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**Fiscal year 2021 Second Quarter**

**Financial Results**

**Explanatory Materials**

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Meeting society's needs with nature's blessings.



November 5, 2021

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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).

## Main points of financial results for the second quarter of fiscal year 2021

Revenue 419.6 billion yen (112.1% year-on-year)  
 Operating profit 31.6 billion yen (161.7% year-on-year)  
 Operating profit margin 7.5% (up 2.3 pt year on year)



**Revenue base strengthened further and a new record high performance**

Business structural reform (industrial gas, medical, chemical, and agricultural foods) and approach to growth markets Profit margin improved greatly in (electronics-related and infection preventing products, etc.)

Revenue 890 billion yen (±0 billion from previous forecast\*8/6)  
 Operating profit 65 billion yen (up 2 billion yen from previous forecast)  
 Operating profit margin 7.3% (up 0.2 pt from previous forecast)



**Operating profit was revised upwards again.**

Though there have been adverse effects such as a rise in resource prices since 3Q, a further profit increase is planned through deep cultivation of growth markets and a stronger revenue base.

### The Interim dividend and year-end dividend forecasts are revised.

Interim dividend: Increased to 27 yen (up 5 yen per share)  
 Year-end dividend: Increased to 27 yen (up 5 yen from the most recent forecast).



**Annual dividend: 54 yen**

Increased 10 yen based on upward revision of the 2Q result and the full-year financial results forecast

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# **Second Quarter Financial Results for Fiscal Year 2021**

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# Consolidated income statement

	2020.2Q	2021.2Q	Increase/decrease	
			Amount	YoY
<b>Revenue</b>	374.4	<b>419.6</b>	+45.2	112.1%
Cost of sales	▲290.6	▲ <b>322.3</b>	▲31.7	
<b>Gross profit</b>	83.8	<b>97.3</b>	+13.5	116.1%
Selling, general and administrative expenses	▲66.9	▲ <b>69.1</b>	▲2.2	
Other operating income and expenses	1.8	<b>2.5</b>	+0.6	
Share of profit of investments accounted for using the equity method	0.8	<b>1.0</b>	+0.2	
<b>Operating profit</b>	19.6	<b>31.6</b>	+12.1	161.7%
Finance income and costs	▲0.7	▲ <b>0.5</b>	+0.3	
<b>Quarterly profit before income taxes</b>	18.8	<b>31.2</b>	+12.4	165.6%
Income taxes	▲7.0	▲ <b>8.8</b>	▲1.8	
Quarterly loss from discontinued operations	▲0.0	▲ <b>0.1</b>	▲0.1	
<b>Quarterly profit</b>	11.8	<b>22.2</b>	+10.5	189.0%
<b>Owners of parent</b>	10.7	<b>20.6</b>	+9.9	192.2%
Non-controlling interests	1.0	<b>1.6</b>	+0.6	
Operating profit margin *1	5.2%	<b>7.5%</b>		
ROE *2	3.2%	<b>5.6%</b>		
Basic net earnings per share for the quarter	47.08yen	<b>91.11yen</b>		

\*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 quarter)

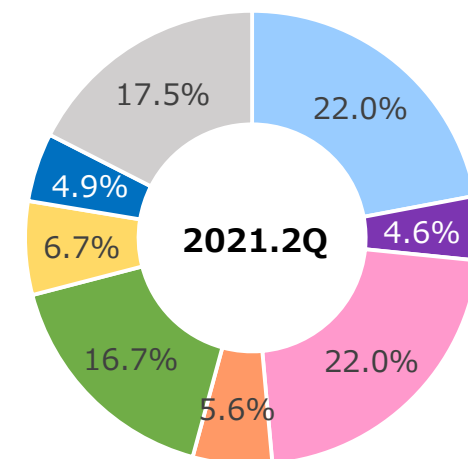
\*2 Basic earnings per share for the period are calculated based on the average number of issued shares during the period.

# Revenue by segment

(Unit: Billion yen)

	2020.2Q	2021.2Q	Increase/decrease	
			Amount	YoY
Industrial gas	85.5	<b>92.4</b>	+6.9	108.1%
Chemical	14.7	<b>19.2</b>	+4.5	130.3%
Medical	85.6	<b>92.2</b>	+6.6	107.7%
Energy	20.8	<b>23.7</b>	+2.9	113.9%
Agriculture & Food	66.8	<b>70.2</b>	+3.4	105.2%
Logistics	26.3	<b>27.9</b>	+1.6	106.2%
Seawater	17.6	<b>20.5</b>	+2.9	116.4%
Other	57.1	<b>73.4</b>	+16.3	128.6%
<b>Total</b>	<b>374.4</b>	<b>419.6</b>	<b>+45.2</b>	<b>112.1%</b>

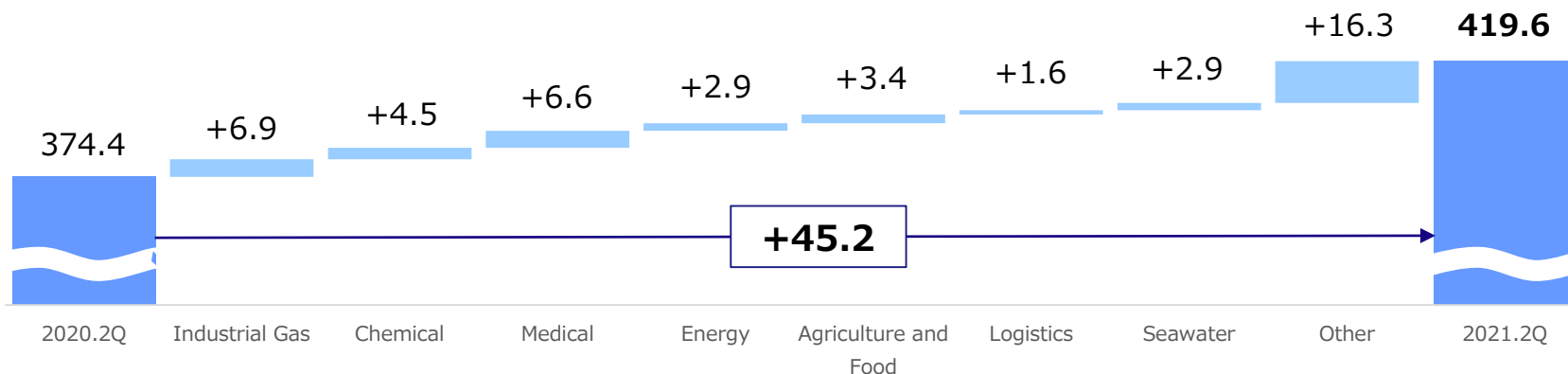
## Revenue composition ratio by segment



- Industrial gas
- Medical
- Agriculture & Food
- Seawater
- Chemical
- Energy
- Logistics
- Other

## Revenue increase/decrease by segment

(Unit: Billion yen)



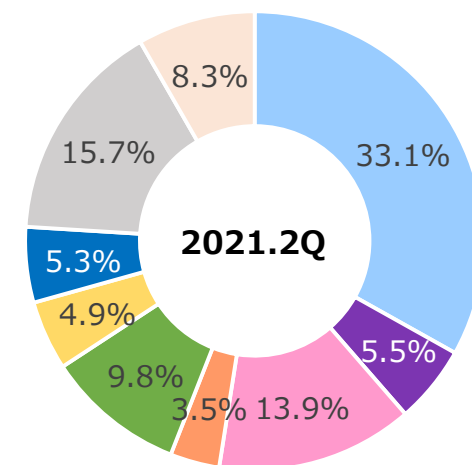
# Operating profit by segment

(Unit: Billion yen)

	2020.2Q	2021.2Q	Increase/decrease	
			Amount	YoY
Industrial gas	8.0	<b>10.5</b>	+2.5	130.8%
Chemical	0.6	<b>1.7</b>	+1.2	301.1%
Medical	3.1	<b>4.4</b>	+1.3	143.5%
Energy	1.1	<b>1.1</b>	+0.0	102.1%
Agriculture & Food	1.8	<b>3.1</b>	+1.3	176.7%
Logistics	1.4	<b>1.5</b>	+0.2	111.3%
Seawater	0.8	<b>1.7</b>	+0.9	208.6%
Other	1.8	<b>5.0</b>	+3.2	278.7%
Adjustment*	1.1	<b>2.6</b>	+1.5	239.6%
<b>Total</b>	<b>19.6</b>	<b>31.6</b>	<b>+12.1</b>	<b>161.7%</b>

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

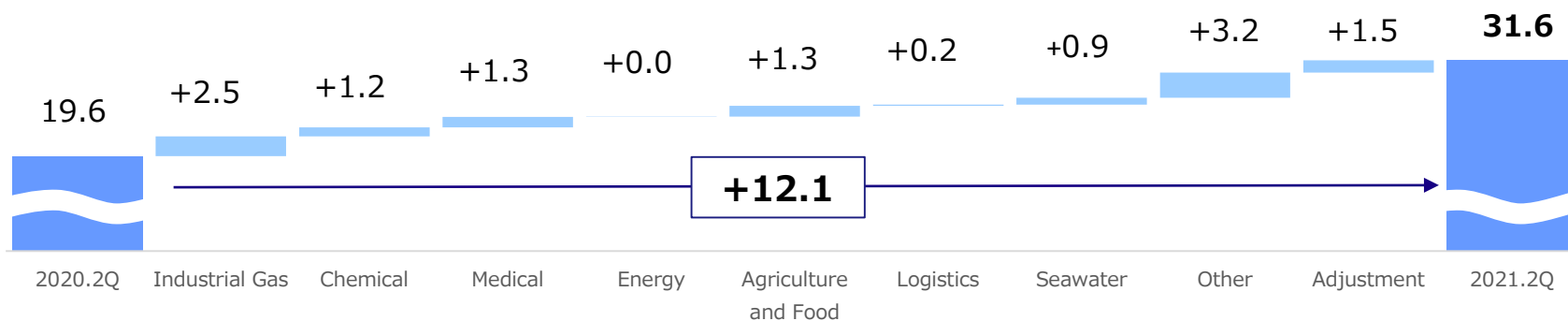
## Operating profit composition ratio by segment

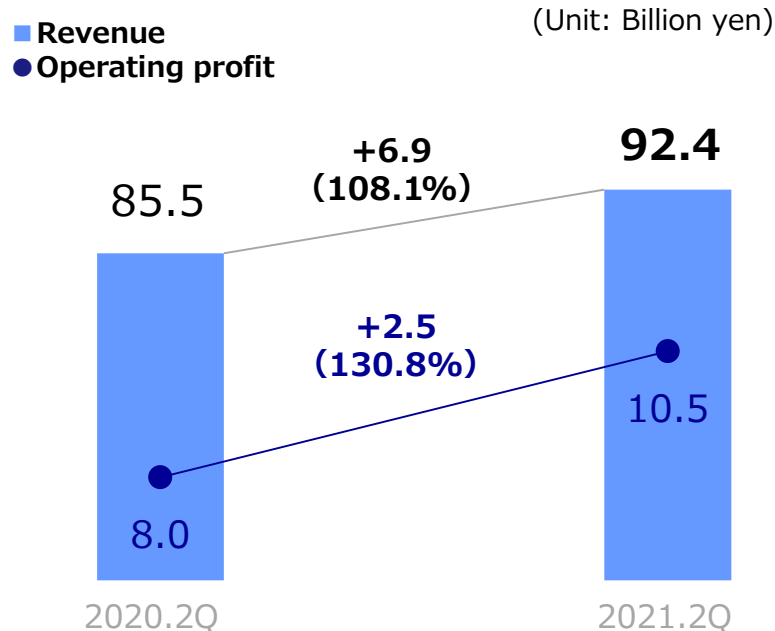


- Industrial gas
- Medical
- Agriculture & Food
- Seawater
- Adjustment
- Chemical
- Energy
- Logistics
- Other

## Operating profit increase/decrease by segment

(Unit: Billion yen)





## Main increase/decrease factors

### ■ Revenue +6.9 billion yen

- 【+】
- Rebound of tanker truck and cylinder supply services
  - Increase in sales of dry ice
  - Rise in gas supply in India
  - Recovery of on-site gas supply services for steel manufacturers

### ■ Operating profit +2.5 billion yen

- 【+】
- Increase in sales of gas/equipment for electronics
  - Rebound of tanker truck and cylinder supply services
  - Rise in gas supply in India

## ■ Revenue by sub-segment

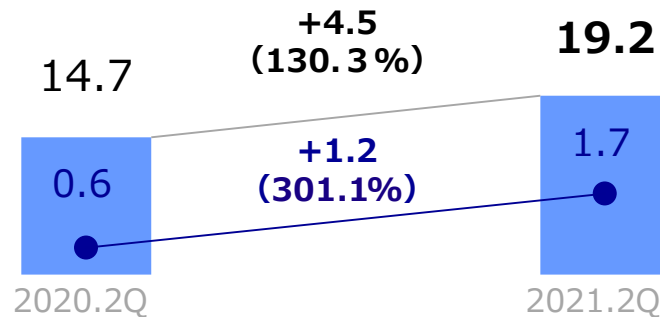
(Unit: Billion yen)

	2020.2Q	2021.2Q	Increase/ decrease	YoY
Gas	52.6	<b>58.4</b>	+5.9	111.1%
Equipment, construction and others	25.4	<b>25.5</b>	+0.1	100.2%
Overseas	7.5	<b>8.5</b>	+1.0	113.3%
Total	85.5	<b>92.4</b>	+6.9	108.1%



■ Revenue  
● Operating profit

(Unit: Billion yen)



## Main increase/decrease factors

### ■ Revenue +4.5 billion yen

- [+] • Increase in sales of functional chemicals for electronic materials
- Upturn in domestic organic acid market
  - Increase in sales of naphthoquinone for agricultural chemicals

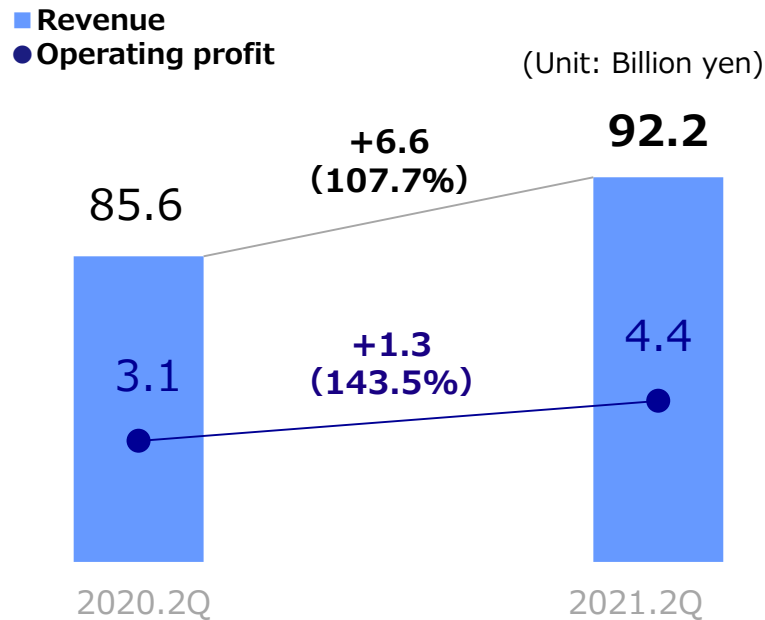
### ■ Operating profit + 1.2 billion yen

- [+] • Increase in sales of naphthoquinone for agricultural chemicals
- Upturn in domestic organic acid market
  - Increase in sales of sodium acetate for foods
  - Increase in sales of precision polishing pads

## ■ Revenue by sub-segment

(Unit: Billion yen)

	2020.2Q	2021.2Q	Increase/ decrease	YoY
Functional chemicals	9.6	<b>12.2</b>	+ 2.6	127.4%
Kawasaki Kasei Chemicals	5.1	<b>7.0</b>	+ 1.8	135.7%
Total	14.7	<b>19.2</b>	+ 4.5	130.3%



## Main increase/decrease factors

### ■ Revenue + 6.6 billion yen

- [+] · Rebound in demand for hospital facility construction, maintenance and inspections
- Rebound in demand for medical services
  - Increase in rentals of equipment for domiciliary oxygen therapy
  - Increase in sales of dental materials and syringes for vaccination

### ■ Operating profit + 1.3 billion yen

- [+] · Recovery of medical gas supply
- Rebound in demand for hospital facility construction, maintenance and inspections
  - Increase in sales of infection control products for dental clinics
  - Resume of hospital facility construction in Singapore

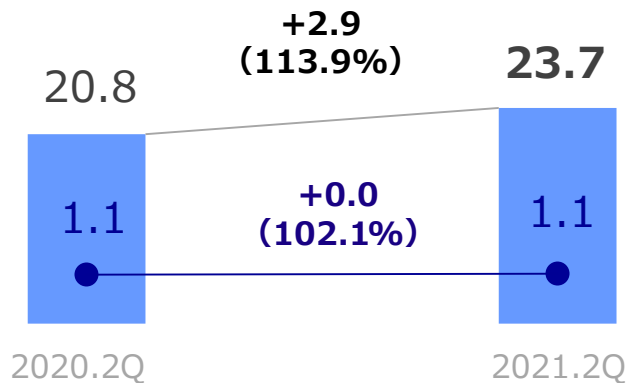
## ■ Revenue by sub-segment

(Unit: Billion yen)

	2020.2Q	2021.2Q	Increase/ decrease	YoY
Hospital facilities	11.1	<b>12.3</b>	+1.2	110.8%
Medical treatment services	36.7	<b>37.7</b>	+1.0	102.8%
Medical gas	4.0	<b>4.4</b>	+0.3	108.0%
Medical equipment	4.1	<b>4.4</b>	+0.3	107.6%
Home medical care	4.9	<b>5.8</b>	+0.9	119.3%
Hygiene products	15.4	<b>14.9</b>	▲0.5	96.8%
Other	9.5	<b>12.8</b>	+3.3	135.2%
<b>Total</b>	<b>85.6</b>	<b>92.2</b>	<b>+6.6</b>	<b>107.7%</b>

■ Revenue  
● Operating profit

(Unit: Billion yen)



## Main increase/decrease factors

### ■ Revenue + 2.9 billion yen

- [+] · Rise in LPG and kerosene sales prices due to market conditions
- Increase in sales and constructions of energy-related equipment
- Rallying demand for industrial LPG

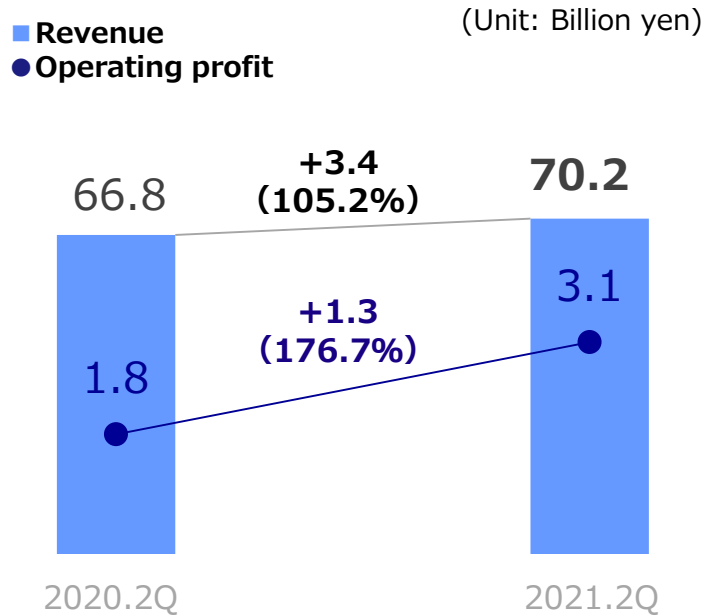
### ■ Operating profit + 0.0 billion yen

- [+] · Increase in sales and constructions of energy-related equipment
- [-] · Shrinkage of stay-at-home demands for LP gas for household use

## ■ Revenue by sub-segment

(Unit: Billion yen)

	2020.2Q	2021.2Q	Increase/ decrease	YoY
LP gas	20.2	<b>23.0</b>	+2.9	114.1%
Natural gas-related	0.6	<b>0.7</b>	+0.0	106.6%
Total	20.8	<b>23.7</b>	+2.9	113.9%



## Main increase/decrease factors

### ■ Revenue + 3.4 billion yen

- [+] · Rise in contract manufacturing quantity in the beverage business
- Sales rise in the sweets sector

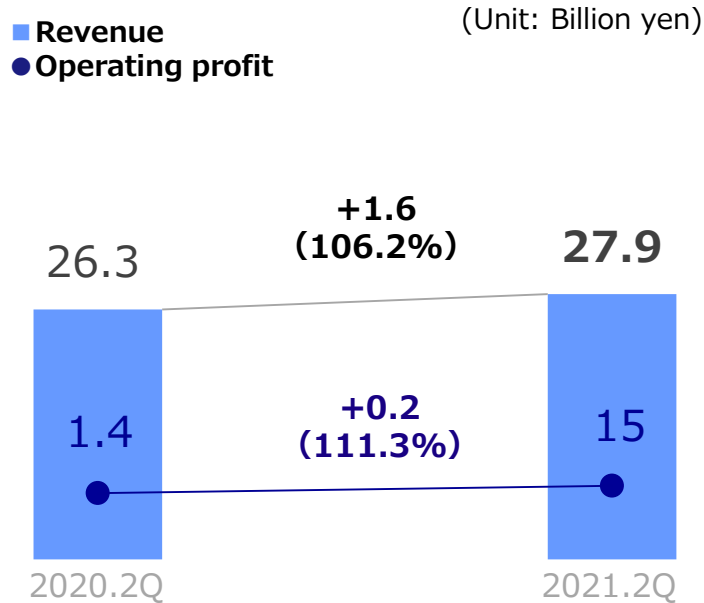
### ■ Operating profit + 1.3 billion yen

- [+] · Rise in contract manufacturing quantity in the beverage business
- Productivity improvement in the sweets sector
- Increase in sales of cooked and processed foods for mass merchants in ham and deli areas

## ■ Revenue by sub-segment

(Unit: Billion yen)

	2020.2Q	2021.2Q	Increase/ decrease	YoY
Farm products and food processing	27.6	<b>28.2</b>	+0.6	102.0%
Beverage	24.8	<b>27.2</b>	+2.4	109.7%
Other	14.3	<b>14.8</b>	+0.5	103.2%
<b>Total</b>	<b>66.8</b>	<b>70.2</b>	<b>+3.4</b>	<b>105.2%</b>



## Main increase/decrease factors

### ■ Revenue +1.6 billion yen

- [+] · Rise in trunk transport volume after expansion of online sales and recovery of B2B transport
- Increase in volume of shipments of low-temperature logistics for supermarkets

### ■ Operating profit +0.2 billion yen

- [+] · Rise in operating ratios of independent logistical warehouses
- [-] · Increase of diesel oil prices

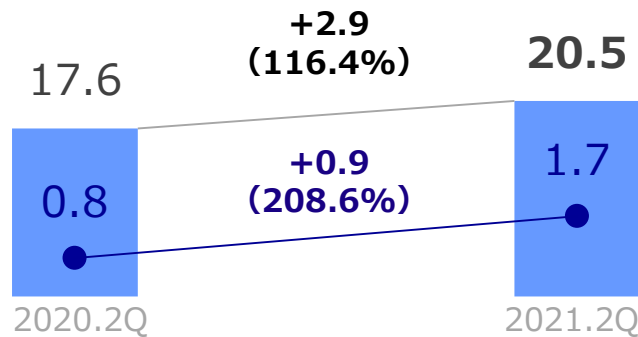
## ■ Revenue by sub-segment

(Unit: Billion yen)

	2020.2Q	2021.2Q	Increase/decrease	YoY
Transport	11.7	<b>13.1</b>	+1.3	111.4%
3PL	11.7	<b>12.0</b>	+0.3	102.3%
Vehicle body manufacturing	2.9	<b>2.9</b>	+0	100.5%
<b>Total</b>	<b>26.3</b>	<b>27.9</b>	<b>+1.6</b>	<b>106.2%</b>

■ Revenue  
● Operating profit

(Unit: Billion yen)



## Main increase/decrease factors

### ■ Revenue +2.9 billion yen

- [+] · Ako No.2 Biomass Power Plant began operating
- Rebound in sales of magnesium hydroxide steelworks
- Rise in sales of electro melting magnesia for heaters

### ■ Operating profit +0.9 billion yen

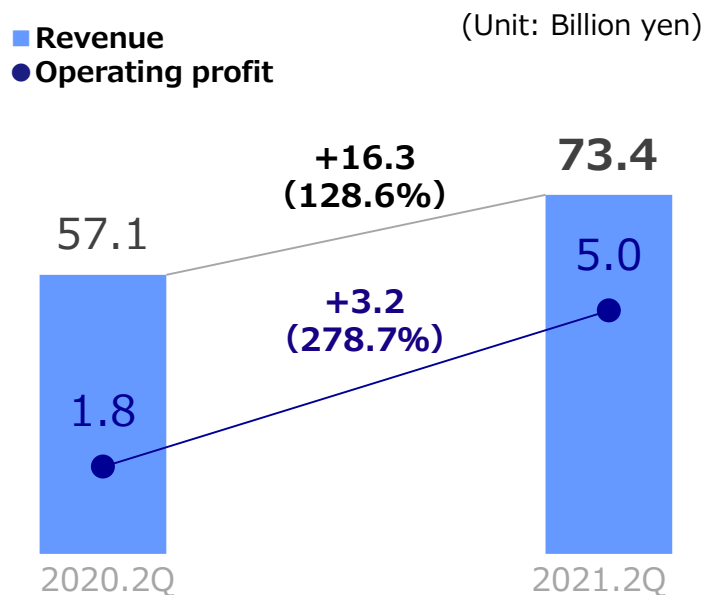
- [+] · Ako No.2 Biomass Power Plant began operating
- Lower prices for raw materials of magnesia used for heaters

## ■ Revenue by sub-segment

(Unit: Billion yen)

	2020.2Q	2021.2Q	Increase/ decrease	YoY
Salt-related	13.6	<b>16.2</b>	+2.6	119.3%
Magnesia	4.0	<b>4.3</b>	+0.3	107.0%
Total	17.6	<b>20.5</b>	+2.9	116.4%

※ The segment consists of the salt manufacturing business, environmental business, electric power business and food product business of Nihonkaisui Co., Ltd.



## Main increase/decrease factors

### ■ Revenue + 16.3 billion yen

- [+] · Inauguration of the Onahama Power Plant in April
- Increase in sales of electronic materials for in-vehicle applications
  - Rise in sales of industrial gas equipment in North America

### ■ Operating profit + 3.2 billion yen

- [+] · Inauguration of the Onahama Power Plant in April
- Increase in sales of electronic materials for in-vehicle applications
  - Rise in sales of industrial gas equipment in North America
  - Increase in sales of sealing materials for semiconductor manufacturing devices

## ■ Revenue by sub-segment

(Unit: Billion yen)

	2020.2Q	2021.2Q	Increase/ decrease	YoY
Aerosol	10.3	<b>11.2</b>	+0.9	108.3%
Information and electronics materials	18.5	<b>22.0</b>	+3.5	118.7%
Overseas engineering	10.1	<b>12.6</b>	+2.4	123.9%
Electricity	5.8	<b>13.9</b>	+8.1	239.5%
Other	12.3	<b>13.9</b>	+1.5	112.3%
Total	57.1	<b>73.4</b>	+16.3	128.6%

# Consolidated statement of financial position

(Unit: Billion yen)

		End of March 2021	End of September 2021	Increase/decrease	
				Amount	YoY
	Current assets	335.8	<b>349.4</b>	+13.6	104.0%
	Non-current assets	591.1	<b>619.1</b>	+28.0	104.7%
	Total assets	926.8	<b>968.4</b>	+41.6	104.5%
	Current liabilities	239.1	<b>229.1</b>	▲10.0	95.8%
	Non-current liabilities	315.3	<b>345.1</b>	+29.7	109.4%
	Total liabilities	554.4	<b>574.2</b>	+19.7	103.6%
	Total equity	372.4	<b>394.3</b>	+21.9	105.9%
	Total liabilities and equity	926.8	<b>968.4</b>	+41.6	104.5%
Equity attributable to owners of the parent		357.8	<b>375.5</b>		
Interest-bearing liabilities		337.8	<b>377.5</b>		
Equity ratio attributable to owners of the parent		38.6%	<b>38.8%</b>		
Net D/E ratio *		0.82	<b>0.83</b>		

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



(Unit: Billion yen)

		2020.2Q	2021.2Q	Increase/ decrease
Operating cash flows	[(1)]	38.8	<b>37.4</b>	▲1.4
Investment cash flows	[(2)]	▲32.5	<b>▲22.2</b>	+10.3
Financial cash flows	[(3)]	▲12.8	<b>4.3</b>	+17.1
Total cash flows [(1)+(2)+(3)]		▲6.4	<b>19.5</b>	+26.0
Cash and cash equivalents at the end of the quarter		36.5	<b>66.9</b>	+30.4
Free cash flows [(1)+(2)]		6.3	<b>15.2</b>	+8.9

## Capital investment, Depreciation, R&D expenses

(Unit: Billion yen)

	2020.2Q	2021.2Q	Increase/ decrease
Capital investment	27.6	<b>20.0</b>	▲7.6
Depreciation	18.9	<b>21.5</b>	+2.5
R&D expenses	1.7	<b>2.5</b>	+0.8

### <Capital Expenditures by Segment>

(Unit: Billion yen)

	2020.2Q	2021.2Q	Increase/ decrease
Industrial gas	7.8	<b>5.9</b>	▲1.9
Chemical	1.0	<b>1.9</b>	+0.9
Medical	4.1	<b>1.6</b>	▲2.5
Energy	1.5	<b>1.8</b>	+0.3
Agriculture & Food	1.4	<b>2.3</b>	+1.0
Logistics	3.4	<b>3.0</b>	▲0.4
Seawater	5.3	<b>0.9</b>	▲4.3
Other	3.3	<b>2.5</b>	▲0.7
<b>Total</b>	<b>27.6</b>	<b>20.0</b>	<b>▲7.6</b>

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# **Fiscal Year 2021 Full-Year Financial Results forecast**

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# Fiscal Year 2021 Full-Year Financial Results forecast

Financial forecast for the full-year was revised upward again in view of the first half results. Though there are adverse effects such as rising resource prices, a further profit increase is planned through deep cultivation of growth markets and a stronger revenue base.

(Unit: Billion yen)

	Full year for FY2021			
	Previous forecast	Revised forecast	Increase/decrease	
			Amount	Change %
Revenue	890.0	<b>890.0</b>	–	–
Operating profit	63.0	<b>65.0</b>	+2.0	103.2%
Profit before income taxes	62.0	<b>64.0</b>	+2.0	103.2%
Profit attributable to owners of the parent	41.0	<b>43.0</b>	+2.0	104.9%
Operating profit margin	7.1%	<b>7.3%</b>	+0.2pt	–
Basic net earnings per share for the quarter	181.41yen	<b>190.20yen</b>		
ROE ※1	–	<b>11.5%</b>		
Equity ratio attributable to owners of the parent	–	<b>38.9%</b>		
Net D/E ratio ※2	–	<b>0.85</b>		

Full year for FY2021	Increase/decrease	
	Amount	YoY
806.6	+83.4	110.3%
51.2	+13.8	126.9%
49.7	+14.3	128.9%
27.4	+15.6	157.1%
6.4%	+0.9pt	–
120.98yen		
7.9%		
38.6%		
0.82		

※1 “Profit for the period attributable to owners of the parent” ÷ “Equity attributable to owners of the parent”

※2 “Net interest-bearing debt” ÷ “Equity attributable to owners of the parent”

## Main Reasons for Upward Revision

- Strong performance in equipment and materials for industrial gas-related semiconductor
- Turnaround in market conditions for chemical-related products
- Productivity improvement in agriculture and food-related fields
- Recording of other profits associated with termination of the joint venture in India

# Fiscal Year 2021 Full-Year Financial Results forecast by segment

		Full year for FY2021						
		Previous forecast(8/5)	Revised forecast	Increase/decrease				
				Amount	Charge%	Full year for FY2020	Amount	YoY
Industrial gas	Revenue	197.0	<b>196.0</b>	▲1.0	99.5%	185.6	+10.4	105.6%
	Operating profit	22.5	<b>22.7</b>	+0.2	100.9%	20.9	+1.8	108.8%
Chemical	Revenue	38.0	<b>38.0</b>	—	—	33.4	+4.6	113.9%
	Operating profit	2.8	<b>3.0</b>	+0.2	107.1%	2.0	+1.0	150.6%
Medical	Revenue	198.0	<b>198.0</b>	—	—	186.4	+11.6	106.2%
	Operating profit	12.3	<b>12.2</b>	▲0.1	99.2%	10.5	+1.7	116.1%
Energy	Revenue	58.0	<b>59.0</b>	+1.0	101.7%	53.1	+6.0	111.1%
	Operating profit	4.7	<b>4.7</b>	—	—	4.6	+0.1	103.1%
Agriculture & Food	Revenue	144.0	<b>144.0</b>	—	—	132.6	+11.4	108.6%
	Operating profit	5.5	<b>6.5</b>	+1.0	118.2%	4.0	+2.5	161.3%
Logistics	Revenue	58.0	<b>58.0</b>	—	—	53.3	+4.7	108.8%
	Operating profit	3.4	<b>3.2</b>	▲0.2	94.1%	2.8	+0.4	113.0%
Seawater	Revenue	46.0	<b>46.0</b>	—	—	41.0	+5.0	112.3%
	Operating profit	3.7	<b>3.8</b>	+0.1	102.7%	3.1	+0.7	123.3%
Other	Revenue	151.0	<b>151.0</b>	—	—	121.3	+29.7	124.4%
	Operating profit	10.1	<b>9.9</b>	▲0.2	98.0%	4.9	+5.0	204.0%
Adjustment	Operating profit	▲2.0	<b>▲1.0</b>	+1.0	—	▲1.5	+0.5	—
Total	Revenue	890.0	<b>890.0</b>	—	—	806.6	+83.4	110.3%
	Operating profit	63.0	<b>65.0</b>	+2.0	103.2%	51.2	+13.8	126.9%

# Fiscal Year 2021 Full-Year Financial Results forecast by segment (Comparison to previous forecast)

Full year for FY2021		Previous forecast (8/5)			Revised forecast		
		Full-year	1H forecast	2H forecast	Full year	1H results	2H forecast
Industrial gas	Revenue	197.0	94.0	103.0	196.0	<b>92.4</b>	103.6
	Operating profit	22.5	10.3	12.2	22.7	<b>10.5</b>	12.2
Chemical	Revenue	38.0	19.0	19.0	38.0	<b>19.2</b>	18.9
	Operating profit	2.8	1.5	1.3	3.0	<b>1.7</b>	1.3
Medical	Revenue	198.0	92.0	106.0	198.0	<b>92.2</b>	105.8
	Operating profit	12.3	4.5	7.8	12.2	<b>4.4</b>	7.8
Energy	Revenue	58.0	24.0	34.0	59.0	<b>23.7</b>	35.3
	Operating profit	4.7	1.1	3.6	4.7	<b>1.1</b>	3.6
Agriculture & Food	Revenue	144.0	70.0	74.0	144.0	<b>70.2</b>	73.8
	Operating profit	5.5	2.7	2.8	6.5	<b>3.1</b>	3.4
Logistics	Revenue	58.0	28.0	30.0	58.0	<b>27.9</b>	30.1
	Operating profit	3.4	1.7	1.7	3.2	<b>1.5</b>	1.7
Seawater	Revenue	46.0	21.0	25.0	46.0	<b>20.5</b>	25.5
	Operating profit	3.7	1.6	2.1	3.8	<b>1.7</b>	2.1
Other	Revenue	151.0	72.0	79.0	151.0	<b>73.4</b>	77.6
	Operating profit	10.1	5.1	5.0	9.9	<b>5.0</b>	4.9
Adjustment	Operating profit	<b>▲2.0</b>	1.5	<b>▲3.5</b>	<b>▲1.0</b>	<b>2.6</b>	<b>▲3.6</b>
Total	Revenue	890.0	420.0	470.0	890.0	<b>419.6</b>	470.4
	Operating profit	63.0	30.0	33.0	65.0	<b>31.6</b>	33.4

# Year-end dividend forecast

## Basic dividend policy

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

(Unit: Yen)

	FY2020 (Result)		FY2021 (Initial Forecast)		FY2021 (Revised forecast)
Dividend payout ratio	36.4% <sup>※ 2</sup>	➡	27.6%	➡	<b>28.4%</b>
Basic earnings per share ※ 1	120.98	➡	159.46	➡	<b>190.20</b>
Interim dividend	22.00	➡	22.00	➡	<b>27.00</b>
Year-end dividend	22.00	➡	22.00	➡	<b>27.00</b>
Annual dividend	44.00	➡	44.00	➡	<b>54.00</b>

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

※ 2 Although basic earnings per share decreased in fiscal 2020 due to the impact of tax reforms in India, the dividend payout ratio for fiscal 2020 was 36.4% as a result of the continuation of stable dividends.

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# **Supplementary Material**

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## Revenue and Operating profit by segment (Year-on-year comparison to fiscal year 2019)

(Unit: Billion yen)

		2019.2Q	2021.2Q	Increase/decrease	
				Amount	YoY
Industrial gas	Revenue	90.7	<b>92.4</b>	+1.8	102.0%
	Operating profit	8.9	<b>10.5</b>	+1.6	117.8%
Chemical	Revenue	10.7	<b>19.2</b>	+8.4	178.3%
	Operating profit	▲0.1	<b>1.7</b>	+1.8	-
Medical	Revenue	90.5	<b>92.2</b>	+1.7	101.9%
	Operating profit	3.9	<b>4.4</b>	+0.5	113.7%
Energy	Revenue	21.3	<b>23.7</b>	+2.4	111.4%
	Operating profit	0.8	<b>1.1</b>	+0.3	131.0%
Agriculture & Food	Revenue	70.5	<b>70.2</b>	▲0.3	99.6%
	Operating profit	2.2	<b>3.1</b>	+1.0	144.2%
Logistics	Revenue	25.2	<b>27.9</b>	+2.7	110.9%
	Operating profit	1.3	<b>1.5</b>	+0.3	122.7%
Seawater	Revenue	18.2	<b>20.5</b>	+2.4	113.0%
	Operating profit	1.2	<b>1.7</b>	+0.5	142.7%
Other	Revenue	58.3	<b>73.4</b>	+15.1	125.9%
	Operating profit	3.0	<b>5.0</b>	+2.0	165.8%
Adjustment	Operating profit	1.0	<b>2.6</b>	+1.6	259.6%
Total	Revenue	385.4	<b>419.6</b>	+34.3	108.9%
	Operating profit	22.1	<b>31.6</b>	+9.5	143.0%

## Number of consolidated companies

	End of March 2021	End of September 2021	Increase/decrease
Consolidated subsidiaries *	124	<b>120</b>	Increase of 5 companies Decrease of 9 companies
Equity method affiliates	14	<b>13</b>	Decrease of 1 company
Total	138	<b>133</b>	Increase of 5 companies Decrease of 10 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 2021

Company name	Segment	Time of start of consolidation
Air Water & Energia Power Onahama Corporation	Other	2021.1Q

## (Reference) Major newly consolidated companies for fiscal year 2020

Company name	Segment	Time of start of consolidation
Air Water Vietnam Co., Ltd.	Industrial gas	2020.1Q
Pacific Petroleum Import and Export Trading Joint Stock Company	Energy	2020.1Q
KATSURA TSUSHO Co., Ltd.	Logistics	2020.1Q

## Revenue by product in the industrial gas and energy businesses (in Japan)

(Unit: Billion yen)

	2020.2Q	2021.2Q	Increase/decrease	
	Amount	Amount	Amount	YoY
Oxygen	10.8	<b>12.2</b>	+1.4	113.0%
Nitrogen	14.8	<b>15.6</b>	+0.7	105.0%
Argon	5.8	<b>6.2</b>	+0.4	107.8%
Carbon dioxide	10.2	<b>11.4</b>	+1.2	112.0%
Hydrogen	2.1	<b>2.6</b>	+0.5	124.3%
Helium	1.1	<b>1.4</b>	+0.2	120.2%
Other gases	7.7	<b>9.0</b>	+1.3	116.8%
Industrial gas total	52.6	<b>58.4</b>	+5.9	111.1%
LP gas	10.9	<b>12.8</b>	+1.8	116.5%
Kerosene	1.9	<b>2.3</b>	+0.4	123.5%

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

## Business profit by segment

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

(Unit: Billion yen)

	2020.2Q	2021.2Q	Increase/decrease	
			Amount	YoY
Industrial gas	7.2	<b>9.8</b>	+2.7	137.5%
Chemical	0.6	<b>1.8</b>	+1.2	295.3%
Medical	2.5	<b>4.1</b>	+1.5	160.7%
Energy	0.8	<b>0.8</b>	+0.1	111.7%
Agriculture & Food	1.4	<b>2.8</b>	+1.4	200.7%
Logistics	1.2	<b>1.4</b>	+0.2	112.8%
Seawater	0.7	<b>1.6</b>	+0.9	227.1%
Other	1.5	<b>4.5</b>	+2.9	290.4%
Adjustment	1.8	<b>2.3</b>	+0.5	130.4%
<b>Total</b>	<b>17.7</b>	<b>29.2</b>	<b>+11.4</b>	<b>164.5%</b>

## Regional business companies: Revenue and operating profit

(Unit: Billion yen)

		2020.2Q	2021.2Q	Increase/decrease	
				Amount	YoY
Air Water Hokkaido	Revenue	23.2	<b>25.5</b>	+2.3	109.9%
	Operating profit	1.4	<b>1.3</b>	▲0.1	93.4%
Air Water East Japan	Revenue	28.3	<b>30.2</b>	+1.9	106.7%
	Operating profit	2.0	<b>2.2</b>	+0.1	106.7%
Air Water West Japan	Revenue	22.8	<b>25.3</b>	+2.5	110.9%
	Operating profit	2.0	<b>2.1</b>	+0.1	104.9%
Total	Revenue	74.3	<b>81.0</b>	+6.7	109.0%
	Operating profit	5.4	<b>5.6</b>	+0.1	102.5%

\* The above figures represent non-consolidated financial results of individual companies.

\* Results of 2020.2Q represent following figures.

Air Water Hokkaido: The 20.2Q result of Hokkaido Air Water

Air Water East Japan: The simple sum of 20.2Q result of Tohoku Air Water, Kanto Air Water, Koshinetsu Air Water and Chubu Air Water

Air Water West Japan : The simple sum of 20.2Q result of Kinki Air Water, Chushikoku Air Water and Kyushu Air Water

Meeting society's needs with nature's blessings.



***AIR WATER INC.***