

November 5, 2021

Air Water Inc.

**Air Water Takes a Stake in FirstElement Fuel, Inc., a U.S. Company That Develops and Operates Hydrogen Stations**

**— Promoting the development of a hydrogen supply chain business in the U.S. —**

We are pleased to announce that we have taken a stake in FirstElement Fuel, Inc. (head office: California, U.S.A.; hereinafter referred to as “FEF”), the largest developer and operator of hydrogen stations in California, U.S.A., through Air Water America Inc. (head office: New Jersey, U.S.A.), which serves as the regional headquarters in the U.S.

### 1. Overview

We are engaged in the manufacture and sale of low-temperature equipment for storage and transportation of industrial gases and the engineering business in the North American market. We have been working with local gas dealers with a view to launching into the industrial gas supply business.

FEF is a start-up established in 2013. It operates 31 hydrogen stations in California, one of the main markets of hydrogen-fueled fuel cell vehicles (FCVs) in the world. It aims to build a network of 80 hydrogen stations in California by 2024.

By taking a stake in FEF, we will support the expansion of the network of hydrogen stations, which is promoted by FEF, and offer solutions required to operate FEF’s hydrogen stations, including liquefied hydrogen tanks installed at the stations and liquefied hydrogen trailers.

As part of efforts to deploy the industrial gas business in North America, we will work on new initiatives related to the hydrogen supply chain, such as production, sales, and distribution of liquefied hydrogen. When full-scale efforts are launched in Japan to build the hydrogen supply chain, we will develop the business by utilizing hydrogen technologies and products, which are acquired in the U.S., for the Japanese market.

### 2. Acquisition of preferred shares

- (1) Date of acquisition: November 2, 2021
- (2) Amount of the stake: 50 million dollars \* About 5.5 billion yen
- (3) Investor: Air Water America Inc. (a wholly owned subsidiary of Air Water Inc.)

### 3. Overview of FEF

- (1) Official name : FirstElement Fuel, Inc.
- (2) Location : Irvine, California, U.S.A.
- (3) Established : 2013
- (4) Representative : Founder & CEO : Joel Ewanick  
Founder & CTO : Tim Brown  
Founder & CDO : Shane Stephens
- (5) Business description: Development and operation of hydrogen stations for FCVs

Reference (1): Engineering business in North America

In the engineering field, in which our group deploys business in North America, we fabricate low-temperature equipment, such as liquefied gas trailers for transporting industrial gases and LNG and liquefied gas tanks for storage. In the field of low-temperature transport equipment, we have one of the largest market shares in the U.S. Notably, the number of orders received for liquefied hydrogen tanks and trailers has been increasing in line with the expansion of investment toward carbon neutrality in the U.S.

Refer to the news release dated April 27, 2021 “Air Water Strengthens Collaboration with Plug Power Inc., a U.S. Company, to Build a Hydrogen Supply Chain.”

The temperature of liquefied hydrogen is extremely low ( $-253^{\circ}\text{C}$ ). Thus, it requires advanced engineering technology to minimize vaporization.

Reference (2): Hydrogen market in California

The U.S. government has declared its commitment to carbon neutrality by 2050. It has been deploying policies to actively promote decarbonization. California is the most advanced in terms of the use of FCVs in the U.S. At present, about 10,000 FCVs are on the road. The state government set a goal to increase the number of FCVs on the road to one million vehicles and the number of hydrogen stations to 1,000 by 2030. It has been promoting advanced decarbonization efforts, such as requiring all new passenger cars sold to be zero-emission vehicles (ZEVs) by 2035. In line with these developments, automakers are planning to increase production of FCVs. Demand for hydrogen stations in California is expected to continue to grow steadily.

As of 2021, FEF operates 31 out of 52 hydrogen stations in California. Thus, it has the top market share.



FEF's hydrogen station



Hydrogen trailers manufactured by our group

MUFG Bank, Ltd., Nikkiso Co., Ltd., and Japan Infrastructure Initiative Company Limited have also acquired preferred shares in equity participation in FEF. FEF has raised 105 million dollars (about 11.5 billion yen) through the issuance of preferred shares. Our underwriting amount is the highest.

[Contact for inquiries]

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