
Fiscal year 2023 Full Year

Financial Results Explanatory Materials

Meeting society's needs with nature's blessings.



AIR WATER

May 9, 2024

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Introduction

Financial Summary (FY2023 Full Year Results / FY2024 Full Year Forecast)



(Unit: Billion yen)	FY2023 (Result)	Increase/decrease		FY2024 (Forecast)	Increase/decrease	
		Amount	YoY		Amount	YoY
Revenue	● 1,024.5	+19.6	102.0%	● 1,100.0	+75.5	107.4%
Operating profit	● 68.3	+6.1	109.8%	● 78.0	+9.7	114.2%
Profit attributable to owners of parent	● 44.4	+4.2	110.5%	● 50.0	+5.6	112.7%
Operating profit ratio	6.7%	+0.5pt	-	7.1%	+0.4pt	-

FY2023 Full Year Results

- Expansion of overseas industrial gas business, growth of beverage business, and the effect of newly consolidated fruit and vegetable wholesale business **achieved the highest results in the past.**

FY2024 Full Year Forecast

- **Expanding growth areas** in electronics business in line with recovery in demand for semiconductors and in overseas business (India and North America)
- **Strengthen profitability** through business restructuring, including integration and reorganization of group companies and review of unprofitable and underperforming businesses

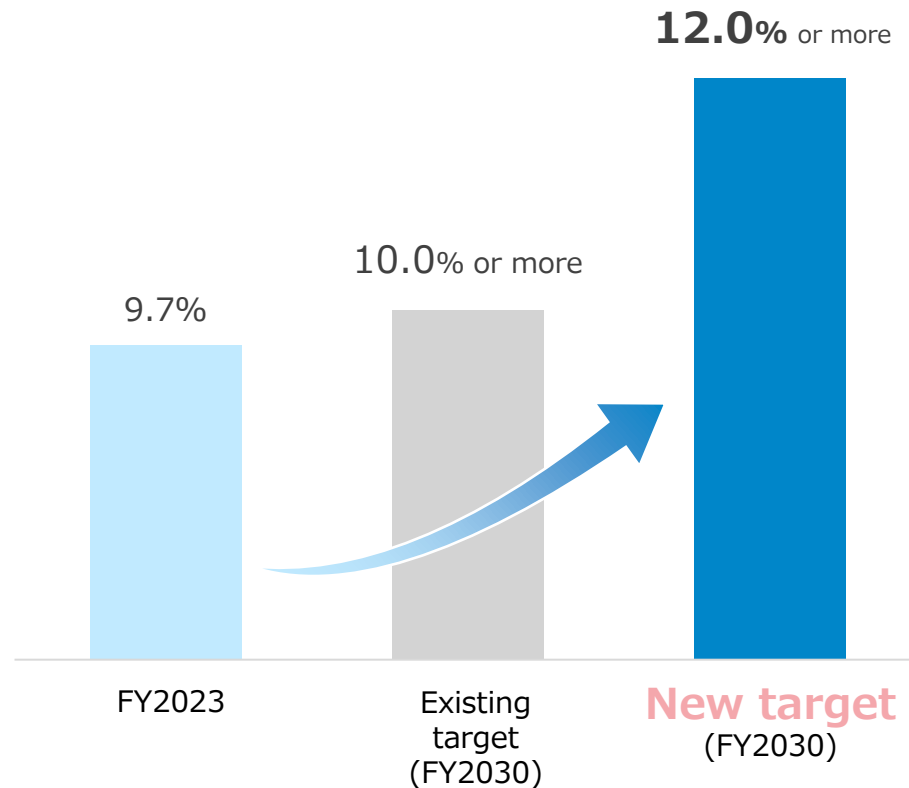
The Growth Strategy of Air Water



Priority Measures (1) Strengthen profit margin and capital efficiency

Make groupwide efforts to increase profit margin and capital efficiency

ROE transition



Enhance Group business management functions to maximize cash flows from operating activities.

Profit margin



- Rationalization and streamlining
- Price management
- Reviews of low-profitability products and businesses

Capital efficiency



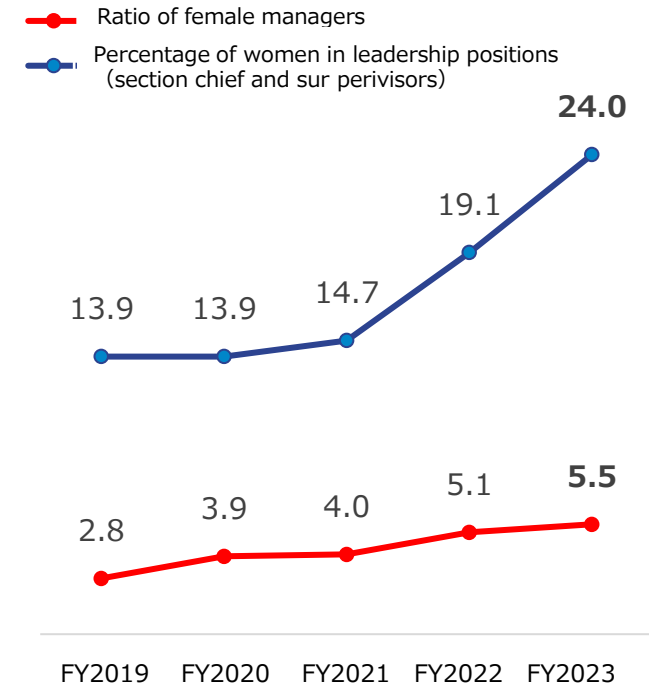
- Tightening of inventory management
- Reviews of unnecessary assets
- Enhancement of group cash management

Priority Measures (2) Investments in Human Capital

Step up investment in human capital for realizing the medium- and long-term growth strategy.




<p>Main measure 1</p>	<p>Develop global human resources</p>	<ul style="list-style-type: none"> • Develop 150 personnel in the next three years • Dispatch overseas training for all new employees in 2024.
<p>Main measure 2</p>	<p>Promote DE&I (Diversity, equity and inclusion)</p>	<ul style="list-style-type: none"> • Appointment of women to executive and managerial positions • Promotion of young employee
<p>Main measure 3</p>	<p>Improve engagement</p>	<ul style="list-style-type: none"> • Continuous increase in wages • Recurrent education (DX personnel, etc.)

Status of Active Promotion of Female Employees
(on a non-consolidated basis, as of the end of each fiscal year: %)

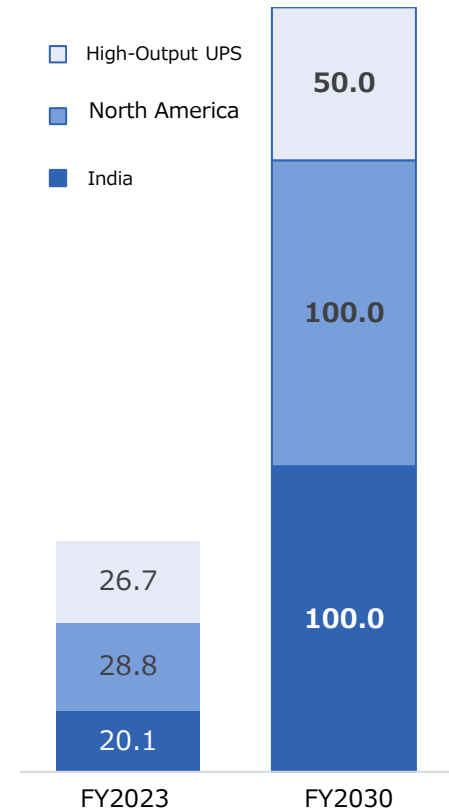


Growth Area (1) Overseas (India, North America and High-Output UPS)

Move boldly into priority growth areas in a bid for rapid growth while making improvements in the basic areas.

	India	North America	High-Output UPS
			
Priority growth areas	On-site gas supply for steel	Hydrogen supply chain constructed (equipment and stations for manufacturing and supply)	For data centers and semiconductor manufacturing
Basic areas	Networking of industrial gas in-house manufacturing bases	Strengthen cryogenic equipment technology American version of VSU strategy (Strengthen gas sales network through M&A)	Technical strengths with strong competitiveness Maintenance and engineering services (Subscription type)
Initiatives in FY23	Priority growth areas Contract received for on-site gas supply by SAIL, a state-owned steel company.	Basic areas Acquired AGP, a helium supply company, as a group company	Priority growth areas Received orders for large-scale DC projects in Southeast Asia
external environment	<ul style="list-style-type: none"> Crude steel production capacity of 300 million tons The world's most populous country 	<ul style="list-style-type: none"> Industrial gas market of 3 trillion yen Strong decarbonization demand 	<ul style="list-style-type: none"> Rapidly growing market (with an annual growth rate of more than 6%) Mounting environmental awareness*

Sales Revenue 250.0 billion yen

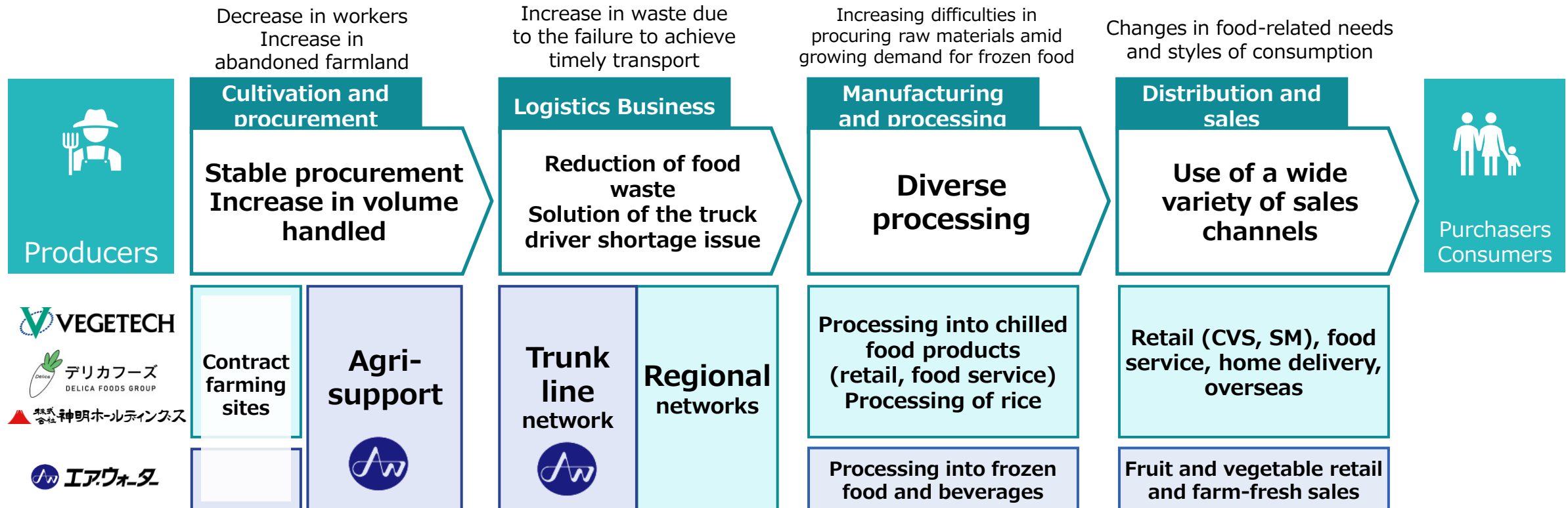


*Less waste and less environmental impact than competing systems that require battery replacement every 7-10 years.

Growth Area (2) Agriculture


Concluded a capital and business alliance with Shinmei Holdings Co., Ltd. The coalition of four companies with sales on the scale of 700 billion yen constructed a sustainable agriculture model to solve issues facing agriculture and fruit and vegetables distribution.

Strengthen the platform of rice, fruit and vegetables distribution and processing



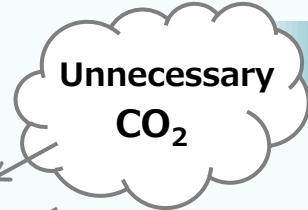



Growth Area (3) Carbon Neutrality

Carry out technology development with the use of existing businesses in a bid to gain first-mover advantage in the area of decarbonization solutions.

			
LNG	Biomethane derived from manure	Hydrogen	Power generation with vertical solar systems

 **Sale as a new energy product to customer factories** 

<p>Recycling</p> <p>Methanation and raw materials for chemicals (e.g. formic acid and carbon monoxide)</p> 	<p></p> <p>CO₂ collection system</p> <p></p>	<p>Utilization</p> <p>Carbon dioxide gas and dry ice (for use in farming, cement packaging and others)</p> 
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Full Year Financial Results for Fiscal Year 2023

Consolidated income statement

	(Unit: Billion yen)	FY2022	FY2023	Increase/decrease	
				Amount	YoY
Revenue		1,004.9	1,024.5	+ 19.6	102.0%
Cost of sales		▲804.8	▲804.3	+ 0.6	
Gross profit		200.1	220.3	+ 20.2	110.1%
Selling, general and administrative expenses		▲150.4	▲158.4	▲8.0	
Other operating income and expenses		10.0	4.4	▲5.6	
Share of profit of investments accounted for using the equity method		2.5	2.1	▲0.4	
Operating profit		62.2	68.3	+ 6.1	109.8%
Finance income and costs		▲1.2	▲1.6	▲0.4	
Profit before income taxes		61.0	66.7	+ 5.7	109.4%
Income taxes		▲18.0	▲20.6	▲2.5	
Loss from discontinued operations		▲0.3	▲0.0	+ 0.3	
Profit		42.6	46.1	+ 3.5	108.2%
Owners of parent		40.1	44.4	+ 4.2	110.5%
Non-controlling interests		2.5	1.8	▲0.7	
Operating profit margin		6.2%	6.7%		
ROE *1		9.7%	9.7%		
Basic net earnings per share for the quarter *2		176.84yen	194.69yen		

*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)

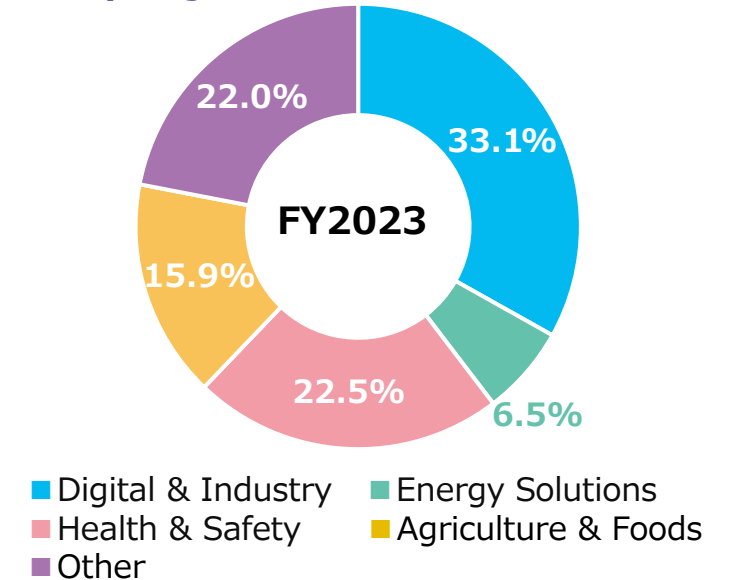
*2 Basic earnings per share for the quarter are calculated based on the average number of issued shares during the period.

Revenue by segment

(Unit: Billion yen)

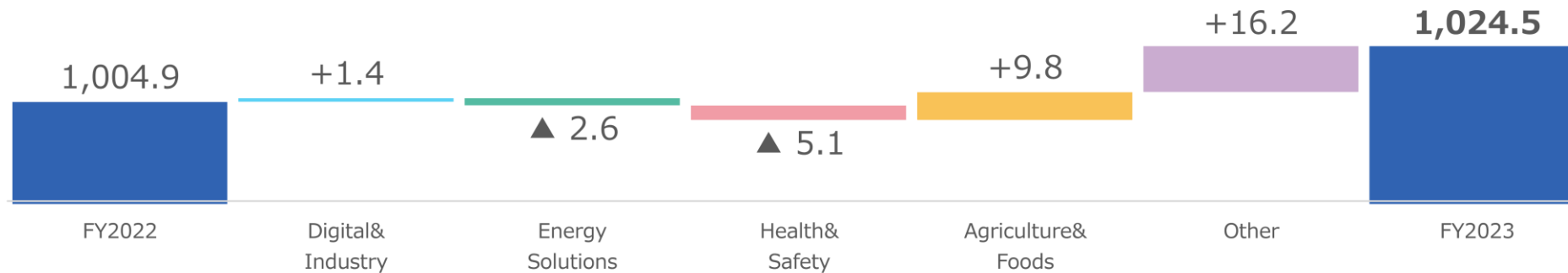
Group	FY2022	FY2023	Increase/decrease	
			Amount	YoY
Digital & Industry	338.0	339.4	+1.4	100.4%
Energy Solutions	69.2	66.6	▲2.6	96.2%
Health & Safety	236.0	230.9	▲5.1	97.8%
Agriculture & Foods	152.8	162.6	+9.8	106.4%
Other	208.9	225.1	+16.2	107.8%
Total	1,004.9	1,024.5	+19.6	102.0%

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)



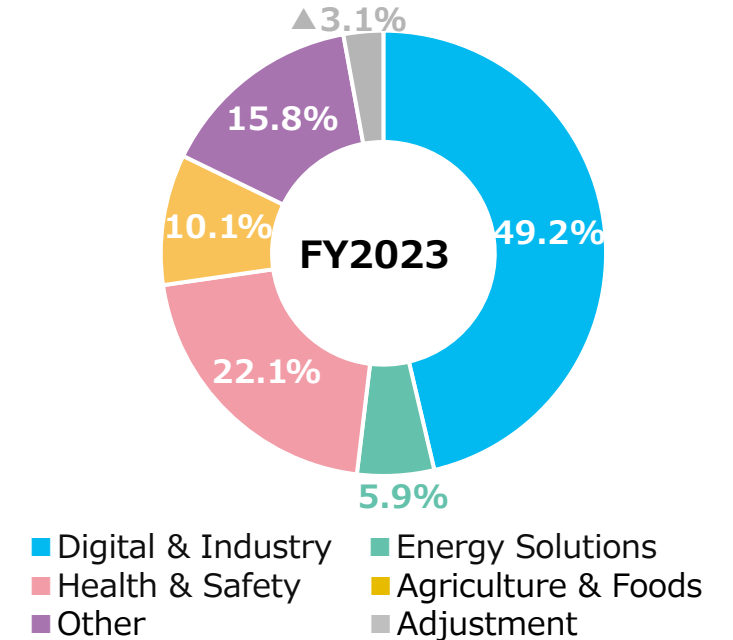
Operating profit by segment



(Unit: Billion yen)

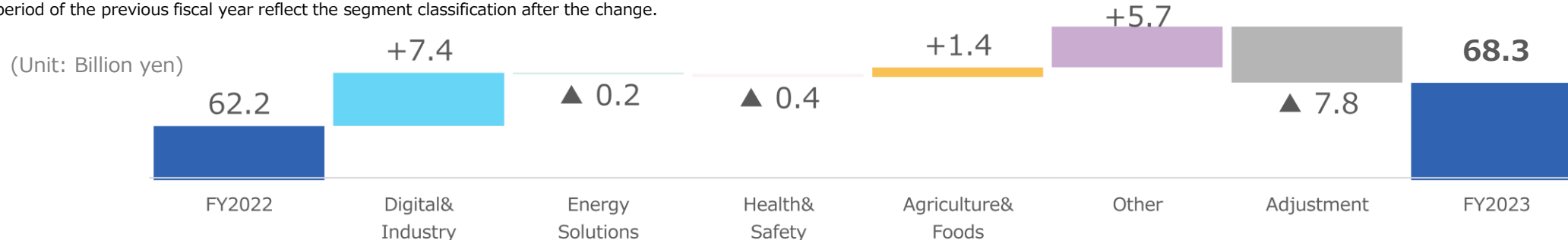
Group	FY2022	FY2023	Increase/decrease	
			Amount	YoY
Digital & Industry	26.1	33.6	+7.4	128.5%
Energy Solutions	4.3	4.0	▲0.2	94.9%
Health & Safety	15.5	15.1	▲0.4	97.4%
Agriculture & Foods	5.5	6.9	+1.4	125.4%
Other	5.1	10.8	+5.7	210.3%
Adjustment*	5.7	▲2.1	▲7.8	—
Total	62.2	68.3	+6.1	109.8%

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.

* 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.



Digital & Industry increase/decrease factors

(Unit: Billion yen)	FY2022	FY2023	Increase/decrease	YoY
Revenue	338.0	339.4	+ 1.4	100.4%
Operating profit	26.1	33.6	+ 7.4	128.5%
Operating profit ratio	7.7%	9.9%	+ 2.2pt	—

Main increase/decrease factors

Revenue +1.4 billion yen

- [+]** • Price revision of industrial gas ●
- [-]** • Decrease in sales of sealants for semiconductor manufacturing equipment ◆

Operating profit +7.4 billion yen

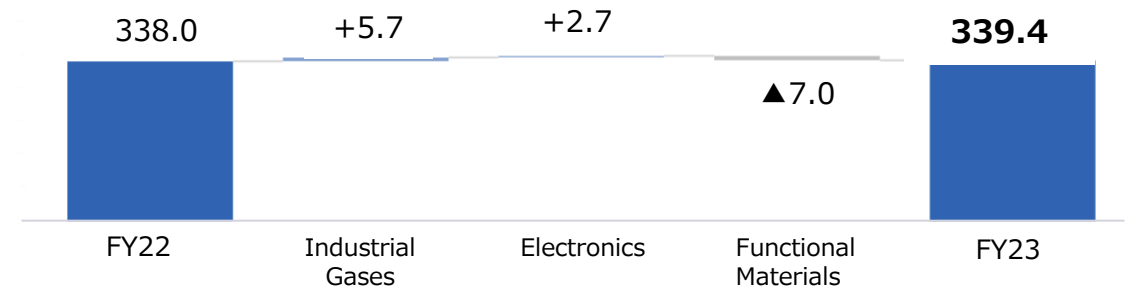
- [+]** • Price revision of industrial gas ●
- Recovery of carbon dioxide sales ●
- [-]** • Decrease in sales of quinone products such as naphthoquinone for agricultural chemicals and sealants for semiconductor device ◆
- Fall in sales of semiconductor-related equipment and heat control equipment for semiconductor device ★

● Industrial Gases ★ Electronics ◆ Functional Materials

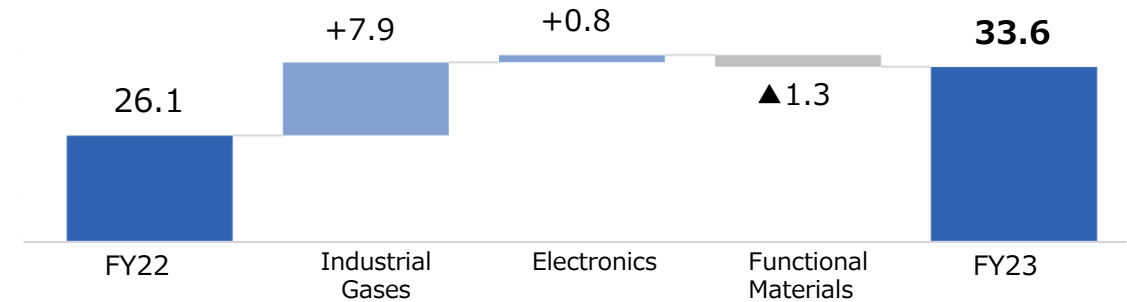
Increase/Decrease by Unit

(Unit: Billion yen)

Revenue



Operating profit



Energy Solutions increase/decrease factors

(Unit: Billion yen)

	FY2022	FY2023	Increase/decrease	YoY
Revenue	69.2	66.6	▲2.6	96.2%
Operating profit	4.3	4.0	▲0.2	94.9%
Operating profit ratio	6.2%	6.1%	▲0.1pt	—

Main increase/decrease factors

Revenue ▲2.6 billion yen

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

Operating profit ▲0.2 billion yen

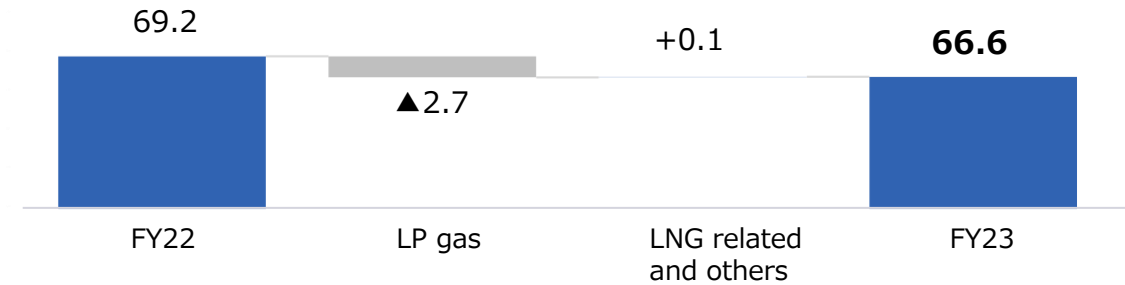
- 【－】
- Impacts of market price fluctuations on LP gas inventory valuation ●

● LP gas ◆ LNG related and others

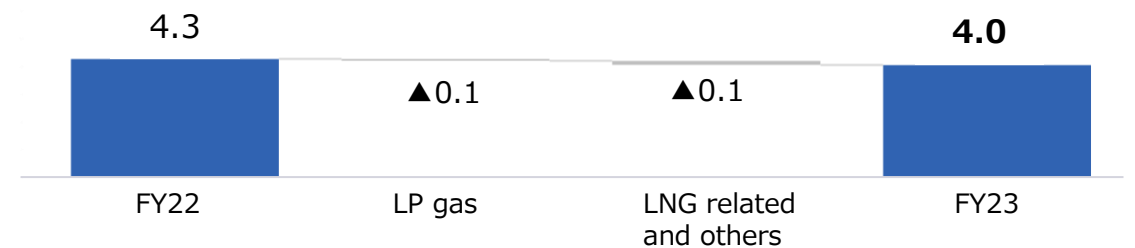
Increase/Decrease by Unit

(Unit: Billion yen)

Revenue



Operating profit



Health & Safety increase/decrease factors

(Unit: Billion yen)	FY2022	FY2023	Increase/decrease	YoY
Revenue	236.0	230.9	▲5.1	97.8%
Operating profit	15.5	15.1	▲0.4	97.4%
Operating profit ratio	6.6%	6.5%	▲0.0pt	—

Main increase/decrease factors

Revenue ▲5.1 billion yen

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

Operating profit ▲0.4 billion yen

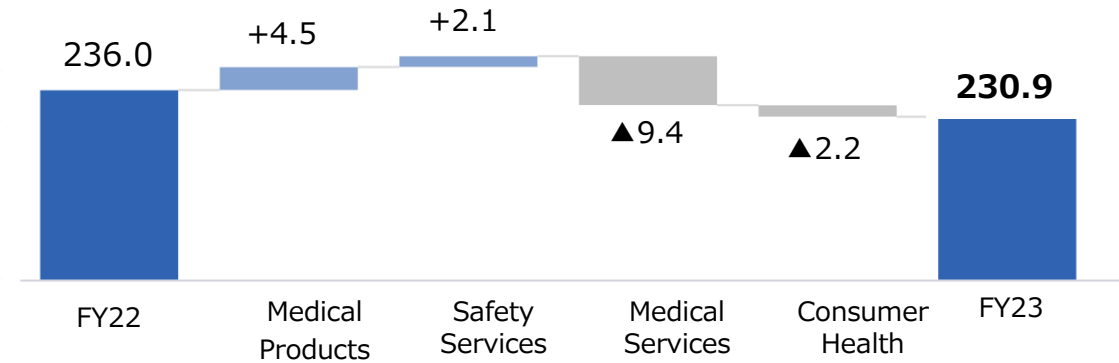
- 【-】
 - Shrinkage of COVID-19-related demand (for domiciliary oxygen concentrators, hygiene materials, other infection control products and vaccine needle) ●■
 - Decrease in contract for supply processing and distribution (SPD) services in medical services ◆
- 【+】
 - Rise in sales of respirators ★

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

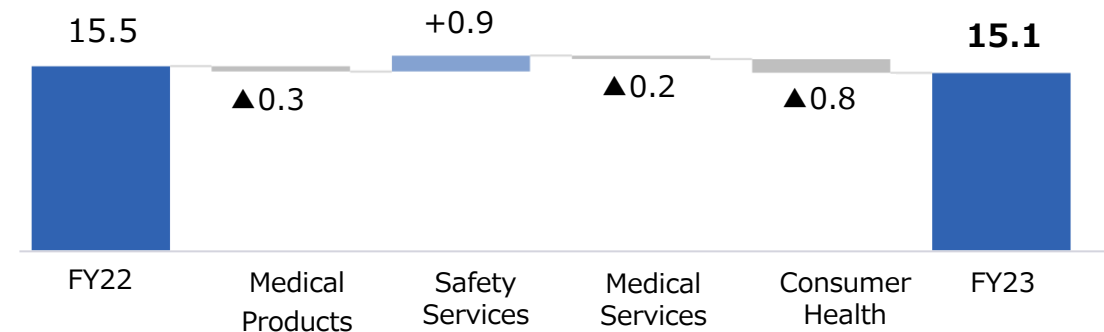
Increase/Decrease by Unit

Revenue

(Unit: Billion yen)



Operating profit



Agriculture & Foods increase/decrease factors

(Unit: Billion yen)

	FY2022	FY2023	Increase/decrease	YoY
Revenue	152.8	162.6	+9.8	106.4%
Operating profit	5.5	6.9	+1.4	125.4%
Operating profit ratio	3.6%	4.3%	+0.6pt	—

Main increase/decrease factors

Revenue +9.8 billion yen

- 【+】
- Increase in consignment of fruit-based beverages, etc. ★
 - Increase in sales of agricultural produce in the farm-fresh produce delivery business ◆
 - Increase in sales of fruit and vegetable retail ◆
 - Effect of new consolidation of Marushin Seika co., Ltd ◆

Operating profit +1.4 billion yen

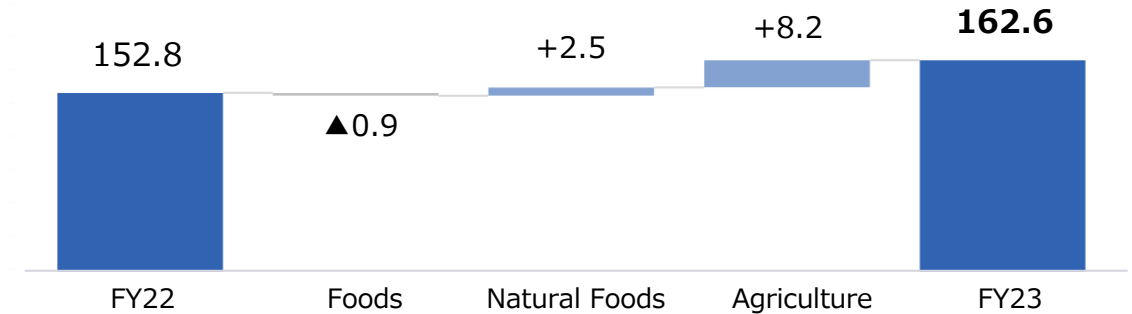
- 【+】
- Increase in consignment of fruit-based beverages, etc. ★
 - Rise in costs of raw materials including pork and eggs ◆
 - Effect of new consolidation of Marushin Seika co., Ltd ◆

● Foods ★ Natural Foods ◆ Agriculture

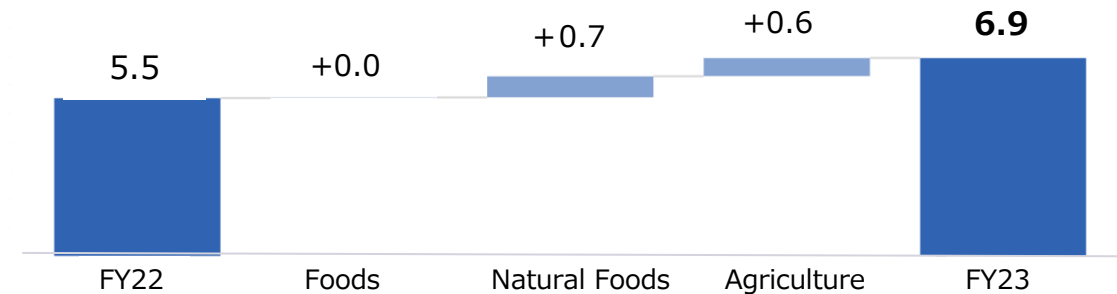
Increase/Decrease by Unit

(Unit: Billion yen)

Revenue



Operating profit



Other increase/decrease factors

(Unit: Billion yen)	FY2022	FY2023	Increase/decrease	YoY
Revenue	208.9	225.1	+16.2	107.8%
Operating profit	5.1	10.8	+5.7	210.3%
Operating profit ratio	2.5%	4.8%	2.3pt	—

Main increase/decrease factors

Revenue +16.2 billion yen

- 【+】
 - Steady performance in North America and high-power UPS field ◆
 - Effect of new consolidation of Phoenix and AGP in North America ◆
 - Kanda Biomass Power Plant began operating ★
 - Price revision for commercial salt ★
- 【-】
 - Decreased earnings due to the exclusion of the subsidiary operating the Hofu power plant from the scope of consolidation ★

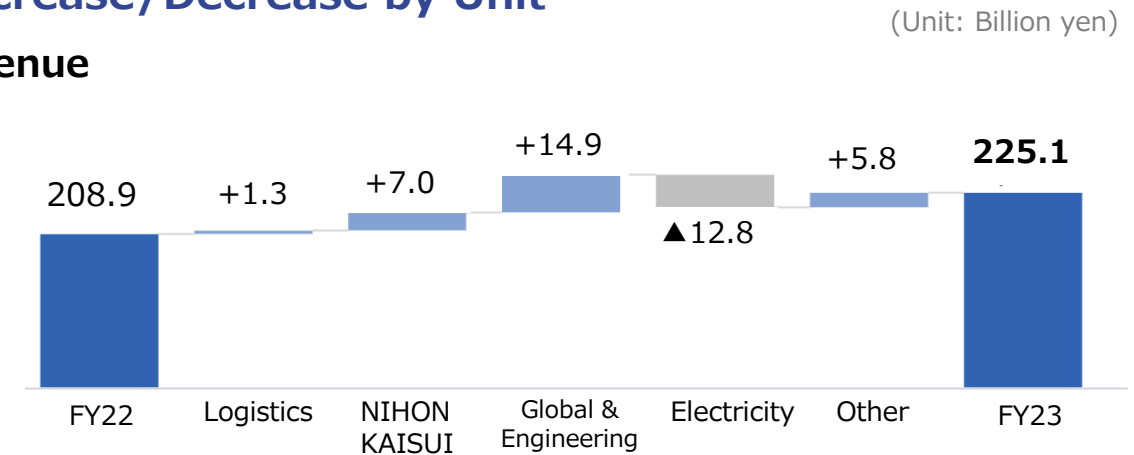
Operating profit +5.7 billion yen

- 【+】
 - Steady performance in high-power UPS field in North America ◆
 - Effect of new consolidation of Phoenix and AGP in North America ◆
 - Recovery from the cost-related impact on the electric power business ★■
 - Price revision for commercial salt ★

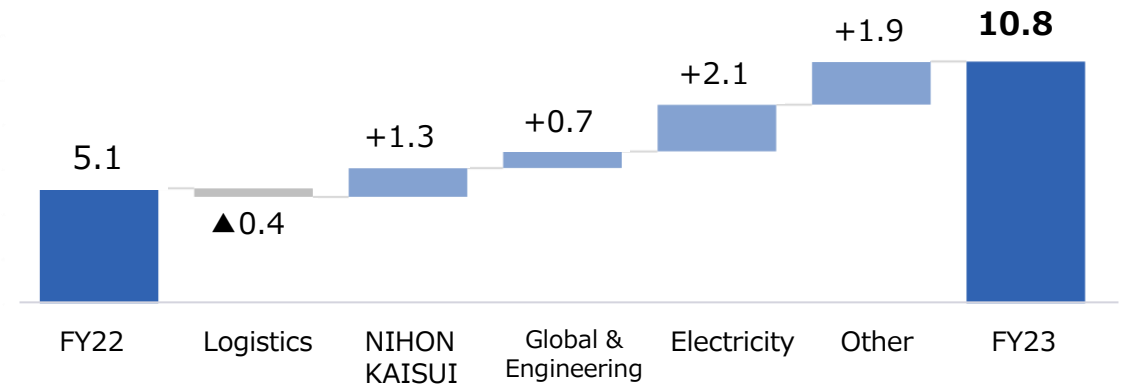
● Logistics ★ NIHON KAISUI ◆ Global & Engineering ■ Electricity ▼ Other

Increase/Decrease by Unit

Revenue



Operating profit



Consolidated statement of financial position



		End of March 2023	End of March 2024	Increase/decrease	
				Amount	YoY
(Unit: Billion yen)					
	Current assets	431.1	449.4	+ 18.2	104.2%
	Non-current assets	660.5	773.3	+ 112.8	117.1%
	Total assets	1,091.6	1,222.7	+ 131.1	112.0%
	Current liabilities	299.7	317.5	+ 17.8	105.9%
	Non-current liabilities	345.5	396.7	+ 51.3	114.8%
	Total liabilities	645.2	714.2	+ 69.0	110.7%
	Total equity	446.5	508.5	+ 62.0	113.9%
	Total liabilities and equity	1,091.6	1,222.7	+ 131.1	112.0%
	Equity attributable to owners of the parent	430.2	488.6		
	Interest-bearing liabilities	390.2	443.3		
	Equity ratio attributable to owners of the parent	39.4%	40.0%		
	Net D/E ratio *	0.75times	0.77times		

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

Cash flow status

(Unit: Billion yen)		FY2022	FY2023	Increase/ decrease
Operating cash flows	[(1)]	57.0	79.6	+22.7
Investment cash flows	[(2)]	▲71.1	▲98.0	▲26.8
Financial cash flows	[(3)]	19.3	14.7	▲4.5
Total cash flows	[(1)+(2)+(3)]	5.1	▲3.6	▲8.7
Cash and cash equivalents at the end of the period		65.9	65.0	▲1.0
Free cash flows	[(1)+(2)]	▲14.2	▲18.3	▲4.2

Capital investment, depreciation and R&D expenses

Capital investment, depreciation and R&D expenses

(Unit: Billion yen)	FY2022	FY2023	Increase/ decrease
Capital investment	66.4	73.3	+6.9
Depreciation	45.0	46.6	+1.6
R&D expenses	5.5	5.3	▲0.1

Capital Investments by Segment

(Unit: Billion yen)	FY2022	FY2023	Increase/ Decrease
Digital & Industry	33.9	34.8	+0.9
Energy Solutions	3.6	3.5	▲0.0
Health & Safety	2.7	7.3	+4.6
Agriculture & Foods	5.1	4.5	▲0.6
Other	21.1	23.1	+2.0
Total	66.4	73.3	+6.9

Major capital investments in FY2023

- (Digital & Industry) On-site plant for electronics
- (Other) Industrial gas manufacturing base
- (Other) Kanda biomass power generation plant (Fukuoka)
- (Other) Development base for open innovation

Fiscal Year 2024 Full-Year Financial Results forecast

Fiscal year 2024 full-year financial results forecast








	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	219.08yen			
Annual dividend	64.00yen	64.00yen			
Capital investment	73.3	94.0			

* Exchange rate in FY24: 140 yen in the first half, 135 yen in the second half.

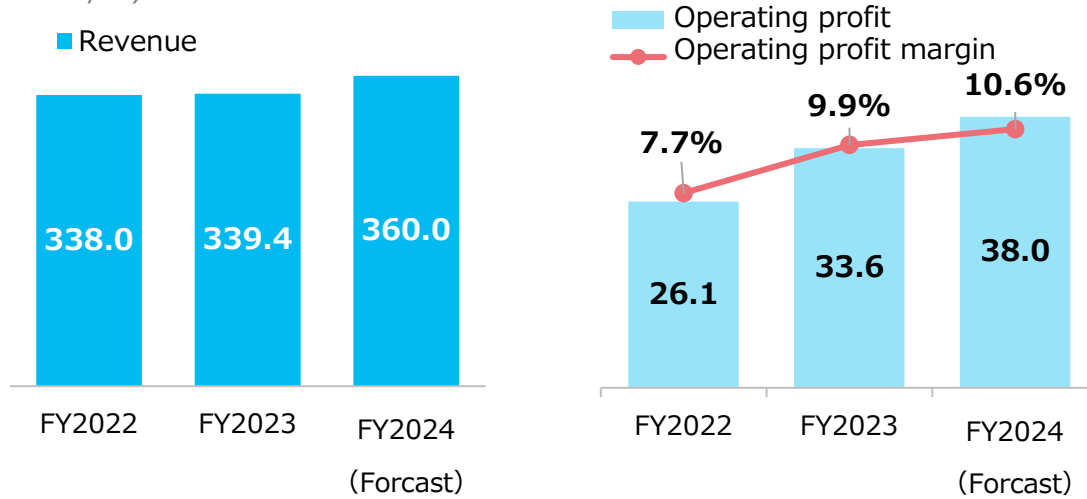
Full-year forecast by segment



		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%

Digital & Industry

(Unit: Billion yen)



Main increase/decrease factors

Industrial Gases



(Common to all 3 units)

Electronics



Functional Materials



- Strengthening profitability through price management and other measures Expand
- sales in the growth areas of semiconductors, batteries, and electronic materials

Recognition of external environment

- Semiconductor-related inventory adjustment continues in the first half of the fiscal year, recovery in the second half of the fiscal year
- Logistics and other costs remain at high levels
- Acceleration of global carbon neutrality efforts
- Consolidation and reorganization of steel and chemical industries affect gas source

Major measures

- Expand business for electronics(Shift management resources from steel, comprehensive development of group products, cultivation of new customers)
- Strengthen efforts to carbon neutrality
- Strengthen profitability (price management, review of low-profit transactions, rationalization and efficiency improvement)

TOPICS

Expansion of orders for the V1 small-sized nitrogen gas generator after enhancement of semiconductor factories in Japan

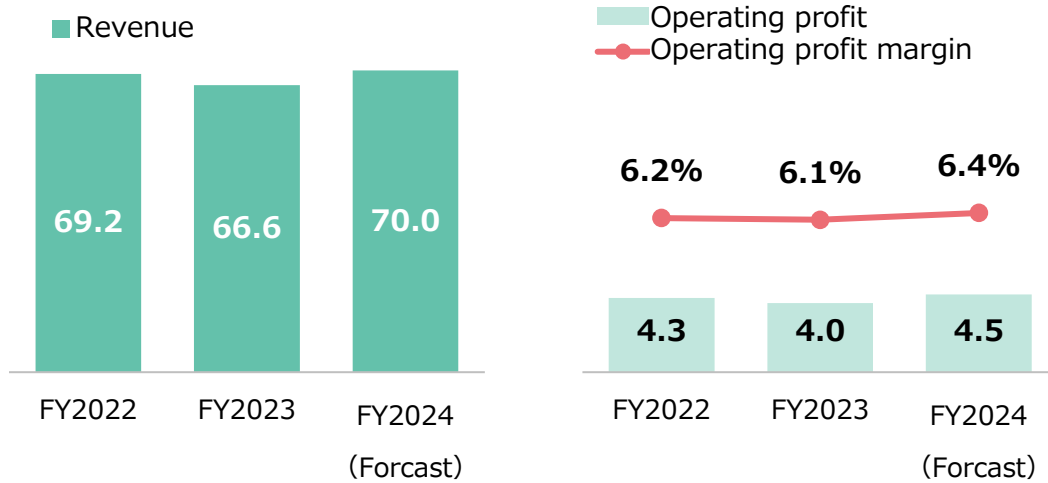
The V1 is a nitrogen gas supply system best suited to semiconductor factories requiring high purity nitrogen gas. A total of at least 100 units have so far been installed in Japan. The Company holds an edge in technological expertise and in points of contact with customers. In recent years, projects for upgrading existing semiconductor factories in Japan have been increasing in addition to new construction of large-scale factories. The Company will strive to capture this electronics-related demand to achieve business growth.



Energy Solutions



(Unit: Billion yen)



Main increase/decrease factors

Energy		Recovery from the impact of the inventory assessment Increase in LP gas sales volume
LNG related and others		Increase in sales of LNG-related equipment

Recognition of external environment

- Surge in demand for low-carbon and decarbonized solutions
- Increasing demand for LP gas and related equipment resulting from rising electric bills
- Labor shortage and cost hike in delivery of LP gas and kerosene
- Rise in temperature producing negative impacts on LP gas and kerosene consumption

Major measures

- Increase profitability of the LP gas and kerosene business (by integrating and closing bases and otherwise rationalizing and streamlining operations and conducting price management)
- Respond to low-carbon needs
- Create new businesses related to carbon neutrality

TOPICS

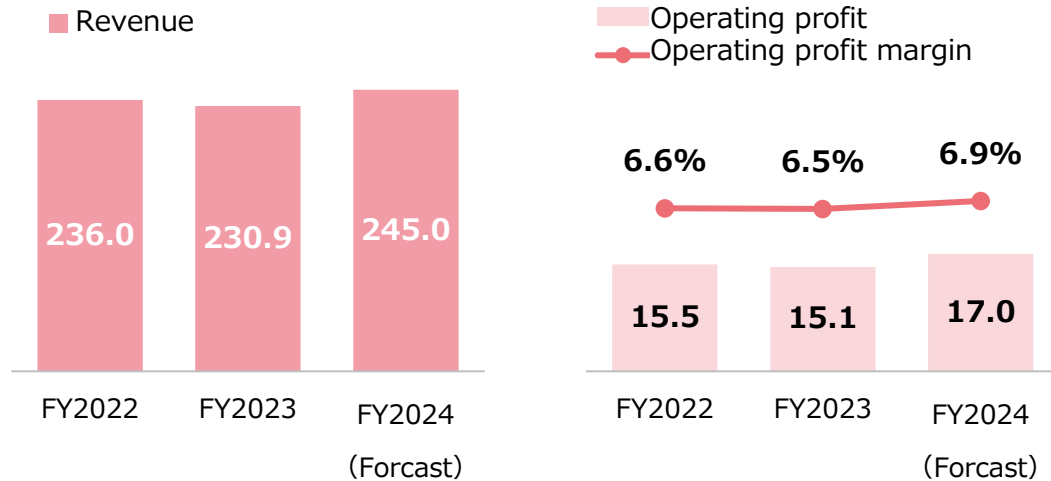
Commercializing supply of biomethane derived from livestock manure

The Company began a demonstrative experiment of using biomethane as a fuel alternative to liquefied natural gas (LNG) in 2022. This coming May, it will start selling it on a full scale as a new energy product. Going forward, the Company will strive to create markets and expand demand while increasing the supply volume.



Health & Safety

(Unit: Billion yen)



Main increase/decrease factors

Medical Products		Increase in nitric oxide inhalation therapy cases Increase in sales of new products in the dental and other fields
Safety Services		Increase in sales of gas fire extinguishing systems for data centers
Medical Services		Optimization of business structure in the SPD field and reduction of material procurement costs
Consumer Health		Increase in ODM contracts for cosmetics products Recovery in sales of injection needles

Recognition of external environment

- Acceleration of shortage of medical professionals and the work style reform for them
- Increasing need for home medical care caused by the limitation of medical expenses
- Rise in demand for data center construction
- Demand growth in the cosmetics sector from inbound tourists

Major measures

- Give the Group's comprehensive solutions to medical institutions
- Expand businesses for consumers
- Develop new products and expand their sales
- Increase profitability (by conducting price management, optimally assigning personnel and streamlining operations through system integration and others)

TOPICS

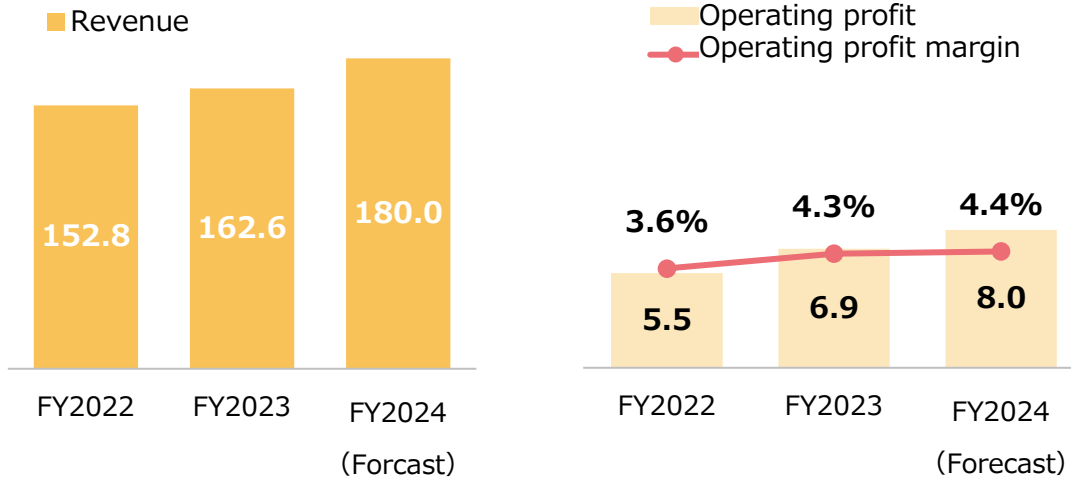
Meeting increased orders for gas-based fire extinguishing systems for data centers

Air Water Safety Service Inc. provides gas-based fire extinguishing systems. They release nitrogen gas instead of water to lower the oxygen concentration in the space to choke the fire out. It is a fire extinguishing method suited to data centers in the sense of preventing the equipment from being damaged by water. To meet strong demand for these systems, Air Water Safety Service is working to boost its system construction capacity.



Agriculture & Foods

(Unit: Billion yen)



Main increase/decrease factors

Foods		Increase in sales of side dishes and frozen broccoli Recovery in sales of sweets
Natural Foods		Continued steady demand for beverages
Agriculture		Increased sales of fruits and vegetables (fresh and processed) through collaboration among 4 companies

Recognition of external environment

- Logistical expenses, energy prices and other costs remaining at high levels
- Poor weather conditions affecting procurement of raw materials (vegetables)
- Soaring demand for frozen and processed vegetables amid changes in food needs

Major measures

- Upgrade the platform for distribution and processing of rice, fruit and vegetables mainly through capital and business alliances with three major companies in the industry
- Develop businesses and products matched with changes in food needs
- Increase profitability (by conducting price management, introducing machinery for labor saving and integrating manufacturing and sales functions)

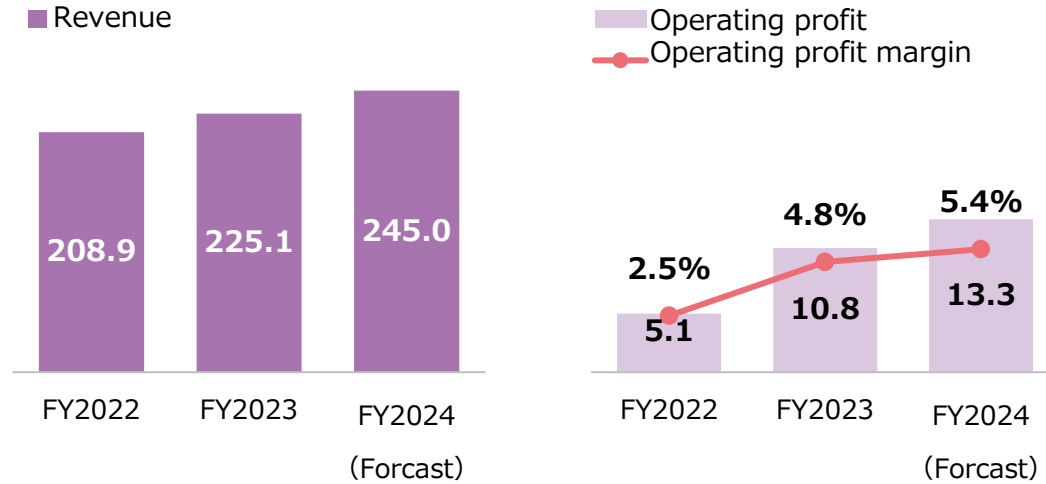
TOPICS Capital and business alliance with Shinmei Holdings Co., Ltd.

In March 2024, the Company formed a capital and business alliance with Shinmei Holdings Co., Ltd., which is Japan's largest rice wholesaler. The volume of agricultural products handled by four companies including the Company's existing collaboration partners Vegetech Co., Ltd. and Delica Foods Holdings Co., Ltd. amounts to around 1.4 million tons per year. Their sales reach around 700 billion yen. The four companies now form one of Japan's largest coalitions. The Company will upgrade the platform for distribution and processing of rice, fruit and vegetables with the aim of constructing a sustainable model of agriculture.



Other

(Unit: Billion yen)



Main increase/decrease factors

Logistics		Increase in utilization rate of low-temperature distribution center Increased cargo handling volume of agricultural products and chassis transportation
NIHON KAISUI CO., LTD		Expand urban infrastructure business Fully contributed by the operation of Kanda Power Plant
Global & Engineering		Start of in-house plant operations (India) Expanded industrial gas and related equipment business (North America) Expanded UPS business, mainly for data centers
Electricity		Continued high cost of fuel and marine transportation for power generation

Recognition of external environment

- Increase in carbon neutral-related demand for decarbonization (G&E)
- Continuous strong gas demand for the steel and other industries in India (G&E)
- Rise in demand for UPS after construction of new data centers (G&E)
- Logistics 2024 Problem (logistics)
- Costs of fuels for power generation and marine transport remaining at high levels after sharp rises (Electric power business /NIHONKAISUI)

Major measures

- Logistics: Responding to the "Logistics 2024 Problem" by promoting DX and improving delivery efficiency, etc.
- NIHONKAISUI / Electricity: Reducing cost impact (fuel for power generation, marine transportation, etc.)

TOPICS

Integrating logistical subsidiaries for optimizing logistical functions

In April 2024, the Company integrated its logistical subsidiaries into two. One is Air Water Logistics Co., Ltd., which covers Hokkaido and East Japan region. The other is Air Water LINE, which covers West Japan region. The Company thus optimized its bases, personnel and vehicles. To boost the logistical capacity of fruit and vegetables, put a low-temperature logistics warehouse in Tamana, Kumamoto into operation in February 2024.



Capital investment plan

Capital investment plan by segments

(Unit : Billion yen)	FY2023 (Result)	FY2024 (forecast)	Increase/ decrease
Digital & Industry	34.8	35.7	+0.9
Energy Solutions	3.5	4.5	+1.0
Health & Safety	7.3	7.7	+0.3
Agriculture & Foods	4.5	8.7	+4.2
Other	23.1	37.4	+14.4
Total	73.3	94.0	+20.7

Major capital investments in FY2024

- (Digital & Industry) On-site plant for electronics
- (Energy Solutions) Development facility for resource circulation model by local production for local consumption energy
- (Agriculture & Foods) Expanded paper container filling line of Gold-Pak Co., Ltd.
- (Global & Engineering) Industrial gas manufacturing base in India and North America

Year-end dividend forecast

Basic dividend policy

We make it a policy to maintain a stable dividend in line with business results in the future aiming at a dividend payout ratio of 30%.




(Unit : yen)	FY2022 (Result)		FY2023 (Result)		FY2024 (Forecast)
Dividend payout ratio	33.9%		32.9%		29.2%
Basic net earnings per share *1	176.84		194.69		219.08
Interim dividend	28.00		30.00		32.00
Year-end dividend	32.00 *2		34.00		32.00
Annual dividend	60.00		64.00		64.00

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



*2 The year-end dividend for FY2022 is presented including a commemorative dividend of 4 yen for "Achievement of 1 trillion yen in sales revenue."

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

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)

Number of consolidated companies






	End of March 2023	End of March 2024	Increase/decrease
Consolidated subsidiaries*	142	138	Increase of 9 companies Decrease of 13 companies
Equity method affiliates	12	12	Increase of 1 company Decrease of 1 company
Total	154	150	Increase of 10 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	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

Group	Unit	FY2022	FY2023	Increase/decrease	YoY
 Digital & Industry	Industrial Gases	169.4	175.1	+5.7	103.4%
	Electronics	94.1	96.8	+2.7	102.9%
	Functional Materials	74.5	67.4	▲7.0	90.5%
	Group Total	338.0	339.4	+1.4	100.4%
 Energy Solutions	LP gas	65.7	63.0	▲2.7	95.8%
	LNG related and others	3.5	3.6	+0.1	103.1%
	Group Total	69.2	66.6	▲2.6	96.2%
 Health & Safety	Medical Products	73.6	78.1	+4.5	106.1%
	Safety Services	34.2	36.3	+2.1	106.2%
	Medical Services	68.9	59.5	▲9.4	86.3%
	Consumer Health	59.2	57.0	▲2.2	96.2%
	Group Total	236.0	230.9	▲5.1	97.8%
 Agriculture & Foods	Foods	52.8	51.9	▲0.9	98.4%
	Natural Foods	52.3	54.8	+2.5	104.7%
	Agriculture	47.7	55.9	+8.2	117.2%
	Group Total	152.8	162.6	+9.8	106.4%
 Other	Logistics	60.4	61.8	+1.3	102.2%
	NIHON KAISUI CO., LTD.	44.4	51.4	+7.0	115.9%
	Global & Engineering	66.8	81.7	+14.9	122.3%
	Electricity	25.2	12.4	▲12.8	49.2%
	Other	12.0	17.8	+5.8	148.0%
	Group Total	208.9	225.1	+16.2	107.8%

(Unit: Billion yen)

Domestic revenue by type of gases






(Unit: Billion yen)

Group	Gas Type	FY2022	FY2023	Increase/decrease	
		Amount	Amount	Amount	YoY
 Digital & Industry	Oxygen	40.3	39.2	▲1.1	97.4%
	Nitrogen	34.5	37.8	+3.3	109.7%
	Argon	13.4	13.4	+0.0	100.4%
	Carbon dioxide	21.5	23.2	+1.7	107.8%
	Hydrogen	5.9	5.7	▲0.2	96.9%
	Helium	3.8	4.1	+0.4	109.4%
	Other gases	24.7	23.1	▲1.6	93.3%
 Energy Solutions	LP gas	35.6	33.3	▲2.3	93.5%
	Kerosene	14.2	13.7	▲0.5	96.7%

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

Business profit^{* 1} by segment

(Unit: Billion yen)

Group	FY2022	FY2023	Increase/decrease	
			Amount	YoY
 Digital & Industry	24.2	30.5	+ 6.3	125.9%
 Energy Solutions	1.9 ^{* 2}	3.5	+ 1.6	186.6%
 Health & Safety	14.0	13.4	▲ 0.6	96.0%
 Agriculture & Foods	4.2	6.5	+ 2.2	153.1%
 Other	4.5	9.3	+ 4.9	209.4%
(Adjustment)	3.4	0.7	▲ 2.7	20.2%
Total	52.2	63.9	+ 11.7	122.4%

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

* 2 Includes the effect of the recording of inter-subsidary business consignment fees (▲1.9 billion yen) .

Revenue of regional business companies



(Unit: Billion yen)

Company name	FY2022	FY2023	Increase/decrease	
			Amount	YoY
Air Water Hokkaido	107.7	105.9	▲1.8	98.3%
Air Water East Japan	91.0	97.3	+6.4	107.0%
Air Water West Japan	81.8	87.5	+5.7	106.9%
Total	280.5	290.8	+10.2	103.7%

* 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	FY2022	FY2023	Increase/decrease	
				Amount	YoY
Air Water Materials Inc.	Digital & Industry (Electronics)	47.8	49.2	+ 1.3	102.8%
Air Water Performance Chemical Inc.	Digital & Industry (Functional Materials)	34.2	33.5	▲0.7	97.9%
Tateho Chemical Industries Co., Ltd.	Digital & Industry (Functional Materials)	9.3	9.2	▲0.1	99.5%
Kawamoto Corporation	Health & Safety (Consumer Health)	30.4	29.6	▲0.8	97.5%
Air Water Realize Inc.* ¹	Health & Safety (Consumer Health)	24.8	26.2	+ 1.5	106.0%
Gold Pak Co., Ltd.	Agriculture & Foods (Natural Foods)	50.5	53.3	+ 2.8	105.6%
Air Water Onahama Biomass Electric Power Co., Ltd.	Other (Electricity)	12.1	12.4	+ 0.4	103.0%
India Industrial Gas Sector field * ²	Other (Global & Engineering)	18.6	20.1	+ 1.5	108.2%
North America Industrial Gases field * ²	Other (Global & Engineering)	14.8	28.8	+ 14.0	194.7%
High-power UPS business field * ²	Other (Global & Engineering)	24.8	26.7	+ 2.0	107.9%

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

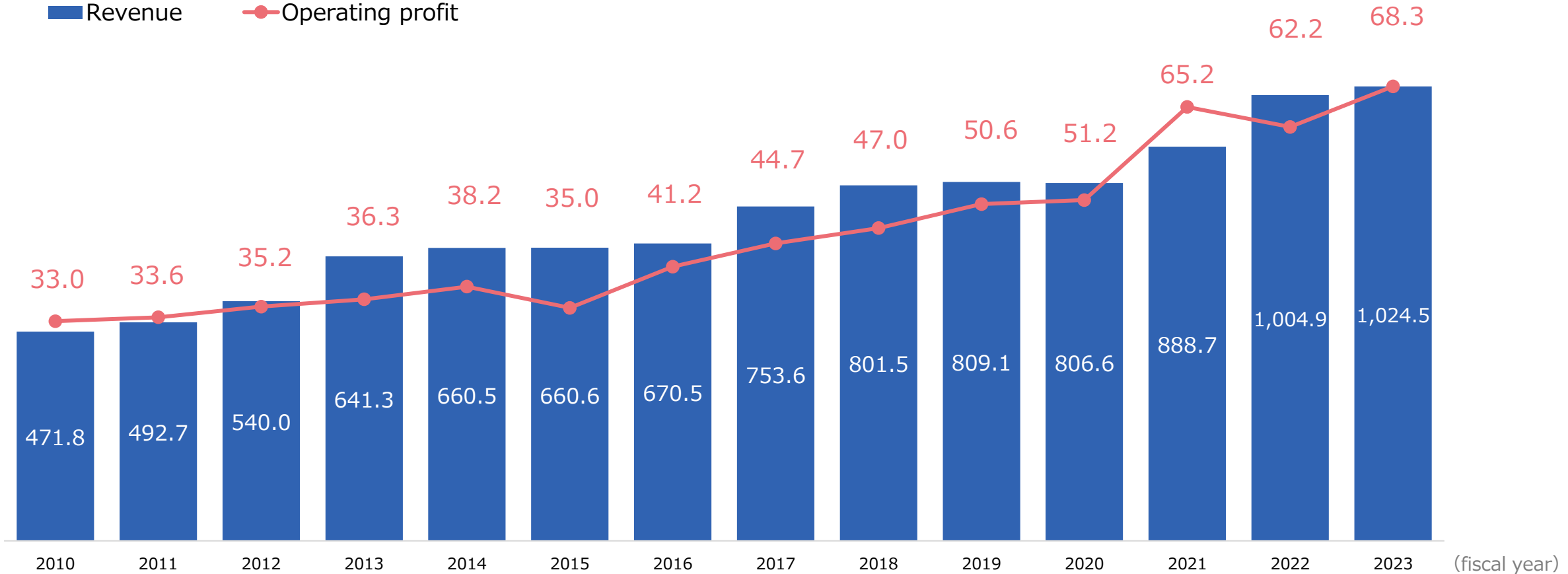
On October 1, 2023, the results for 1-3 quarter of FY2023 include the results of the former Misawa Medical Industry Co., Ltd.

*2 Simple sum of each group company.

Trends in revenue and operating profit

(Unit: Billion yen)

 Revenue

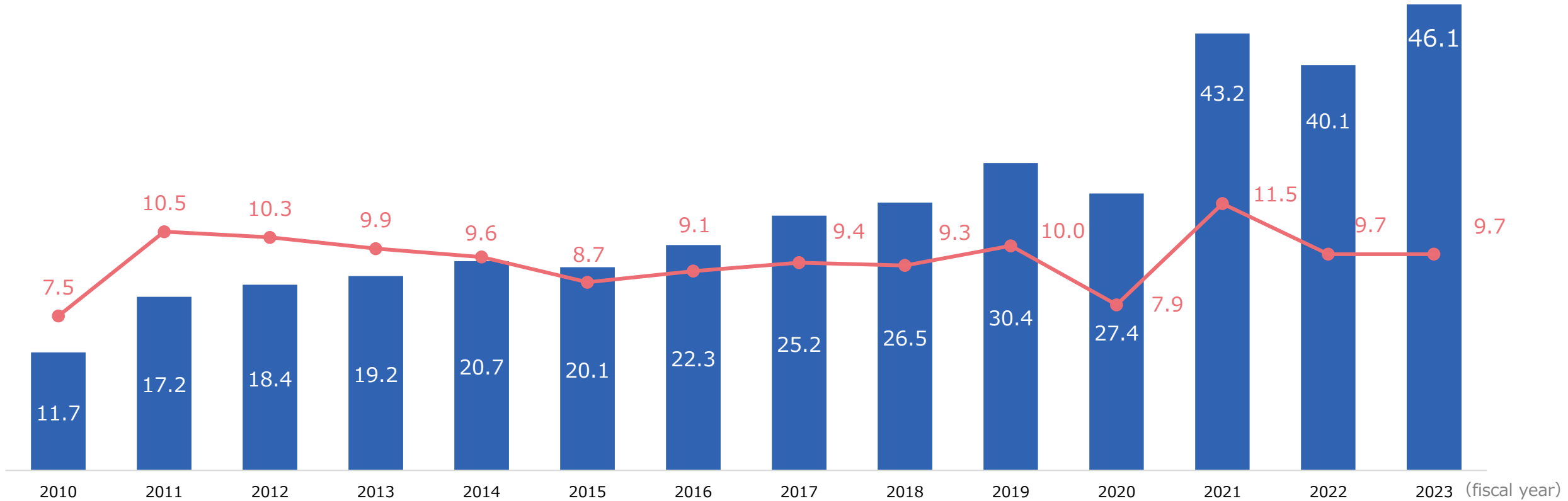
 Operating profit


*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



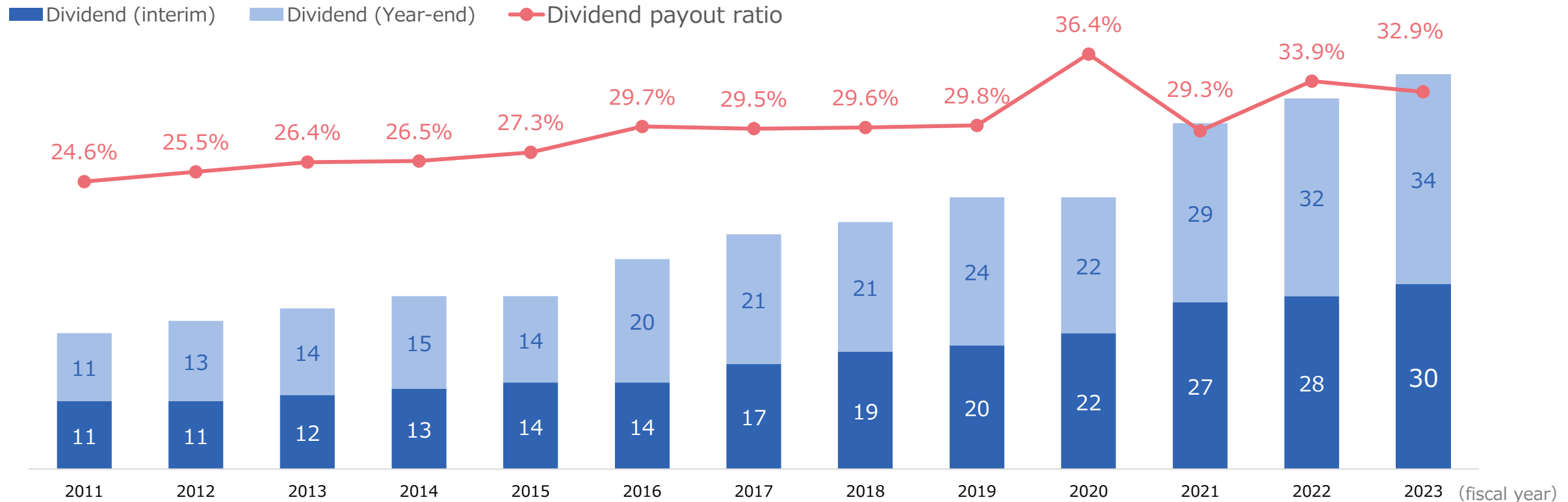
* International Financial Reporting Standards apply from FY2019 onwards

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: February 10, 2024 - May 9, 2024



Release Date	Topic
February 15	 Placement of Orders for Cryogenic Air Separation Brand for the Chiba District of East Japan Works of JFE Steel Corporation
February 20	 Air Water Materials Establishes Joint Venture in Resource Recycling with Sanwayuka Industry Corporation
February 26	 Air Water Group to Build Up Business for Hospitals after Sales Transfer of Compression Therapy Products from Terumo BSN KK
March 1	 Air Water Green Design Inc. is Established as New Company for Carbon Neutrality Market
March 22	 Release of HVSI Monitor – Electronic Stethoscope that Digitally Displays Shunt Sound Level
March 25	 Conclusion of Alliance Agreement between Environmental and Energy Resources Research Center of Kitami Institute of Technology and Air Water Inc.
March 28	 Conclusion of Capital and Business Alliance with Shinmei Holdings Co., Ltd.
April 15	 Opening of Yottette Setaka Store in Miyama, Fukuoka, as Kyushu's First Yottette Store for Direct Sales of Agricultural and Fishery Products
May 7	 Air Water Green Design established new hydrogen gas manufacturing facility at Nagoya Plant.

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

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).**