 31, 2023)

(Unit：Million yen)

	Reportable Segment						Adjustments (Note)	Consolidated
	Digital & Industry	Energy Solutions	Health & Safety	Agriculture & Foods	Other Business	Total		
Revenue								
Revenue from external customers	342,549	91,919	235,992	152,069	182,382	1,004,914	−	1,004,914
Intersegment revenue or transfers	10,412	6,691	516	710	15,123	33,453	(33,453)	−
Total	352,962	98,610	236,509	152,780	197,505	1,038,368	(33,453)	1,004,914
Segment profit	29,002	5,703	15,482	5,521	1,062	56,771	5,409	62,181
Finance income								2,051
Finance costs								(3,253)
Profit before income tax								60,978
Segment assets	381,076	58,635	161,536	92,233	231,942	925,423	166,221	1,091,645
Other items								
Depreciation and amortization	19,157	4,581	4,212	4,943	12,092	44,987	−	44,987
Impairmemnt loss	19	−	−	−	−	19	−	19
Gains on equity-method investments	526	−	896	44	1,035	2,502	−	2,502
Investments accounted for using equity method	4,264	−	12,764	212	15,388	32,630	−	32,630
Capital expenditures	38,831	4,417	2,701	5,070	11,331	62,352	4,014	66,367

(Note) 1: Adjustments of intersegment revenue or transfers of -33,453 million yen are elimination of intersegment transactions.

2: Adjustments of segment profit of 5,409 million yen are related to the elimination of intersegment transactions and profit or loss of the Company’s corporate divisions not allocated to reportable segments.

3: Adjustments of segment assets of 166,221 million yen are related to the elimination of intersegment assets and corporate assets not allocated to reportable segments. Corporate assets are mainly cash and deposits, financial assets and shared corporate facilities not attributable to reportable segments.

4: Adjustments of capital expenditures of 4,014 million yen are mainly corporate assets not attributable to reportable segments.

(Earning per share)

(1) Basic and diluted earnings per share

(Unit：Yen)

	FY 2021 (April 1, 2021 to March 31, 2022)	FY 2022 (April 1, 2022 to March 31, 2023)
Basic earnings (loss) per share	191.06	176.84
Continuing operations	191.69	178.18
Discontinued operations	(0.63)	(1.34)
Diluted earnings (loss) per share	190.86	176.66
Continuing operations	191.48	178.00
Discontinued operations	(0.63)	(1.34)

(2) Bases for calculating basic and diluted earnings per share

1) Profit attributable to common shareholders

(Unit：Million yen)

	FY 2021 (April 1, 2021 to March 31, 2022)	FY 2022 (April 1, 2022 to March 31, 2023)
Profit (loss) attributable to owners of parent	43,214	40,137
Continuing operations	43,356	40,442
Discontinued operations	(142)	(305)
Diluted profit (loss) attributable to common shareholders	43,214	40,137
Continuing operations	43,356	40,442
Discontinued operations	(142)	(305)

2) Average number of common shares during the year

(Unit：Thousands of shares)

	FY 2021 (April 1, 2021 to March 31, 2022)	FY 2022 (April 1, 2022 to March 31, 2023)
Average number of common shares during the year	226,182	226,972
Increases in common shares due to stock options	242	236
Average number of diluted common shares during the year	226,424	227,208

(Significant subsequent events)

Not applicable