

<NEWS FLASH>

Consolidated Financial Results (Under IFRS)
For the Third Quarter of the March 31, 2022 Fiscal Year

AIR WATER INC.

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Qualitative Information relating to Second Quarter Settlement of Accounts

(1) Explanation of Operating Results

1) Operating results for the period under review

During the cumulative third quarter of the current consolidated fiscal year under review, the Japanese economy saw steady production activity and capital expenditure in the manufacturing industry, despite slow growth in personal spending, as it was buffeted by waves of the novel coronavirus (hereinafter "COVID-19"). However, persistently high crude oil prices and long-term global supply chain bottlenecks are fueling concern that corporate profits are going to come under pressure.

In these economic conditions, the Company and its consolidated subsidiaries (hereinafter the "Group") focused on the reorganization of Group companies and business structure reforms in each sector including the chemical, medical and agriculture/food products businesses, in addition to developing the infrastructure for overseas business especially the industrial gas and engineering businesses in India and the North America. The Group also pushed ahead with groupwide optimization with an eye on further growth in the future, including the development of technologies, gas production and the engineering business base, which is essential for growth, and enhancement of the framework for the logistics, procurement and administrative operations that support business operations. Additionally, alongside improvement of operational efficiency through the implementation of digital transformation (DX) and improvement of productivity through work style reform, the Group also significantly increased the resilience of its profit base.

Meanwhile the Group met social needs during the COVID-19 pandemic across a wide range of business domains, including tapping into strong demand for electronics-related products triggered by COVID-19 in the industrial gas and chemical segments and increasing production of oxygen concentrators and providing a stable supply of oxygen in the medical sector and, as a result, the strength of the Group, which comes from its diverse business portfolio and management resources, was fully demonstrated.

Further, the Company clarified that it considers the Group's purpose to be "meeting society's needs with nature's blessings," and that it is the Company's mission to work closely with people and local communities to support healthy lives and manufacturing. The Company also implemented initiatives for achievement of the sustainable development goals (SDGs), with "protection of the global environment" for contributing to the realization of a carbon neutral society, and "wellness" for contributing broadly to people's health and wellbeing, as the two central pillars.

2) Consolidated results by segment for this period

(Million yen)

	Revenue		Operating profit	
	FY 2021.3Q	YoY Growth	FY 2021.3Q	YoY Growth
Industrial Gas Business	141,915	105.9%	15,934	116.4%
Chemical Business	28,869	119.9%	2,739	170.8%
Medical Business	140,822	105.6%	7,521	128.7%
Energy Business	39,766	114.6%	2,456	96.2%
Agriculture and Food Products Business	108,073	105.0%	5,786	148.8%
Logistics Business	43,774	108.7%	2,483	111.6%
Seawater Business	32,203	114.7%	2,867	177.3%
Other Business	111,592	125.4%	6,897	207.6%
(Adjustment)	-	- %	2,899	191.4%
Total	647,017	110.3%	49,586	136.8%

(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.