

<NEWS FLASH>

Consolidated Financial Results (Under IFRS)
For the Second 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 second quarter of the current consolidated fiscal year under review, the Japanese economy maintained steady production activities in the domestic manufacturing industry centered around the semiconductor and materials industries, and appeared to trend toward recovery on the back of the normalization of economic activity in Europe, the United States, and China. Meanwhile, the outlook for the future remained uncertain due to continuously low consumer spending and the stagnation of the recovery of business confidence due to the continuing the novel coronavirus (hereinafter "COVID-19") pandemic.

In these economic conditions, the Company and its consolidated subsidiaries (hereinafter the "Group") focused on entering markets which have been growing in response to the COVID-19 pandemic. In the industrial gas business, we expanded into peripheral areas such as gas, special chemicals, and gas purification equipment used for semiconductor manufacturing processes and equipment for semiconductor manufacturing equipment, while in the chemical business, we responded to robust electronics-related demand mainly by supplying electronic components and highly functional chemicals. The medical business captured demand associated with the recovery of the business environment, fulfilled its corporate social responsibilities and missions during the continuing COVID-19 pandemic by increasing its production of medical-use oxygen concentrators and supplying injection needles for vaccination, and also met society's needs during the COVID-19 pandemic by supplying medical-use oxygen in India. At the same time, we promptly addressed changes in the social environment including new lifestyles, which contributed to the continuing growth and improved performance of the energy, agriculture and food products, logistics, and sea water businesses.

In addition, the ongoing structural reforms the Group has undertaken in each business sector, which include the restructuring of Group companies including regional business companies, overseas development in the industrial gas business focusing on India and North America, and the optimization of production systems in the medical, chemicals, and agriculture and food products businesses, improved resilience of the revenue base. Additionally, the promotion of digital transformation (DX) improved the efficiency of operations management and work-style reforms increased productivity, resulting in a steady increase in profitability.

Moreover, with the aim of creating a carbon neutral society, the Group carried out an array of business activities to contribute to the resolution of diverse social issues and the achievement of the Sustainable Development Goals (SDGs) by focusing on two core fields, the global environment and wellness, to widely contribute to people's health and welfare.

As a result, for the current second quarter consolidated cumulative period, the group's revenue was ¥419,604 million (112.1% that of the corresponding period of the previous year), operating profit was ¥31,639 million (161.7%) and profit attributable to owners of parent was ¥20,589 million (192.2%).

2) Consolidated results by segment for this period

(Million yen)

	Revenue		Operating profit	
	FY 2021.2Q	YoY Growth	FY 2021.2Q	YoY Growth
Industrial Gas Business	92,439	108.1%	10,477	130.8%
Chemical Business	19,150	130.3%	1,736	301.1%
Medical Business	92,225	107.7%	4,391	143.5%
Energy Business	23,690	113.9%	1,101	102.1%
Agriculture and Food Products Business	70,208	105.2%	3,104	176.7%
Logistics Business	27,934	106.2%	1,547	111.3%
Seawater Business	20,529	116.4%	1,683	208.6%
Other Business	73,426	128.6%	4,971	278.7%
(Adjustment)	-	- %	2,626	239.6%
Total	419,604	112.1%	31,639	161.7%

(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.