
Fiscal year 2023 Third Quarter

Financial Results Explanatory Materials

Meeting society's needs with nature's blessings.



AIR WATER

February 9, 2024



Third Quarter Financial Results for Fiscal Year 2023

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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).**

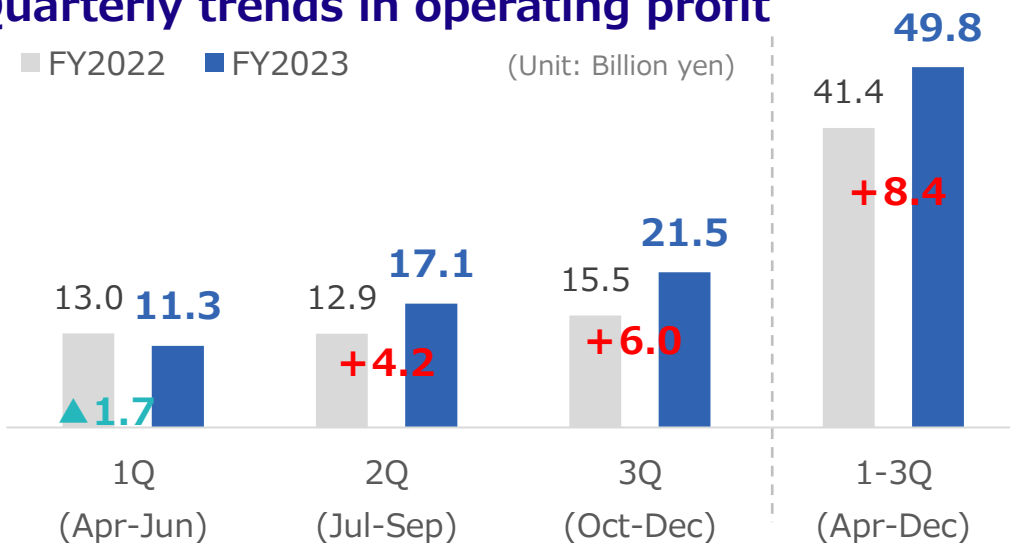
Third Quarter Financial Results for Fiscal Year 2023

Main points of the Third quarter financial results for Fiscal Year 2023 AIR WATER

(Unit: Billion yen)

	FY22 1-3Q	FY23 1-3Q	Increase/decrease	
			Amount	YoY
Revenue	724.8	744.7	+ 19.9	102.7%
Operating profit	41.4	49.8	+ 8.4	120.3%
Profit attributable to owners of parent	26.5	31.0	+ 4.6	117.2%
Operating profit ratio	5.7%	6.7%		

Quarterly trends in operating profit



- Operating profit for the third quarter (from October to December 2023) came to 21.5 billion yen and that for the nine months from April to December totaled 49.8 billion yen, both of which marked record highs, the result of progress in price management and an increase in productivity despite a slow recovery in market conditions.
- Profit further increased (up 6.0 billion yen year on year) from the significant increase achieved in the second quarter (up 4.2 billion yen year on year).

Main factors behind the growth

- Revision of prices of industrial gases, commercial salts and other products progressed
- Expansion of Global & Engineering (North American industrial gas and high output UPS)
- Growth of beverage business, effect of new consolidation of vegetable and fruit business (Agriculture & Foods)
- Eased cost impact on the woody biomass power generation business (electric power and seawater)

Consolidated income statement



(Unit: Billion yen)	FY22.1-3Q	FY23.1-3Q	Increase/decrease	
			Amount	YoY
Revenue	724.8	744.7	+ 19.9	102.7%
Cost of sales	▲577.8	▲583.8	▲6.0	
Gross profit	147.0	160.9	+ 13.9	109.4%
Selling, general and administrative expenses	▲109.5	▲115.4	▲5.8	
Other operating income and expenses	2.2	2.4	+ 0.2	
Share of profit of investments accounted for using the equity method	1.8	1.9	+ 0.1	
Operating profit	41.4	49.8	+ 8.4	120.3%
Finance income and costs	▲0.4	▲0.5	▲0.2	
Quarterly profit before income taxes	41.1	49.3	+ 8.2	120.0%
Income taxes	▲14.4	▲16.9	▲2.5	
Quarterly loss from discontinued operations	0.0	0.0	+ 0.0	
Quarterly profit	26.7	32.4	+ 5.7	121.4%
Owners of parent	26.5	31.0	+ 4.6	117.2%
Non-controlling interests	0.2	1.4	+ 1.2	
Operating profit margin	5.7%	6.7%		
ROE *1	6.5%	7.0%		
Basic net earnings per share for the quarter *2	116.78yen	136.32yen		

*1 "Profit for the quarter attributable to owners of the parent" ÷ "Equity attributable to owners of the parent" (The average between the beginning and the end of the quarter)

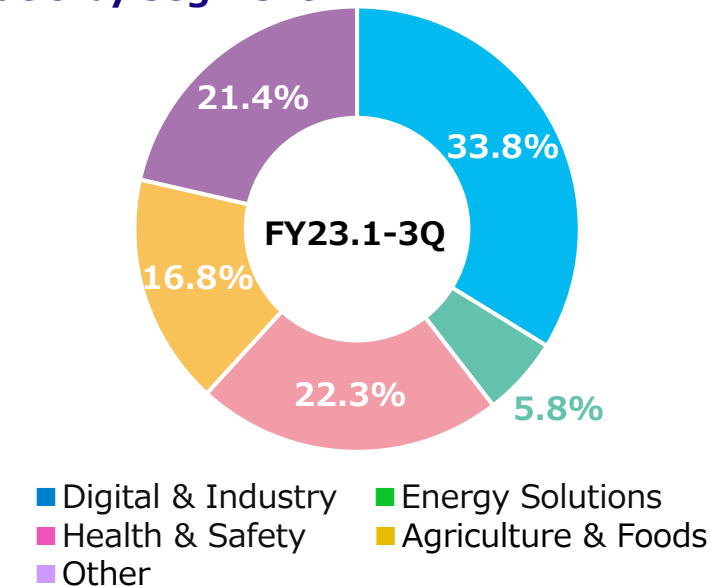
*2 Basic earnings per share for the quarter are calculated based on the average number of issued shares during the period.

Revenue by segment

(Unit: Billion yen)

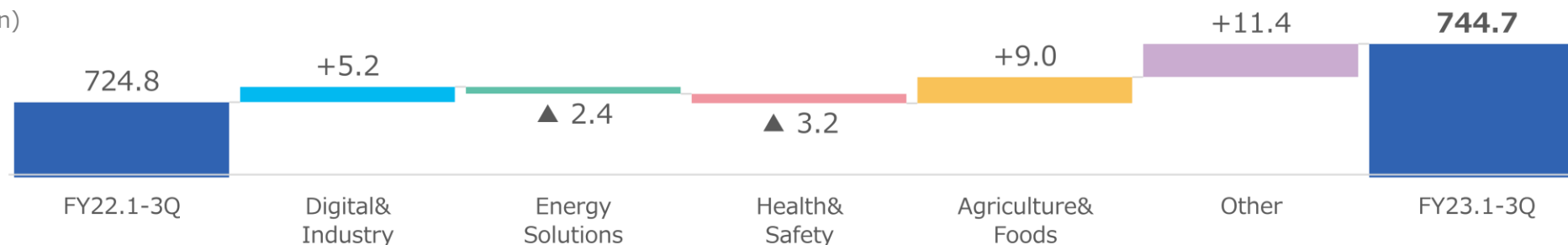
Group	FY22 1-3Q	FY23 1-3Q	Increase/decrease	
			Amount	YoY
Digital & Industry	246.4	251.6	+ 5.2	102.1%
Energy Solutions	45.3	42.9	▲ 2.4	94.7%
Health & Safety	169.0	165.7	▲ 3.2	98.1%
Agriculture & Foods	116.0	125.0	+ 9.0	107.7%
Other	148.1	159.5	+ 11.4	107.7%
Total	724.8	744.7	+ 19.9	102.7%

Revenue composition ratio by segment



*From the first quarter of the current fiscal year, the engineering business in Japan and the overseas and engineering business (including the industrial gases business in India), which was previously included in Digital and Industry, are in other business. Similarly, the industrial gas business and the hydrogen business, which were previously included in Energy solutions, are now a part of Digital & Industry. Accordingly, figures for the same period of the previous fiscal year reflect the segment classification after the change.

(Unit: Billion yen)

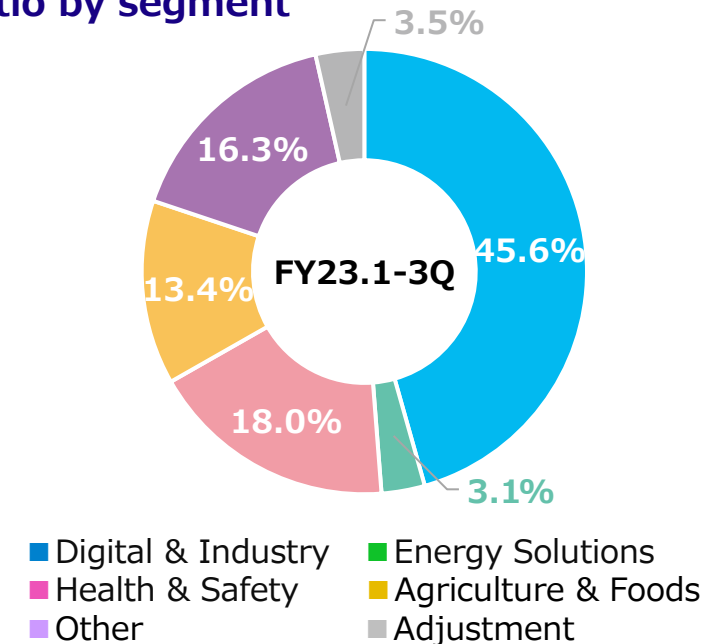


Operating profit by segment

(Unit: Billion yen)

Group	FY22 1-3Q	FY23 1-3Q	Increase/decrease	
			Amount	YoY
Digital & Industry	18.8	22.7	+ 3.9	120.6%
Energy Solutions	2.1	1.6	▲ 0.6	73.9%
Health & Safety	9.7	9.0	▲ 0.7	92.4%
Agriculture & Foods	5.2	6.7	+ 1.5	128.1%
Other	3.6	8.1	+ 4.5	223.4%
Adjustment*	1.9	1.8	▲ 0.2	91.7%
Total	41.4	49.8	+ 8.4	120.3%

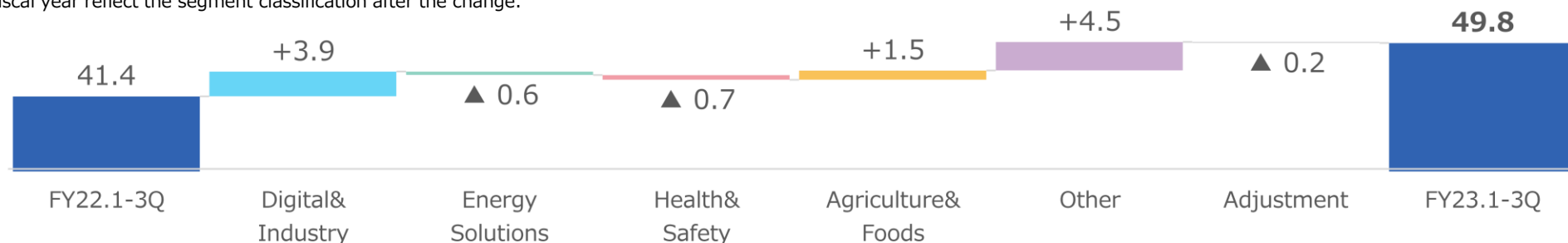
Operating profit composition ratio by segment



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

* From the first quarter of the current fiscal year, the engineering business in Japan and the overseas and engineering business (including the industrial gases business in India), which was previously included in Digital and Industry, are in other business. Similarly, the industrial gas business and the hydrogen business, which were previously included in Energy solutions, are now a part of Digital & Industry. Accordingly, figures for the same period of the previous fiscal year reflect the segment classification after the change.

(Unit: Billion yen)



Digital & Industry Revenue and operating profit

(Unit: Billion yen)	FY22 1-3Q	FY23 1-3Q	Increase/ decrease	YoY
Revenue	246.4	251.6	+ 5.2	102.1%
Operating profit	18.8	22.7	+ 3.9	120.6%
Operating profit ratio	7.6%	9.0%	+ 1.4pt	—

Main increase/decrease factors

Revenue +5.2 billion yen

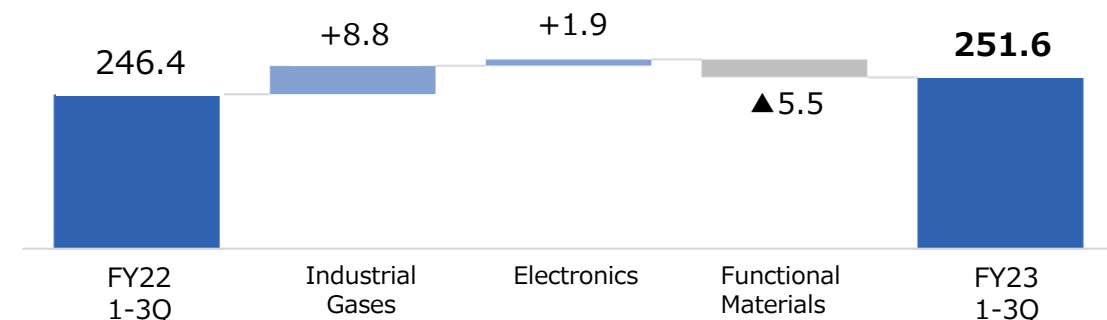
- 【+】
 - Price revision of industrial gas
 - Increase in sales of carbon dioxide gas
- 【-】
 - Decrease in sales of sealants for semiconductor manufacturing equipment

Operating profit +3.9 billion yen

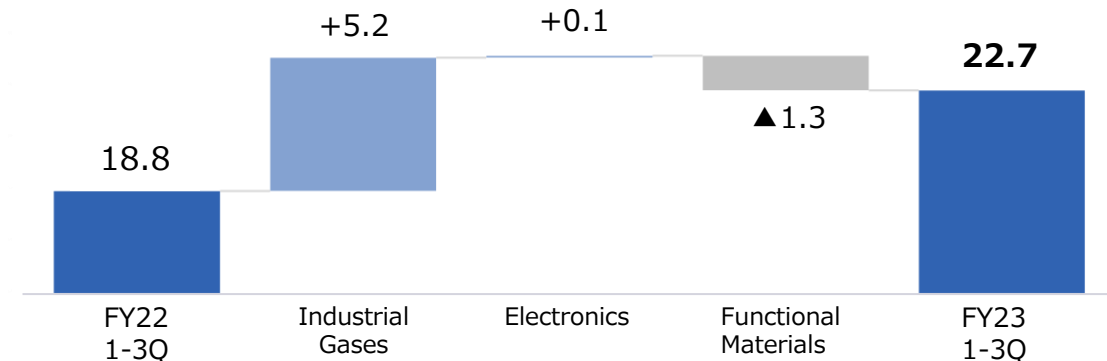
- 【+】
 - Price revision of industrial gas
 - Increase in sales of carbon dioxide gas
- 【-】
 - Decrease in sales of quinone products such as naphthoquinone for agricultural chemicals and sealants for semiconductor devices
 - Fall in sales of semiconductor-related equipment and heat control equipment for semiconductor devices

Increase/Decrease by Unit

Revenue



Operating profit



Energy Solutions Revenue and operating profit

(Unit: Billion yen)	FY22 1-3Q	FY23 1-3Q	Increase/ decrease	YoY
Revenue	45.3	42.9	▲2.4	94.7%
Operating profit	2.1	1.6	▲0.6	73.9%
Operating profit ratio	4.7%	3.7%	▲1.0pt	—

Main increase/decrease factors

Revenue ▲2.4 billion yen

- 【－】 • Decline in LP gas sales prices due to market conditions
- 【＋】 • Rise in volume of LP gas for industrial use

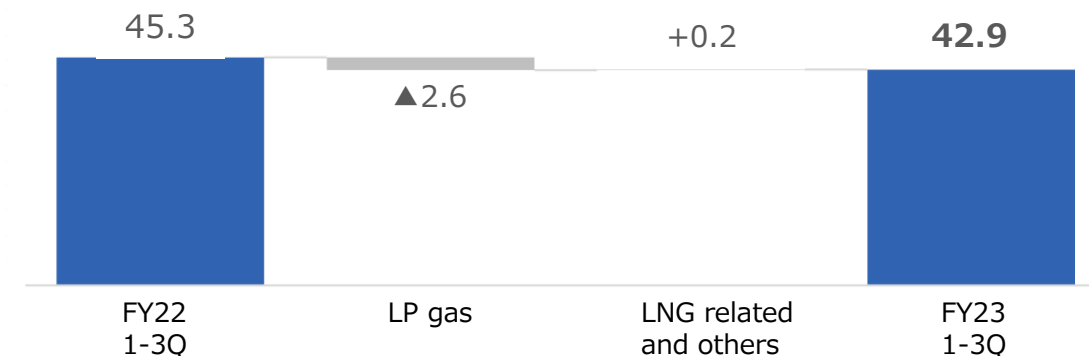
Operating profit ▲0.6 billion yen

- 【－】 • Impacts of market price fluctuations on LP gas inventory valuation

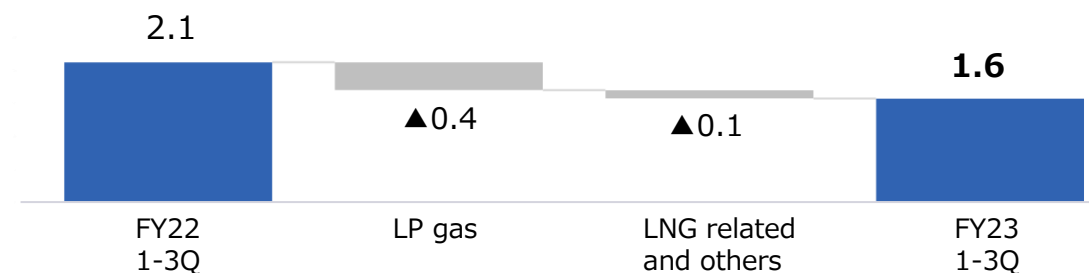
Increase/Decrease by Unit

(Unit: Billion yen)

Revenue



Operating profit



Health & Safety Revenue and operating profit

(Unit: Billion yen)	FY22 1-3Q	FY23 1-3Q	Increase/ decrease	YoY
Revenue	169.0	165.7	▲3.2	98.1%
Operating profit	9.7	9.0	▲0.7	92.4%
Operating profit ratio	5.7%	5.4%	▲0.3pt	—

Main increase/decrease factors

Revenue ▲3.2 billion yen

- 【-】 Shrinkage of COVID-19-related demand (for domiciliary oxygen concentrators, hygiene materials and other infection control products)
- Decrease in contract for supply processing and distribution (SPD) services in medical services
- 【+】 Increase in construction for data centers

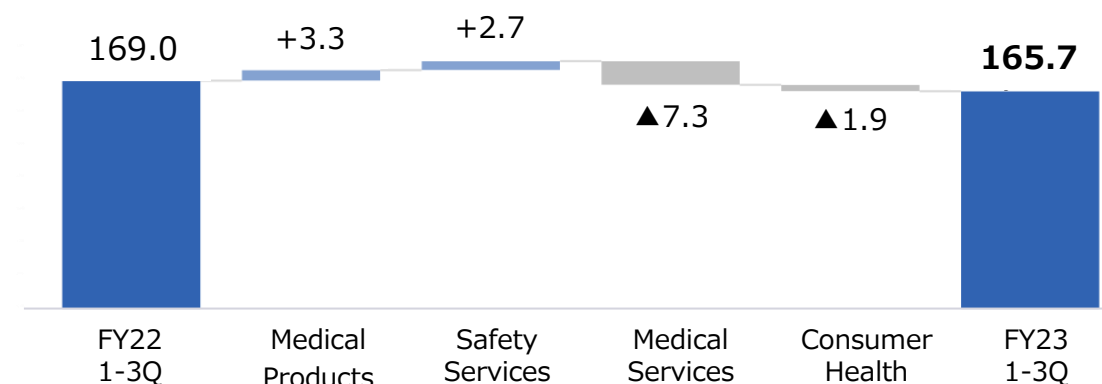
Operating profit ▲0.7 billion yen

- 【-】 Shrinkage of COVID-19-related demand (for domiciliary oxygen concentrators, hygiene materials and other infection control products)
- Decrease in contract for supply processing and distribution (SPD) services in medical services
- 【+】 Increase in contracts for cosmetics (liquid-filled products)

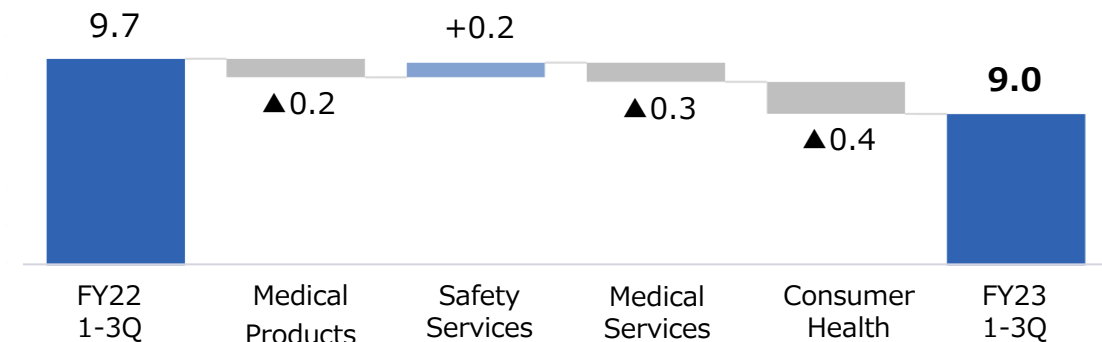
Increase/Decrease by Unit

Revenue

(Unit: Billion yen)



Operating profit



Agriculture & Foods Revenue and operating profit

(Unit: Billion yen)	FY22 1-3Q	FY23 1-3Q	Increase/ decrease	YoY
Revenue	116.0	125.0	+ 9.0	107.7%
Operating profit	5.2	6.7	+ 1.5	128.1%
Operating profit ratio	4.5%	5.3%	+0.8pt	—

Main increase/decrease factors

Revenue +9.0 billion yen

- 【+】
- Increase in consignment of mineral water and fruit-based beverages, etc.
 - Increase in sales of agricultural produce in the farm-fresh produce delivery business
 - Price revision for ham and sausages
 - Effect of new consolidation of Marushin Seika

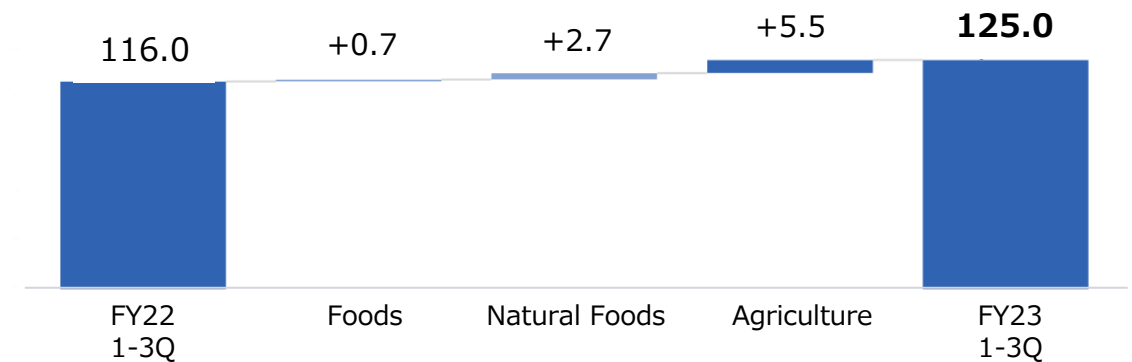
Operating profit +1.5 billion yen

- 【+】
- Increase in consignment of tea- and fruit-based beverages, etc.
 - Rise in costs of raw materials including pork and eggs
 - Effect of new consolidation of Marushin Seika co., Ltd

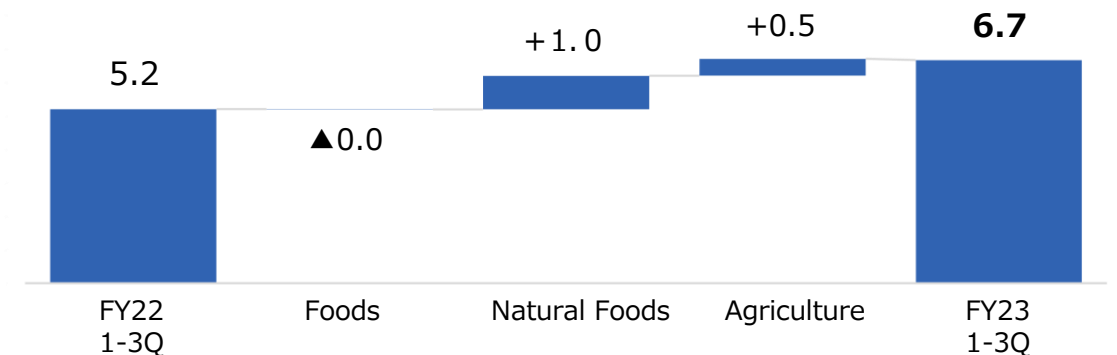
Increase/Decrease by Unit

(Unit: Billion yen)

Revenue



Operating profit



Other Revenue and operating profit

(Unit: Billion yen)	FY22 1-3Q	FY23 1-3Q	Increase/ decrease	YoY
Revenue	148.1	159.5	+11.4	107.7%
Operating profit	3.6	8.1	+4.5	223.4%
Operating profit ratio	2.5%	5.1%	+2.6pt	—

Main increase/decrease factors

Revenue +11.4 billion yen

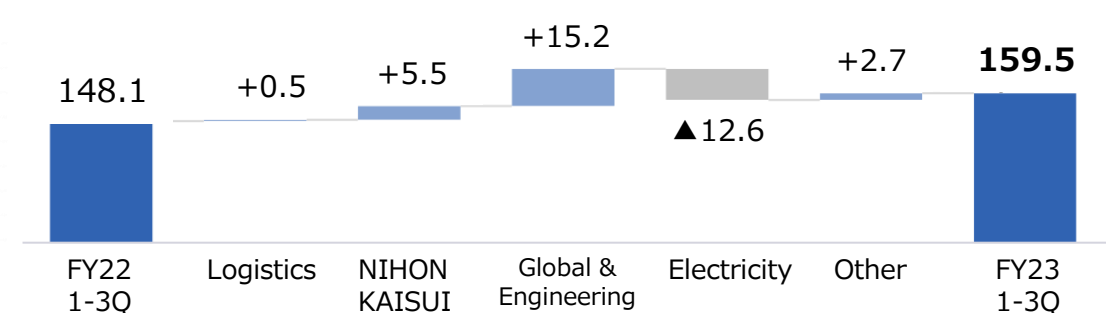
- 【+】
 - Effect of new consolidation in North American high output UPS business and recovery of performance
 - Price revision for commercial salt
- 【-】
 - Decreased earnings due to the exclusion of the subsidiary operating the Hofu power plant from the scope of consolidation

Operating profit +4.5 billion yen

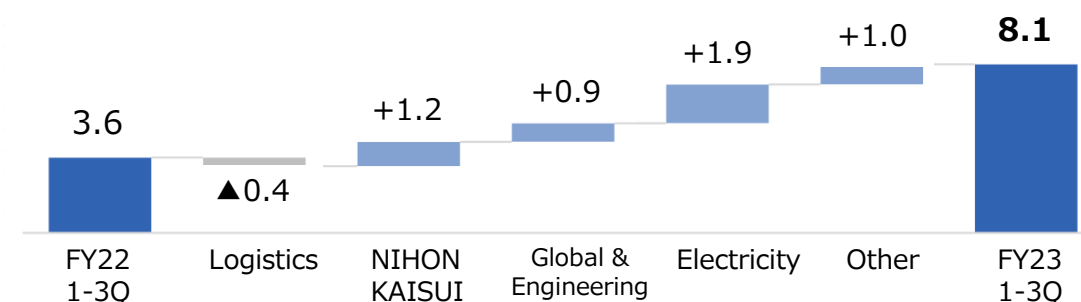
- 【+】
 - Recovery of earnings in North America and high-power UPS field
 - Recovery from the cost-related impact on the electric power business
 - Repricing of commercial salt

Increase/Decrease by Unit

Revenue



Operating profit



Consolidated statement of financial position



(Unit: Billion yen)		End of March 2023	End of December 2023	Increase/decrease	
				Amount	YoY
	Current assets	431.1	444.4	+13.3	103.1%
	Non-current assets	660.5	748.1	+87.6	113.3%
	Total assets	1,091.6	1,192.5	+100.9	109.2%
	Current liabilities	299.7	301.7	+2.0	100.7%
	Non-current liabilities	345.5	411.8	+66.4	119.2%
	Total liabilities	645.2	713.5	+68.4	110.6%
	Total equity	446.5	479.0	+32.5	107.3%
	Total liabilities and equity	1,091.6	1,192.5	+100.9	109.2%
Equity attributable to owners of the parent		430.2	460.2		
Interest-bearing liabilities		390.2	452.8		
Equity ratio attributable to owners of the parent		39.4%	38.6%		
Net D/E ratio *		0.75	0.85		

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

Cash flow status



(Unit: Billion yen)		FY22.1-3Q	FY23.1-3Q	Increase/ decrease
Operating cash flows	[(1)]	36.0	49.4	+ 13.4
Investment cash flows	[(2)]	▲54.6	▲82.2	▲27.6
Financial cash flows	[(3)]	25.2	28.3	+ 3.1
Total cash flows	[(1)+(2)+(3)]	6.6	▲4.5	▲11.1
Cash and cash equivalents at the end of the quarter		67.2	62.9	▲4.3
Free cash flows	[(1)+(2)]	▲18.6	▲32.8	▲14.2

Fiscal Year 2023 Full-Year Financial Results forecast

Fiscal Year 2023 full-year financial results forecast



The full-year financial forecasts remain unchanged from those announced on May 10, 2023.






(Unit: Billion yen)	FY2022 Full year (Result)	FY2023 Full year (Forecast)	Increase/decrease	
			Amount	YoY
Revenue	1,004.9	1,080.0	+75.1	107.5%
Operating profit	62.2	72.0	+9.8	115.8%
Profit before income taxes	61.0	70.0	+9.0	114.8%
Profit attributable to owners of the parent	40.1	44.0	+3.9	109.6%
Interest-bearing liabilities	390.2	442.8	+52.6	113.5%
Equity attributable to owners of the parent	430.2	478.0	+47.7	111.1%
Total assets	1,091.6	1,229.9	+138.3	112.7%
Operating profit margin	6.2%	6.7%		
ROE ^{*1}	9.7%	9.7%		
Basic net earnings per share for the period	176.84 yen	193.12 yen		
Equity ratio attributable to owners of the parent	39.4%	38.9%		
Net D/E ratio ^{*2}	0.75	0.80		

*1 "Profit for the period attributable to owners of the parent" ÷ "Equity attributable to owners of the parent" (The average between the beginning and the end of the period)

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




Full-year financial results forecast by segment

* Due to the change in segment classifications in the first quarter of the fiscal year, the figures for the previous fiscal year have also changed.

		FY2022 Full year (Result)	FY2023 Full year (Forecast)	Increase/decrease	
(Unit: Billion yen)				Amount	YoY
 Digital & Industry	Revenue	338.0	363.0	+25.0	107.4%
	Operating profit	26.1	33.2	+7.1	127.1%
 Energy Solutions	Revenue	69.2	70.0	+0.8	101.1%
	Operating profit	4.3	4.6	+0.3	108.0%
 Health & Safety	Revenue	236.0	245.0	+9.0	103.8%
	Operating profit	15.5	17.0	+1.5	109.8%
 Agriculture & Foods	Revenue	152.8	173.0	+20.2	113.2%
	Operating profit	5.5	7.2	+1.7	130.5%
 Other (Logistics/NIHON KAISUI/Global & Engineering/ Electricity/Other)	Revenue	208.9	229.0	+20.1	109.6%
	Operating profit	5.1	11.4	+6.2	221.0%
(Adjustment)	Operating profit	5.7	▲1.4	▲7.0	—
Total	Revenue	1,004.9	1,080.0	+75.1	107.5%
	Operating profit	62.2	72.0	+9.8	115.8%



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
	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, cosmetics, and injection needles

* Transferred from Energy Solutions from the first quarter of this fiscal year.

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, Ecolocca (artificially regenerated wood)

* Transferred from Digital & Industry from the first quarter of this fiscal year.

Number of consolidated companies

	End of March 2023	End of December 2023	Increase/decrease
Consolidated subsidiaries*	142	137	Increase of 8 companies Decrease of 13 companies
Equity method affiliates	12	12	Increase of 1 company Decrease of 1 company
Total	154	149	Increase of 9 companies Decrease of 14 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 for fiscal year 2023






Company name	Segment	Time of start of consolidation
Nihon Kaisui TTS Kanda Power Co.,Ltd.	Other	FY2023.2Q
Marushin Seika co., Ltd	Agriculture & Foods	FY2023.3Q
Phoenix Welding Supply LLC.	Other	FY2023.3Q

(Reference) Major companies newly consolidated or excluded from consolidation in FY2022

Newly consolidated/Excluded	Company name	Segment	Time
Newly consolidated	Dohmeyer Holding BVBA	Other	FY2022.4Q
Excluded	Air Water & Energia Power Yamaguchi	Other	FY2022.4Q



Revenue by unit

(Unit: Billion yen)

Group	Unit	FY22.1-3Q	FY23.1-3Q	Increase/decrease	YoY
 Digital & Industry	Industrial Gases	122.3	131.1	+8.8	107.2%
	Electronics	69.5	71.4	+1.9	102.8%
	Functional Materials	54.6	49.1	▲5.5	89.9%
	Group Total	246.4	251.6	+5.2	102.1%
 Energy Solutions	LP gas	43.0	40.5	▲2.6	94.1%
	LNG related and others	2.2	2.4	+0.2	106.7%
	Group Total	45.3	42.9	▲2.4	94.7%
 Health & Safety	Medical Products	53.1	56.4	+3.3	106.1%
	Safety Services	21.8	24.5	+2.7	112.5%
	Medical Services	50.6	43.3	▲7.3	85.6%
	Consumer Health	43.4	41.5	▲1.9	95.6%
	Group Total	169.0	165.7	▲3.2	98.1%
 Agriculture & Foods	Foods	39.5	40.2	+0.7	101.8%
	Natural Foods	40.1	42.8	+2.7	106.8%
	Agriculture	36.4	42.0	+5.5	115.2%
	Group Total	116.0	125.0	+9.0	107.7%
 Other	Logistics	46.0	46.5	+0.5	101.1%
	NIHON KAISUI CO., LTD.	30.8	36.4	+5.5	118.0%
	Global & Engineering	40.2	55.4	+15.2	137.9%
	Electricity	22.5	9.9	▲12.6	43.8%
	Other	8.6	11.3	+2.7	131.8%
	Group Total	148.1	159.5	+11.4	107.7%

Domestic revenue by type of gases






(Unit: Billion yen)

Group	Gas Type	FY22.1- 3 Q	FY23.1-3Q	Increase/decrease	
		Amount	Amount	Amount	YoY
 Digital & Industry	Oxygen	28.8	30.0	+ 1.1	104.0%
	Nitrogen	25.1	28.6	+ 3.5	114.0%
	Argon	9.9	10.2	+ 0.3	103.0%
	Carbon dioxide	16.9	18.2	+ 1.3	107.9%
	Hydrogen	4.4	4.3	▲0.1	97.8%
	Helium	2.6	3.1	+ 0.4	116.0%
	Other gases	17.6	17.3	▲0.2	98.6%
 Energy Solutions	LP gas	24.6	22.3	▲2.3	90.6%
	Kerosene	6.8	6.4	▲0.4	94.1%

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

Business profit^{* 1} by segment

(Unit: Billion yen)

Group	FY22.1-3Q	FY23.1-3Q	Increase/decrease	
			Amount	YoY
 Digital & Industry	17.6	21.2	+ 3.6	120.5%
 Energy Solutions	0.4 ^{* 2}	1.2	+ 0.8	324.6%
 Health & Safety	8.6	8.1	▲0.4	95.0%
 Agriculture & Foods	4.2	6.2	+ 2.0	147.5%
 Other	2.6	6.9	+ 4.3	266.9%
(Adjustment)	5.9	3.8	▲2.1	64.3%
Total	39.2	47.5	+ 8.2	120.9%

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

* 2 Includes the effect of the recording of inter-subsidiary business consignment fees (▲1.5 billion yen) .

Revenue of regional business companies

(Unit: Billion yen)

Company name	FY22.1-3Q	FY23.1-3Q	Increase/decrease	
			Amount	YoY
Air Water Hokkaido	74.0	72.9	▲1.1	98.5%
Air Water East Japan	64.9	71.9	+ 7.0	110.8%
Air Water West Japan	58.1	62.8	+ 4.7	108.1%
Total	196.9	207.5	+ 10.6	105.4%

* 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	FY22.1-3Q	FY23.1-3Q	Increase/decrease	
				Amount	YoY
Air Water Materials Inc.	Digital & Industry (Electronics)	36.0	37.2	+1.1	103.1%
Air Water Performance Chemical Inc.	Digital & Industry (Functional Materials)	24.9	24.1	▲0.8	96.9%
Tateho Chemical Industries Co., Ltd.	Digital & Industry (Functional Materials)	7.0	6.7	▲0.3	96.0%
Kawamoto Corporation	Health & Safety (Consumer Health)	23.1	22.3	▲0.8	96.5%
Air Water Realize Inc. ^{*1}	Health & Safety (Consumer Health)	17.1	17.9	+0.8	104.9%
Gold Pak Co., Ltd.	Agriculture & Foods (Natural Foods)	38.6	41.6	+3.0	107.7%
Air Water Onahama Biomass Electric Power Co., Ltd.	Other (Electricity)	9.6	9.9	+0.2	102.3%
India Industrial Gas Sector field ^{*2}	Other (Global & Engineering)	13.8	15.0	+1.2	108.5%
North America Industrial Gases field ^{*2}	Other (Global & Engineering)	11.9	20.5	+8.7	172.8%
High-power UPS business field ^{*2}	Other (Global & Engineering)	12.2	19.9	+7.7	163.5%

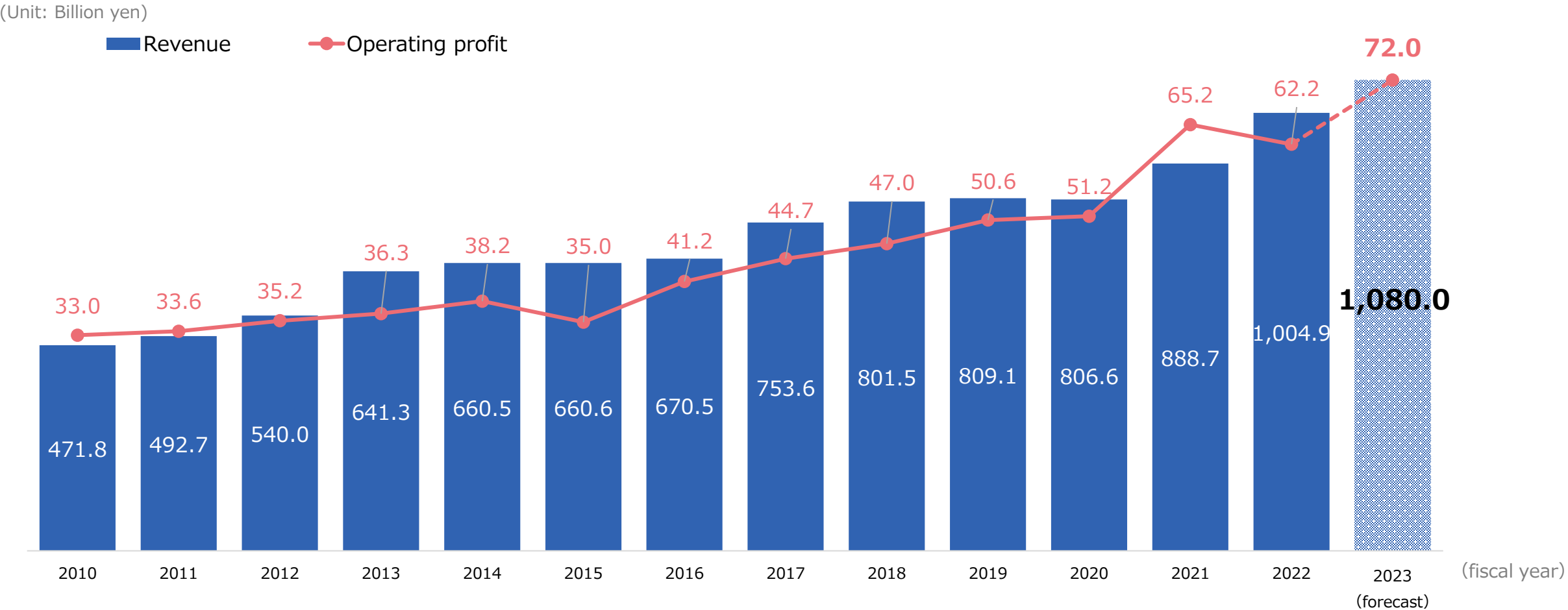
*1 The name of the company was changed from Air Water Sol Inc. to Air Water Realize Inc. on April 1, 2023.

On October 1, 2023, the results for 1 -3 quarter of FY2023 include the results of the former Misawa Medical Industry Co., Ltd.

*2 Simple sum of each group company.



Trends in revenue and operating profit



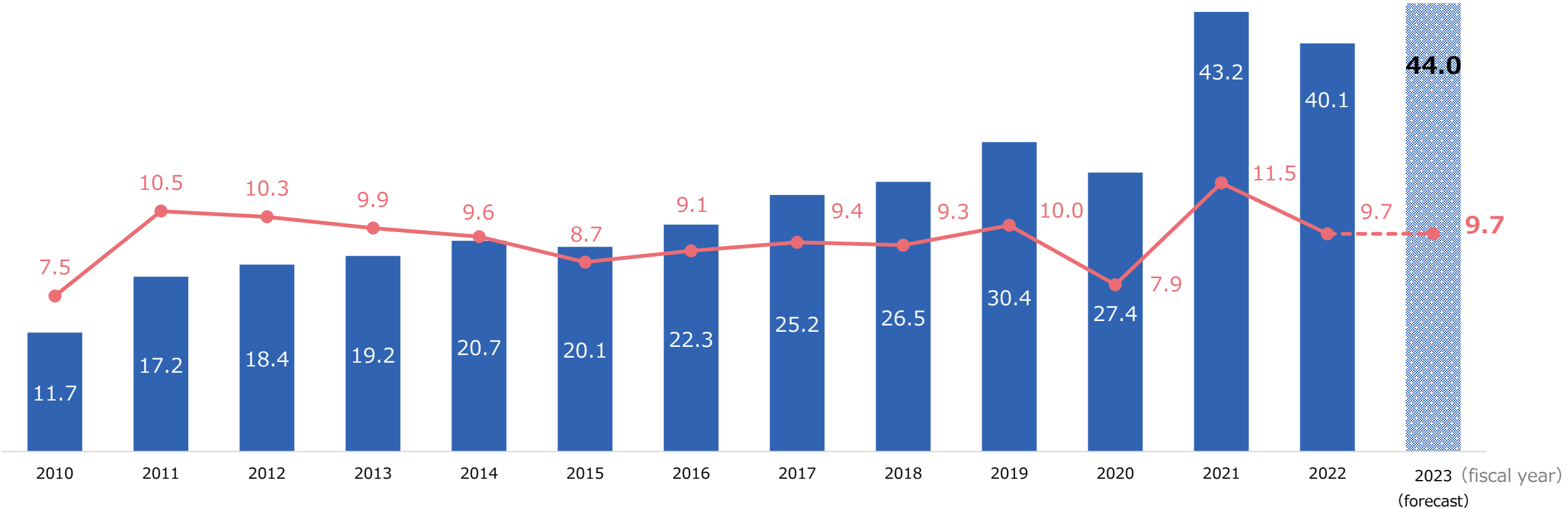
*IFRS accounting has been applied since FY2019
Up to FY2018, net sales and ordinary income (Japanese GAAP) is shown.



Trends in ROE and net income

(Unit: Billion yen/%)

■ Net income ● ROE



* International Financial Reporting Standards apply from FY2019 onwards

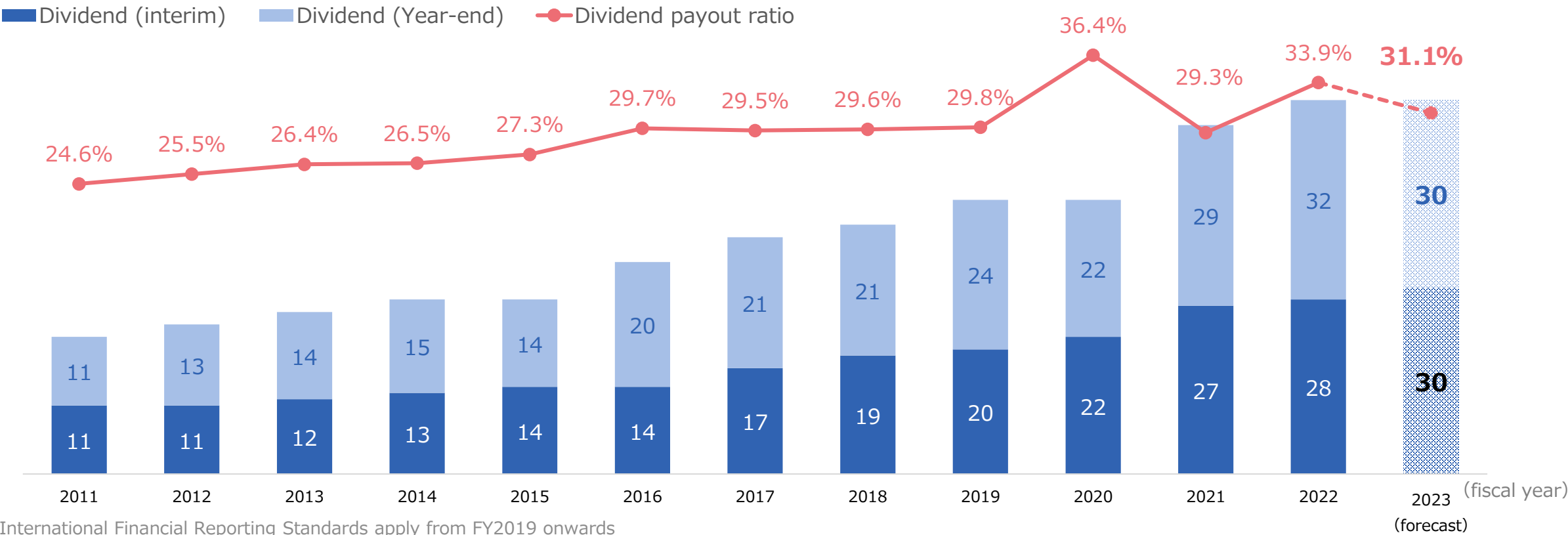


Trends in dividends and dividend payout ratio

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.

(Unit: yen)












* International Financial Reporting Standards apply from FY2019 onwards

List of recent major releases

*Period covered: November 10, 2023 - February 9, 2024



Release Date	Topic
November 10	 <u>Inspection Project aimed at Building a Bioenergy Supply Chain in India Selected as a NEDO Project</u>
November 16	 Promotion of digital transformation in vegetable and fruit distribution with Vegetech Co., Ltd. and Delica Foods Co., Ltd.
November 27	 Launch of a business to verify technology to produce low-cost bio-coke using buckwheat chaff as the raw material
November 30	 Participation in an association for research into carbon-neutral industrial heat system technology used to develop technologies for the use of fuel ammonia in industrial furnaces
December 6	 Notice of authorization of plan to secure a supply of helium as a semiconductor material
December 19	 Launch of efforts to produce formic acid from biomass-derived CO2 jointly with Nitto Denko Corporation
January 30	 Notice of donation recipient selected for 2023 Furusato Ouen Eichi Program, a donation and support program for local governments in Hokkaido
January 31	 Designation of Air Water Inc. as a coordinator for the material transportation for Rapidus
February 8	 Revision of prices for industrial- and medical-use gases

 Digital & Industry  Energy Solution  Health & Safety  Agriculture & Foods  Other

2024 Noto Peninsula Earthquake

Status of damage

None of the Group's personnel have been affected by the earthquake.

In the Group's supply chains, no event that has a serious impact on procurement and production schedule has occurred.

As for physical damage, the Noto factory (Suzu, Ishikawa Pref.) of Kurosu Industries Co., Ltd.*, a second-tier subsidiary of Air Water Inc., suffered damage to part of its buildings and facilities and suspended operation. Production partially resumed on January 29th.

While the impact on business in the current fiscal year is being investigated, at present, an extraordinary loss of approximately 50 million yen as a total of expenses for recovery, a valuation loss on raw materials and other materials no longer usable, and other items is expected to be recognized.

* A subsidiary of Kawamoto Corporation, a consolidated subsidiary of Air Water Inc., which primarily manufactures bandages

Support

- Donation of 10 million yen through the Japanese Red Cross Society
- Free supply of 2,000 gas cartridges for portable gas stoves
- Placement of a medical container designed and manufactured by a Group company, Air Water Safety Service Inc.
- Free supply of approx. 1,000 bottles of mineral water and other beverages from a Group company, Gold-Pak Co., Ltd.
- Free supply of toothbrushes, anti-bacterial wet tissues, mouthwashes, and other goods from a Group company, Ci Medical Co., Ltd.

The entire Group will continue to support the victims of the earthquake.



Medical containers set up in the affected areas

For stable supply of rare gases (helium and argon) for semiconductor



Background of tight demand for helium and argon

- Progress in the growing production at large semiconductor manufacturers
- Global decrease in helium supply capacity
- Decrease in argon source due to reorganization of blast furnaces

Helium

Primary use: Checking cooling gas used in semiconductor production and checking the leakage of cooling gas

■ Planning capital expenditure to increase supply capacity

Certified as a plans for ensuring supply based on the Economic Security Promotion Act. Grant provided by the Ministry of Economy, Trade and Industry to investment plans for the stable supply of helium for semiconductors (exclusive container trailer, etc.) (up to 1/3 of the amount invested)

Ref.: news release (Dec. 6, 2023)

In addition to the above capital expenditure, the amount of helium sold in Japan will be doubled through synergy with American Gas Products Inc., a North American helium business company purchased through M&A.



Center Plant, NIPPON HELIUM INC.

Argon

Primary use: atmosphere (gas) in the production process of silicon wafers

■ Promoting total optimization in line with changes in demand structure by effectively using sources distributed unevenly in regions

- 1) Argon produced using a large ASU for semiconductor plants
Three locations in Japan assumed for ASU to be extended in the future
 - 2) Extension of existing production facilities (Muroran) and a new relay base in the Tohoku region
- * Production capacity in Muroran to be raised 1.4 times



Argon tank



Kitakami Gas Center under construction

Meeting society's needs with nature's blessings.

