

May 13, 2025

FY 2024 Consolidated Financial Results (Under IFRS)

AIR WATER INC.
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(Note: All amounts are rounded down to the nearest million yen.)

1. Results for FY2024 (The year ended March 31, 2024)

(1) Consolidated operating results

(% of change from previous year)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2024	1,075,929	5.0	75,246	10.2	73,975	10.9	50,398	9.2	49,074	10.6	48,757	(40.8)
FY2023	1,024,540	2.0	68,272	9.8	66,712	9.4	46,135	8.2	44,360	10.5	82,347	60.8

	Basic earnings per share	Diluted earnings per share	Ratio of profit to equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	Yen	Yen	%	%	%
FY2024	214.57	214.44	9.8	6.0	7.0
FY2023	194.69	194.52	9.7	5.8	6.7

(Reference) Share of profit of investments accounted for using the equity method:

4,264 million yen for FY2024, 2,056 million yen for FY2023

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	Million yen	Million yen	Million yen	%	Yen
FY2024	1,250,149	536,858	517,139	41.4	2,256.72
FY2023	1,222,696	508,485	488,557	40.0	2,140.68

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
FY2024	93,236	(62,166)	(27,335)	70,609
FY2023	79,625	(97,966)	14,723	64,975

2. Dividends

	Dividend per share					Total amount of dividends	Dividend payout ratio	Ratio of dividends to equity attributable to owners of parent
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2023	—	30.00	—	34.00	64.00	14,659	32.9	3.2
FY2024	—	32.00	—	43.00	75.00	17,185	35.0	3.4
FY2025 (Forecasts)	—	37.50	—	37.50	75.00		—	

Starting from the fiscal year ending March 2025, a dividend payout ratio of 35% is adopted, with a basic policy of progressive dividends. Regarding the year-end dividend forecast for the fiscal year ending March 2026, ¥37.50 is set as the minimum dividend amount.

3. Forecast of consolidated operating results for FY2025 (The year ending March 31, 2026)

(% of change from previous year)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2025(1st half)	540,000	6.3	36,000	12.6	35,000	12.1	22,000	9.1	96.00
FY2025(Full year)	1,150,000	6.9	84,000	11.6	81,000	9.5	53,000	8.0	231.28

Notes

- (1) Significant changes in subsidiaries during the period (changes in specified subsidiaries with changes in the scope of consolidation): None
- (2) Changes in accounting policies and changes in accounting estimates
 - a. Changes in accounting policies required by IFRS: None
 - b. Changes in accounting policies other than (a): None
 - c. Changes in accounting estimates: None
- (3) Number of shares outstanding (ordinary shares)
 - a. Total number of shares outstanding (including treasury shares)
 - As of March 31, 2025: 229,755,057 shares
 - As of March 31, 2024: 229,755,057 shares
 - b. Number of shares of treasury shares
 - As of March 31, 2025: 599,422 shares
 - As of March 31, 2024: 1,529,317 shares
 - c. Average number of shares during the term
 - Year ended March 31, 2025: 228,712,697 shares
 - Year ended March 31, 2024: 227,856,414 shares

(Reference) Non-consolidated financial results

1. Results of non-consolidated operations for FY2024 (The year ended March 31, 2025)

(1) Non-consolidated operating results

(% of change from previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2024	145,299	(0.1)	(6,703)	—	21,454	27.0	26,027	34.0
FY2023	145,511	(13.9)	(6,248)	—	16,888	65.3	19,418	18.0

	Net income per share	Fully diluted net income per share
	Yen	Yen
FY2024	113.80	113.73
FY2023	85.22	85.16

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2024	647,534	230,232	35.5	1,004.12
FY2023	622,669	223,105	35.8	976.72

(Reference) Shareholder's equity: 230,098 million yen for FY2024, 222,911 million yen for FY2023

* This report is exempt from audit procedure based on the Financial Instruments and Exchange Act.

* Explanations and other special notes concerning the appropriate use of business performance forecasts

- The forward-looking statements such as result forecasts included in this document are based on the information available to AIR WATER INC. (hereinafter "the Company") at the time of the announcement and on certain assumptions considered reasonable. Actual results may differ materially from the forecast depending on a range of factors. For matters relating to the forecasts, please, refer to "4-(4) Outlook for the next fiscal year".

4. Summary of operating results

(1) Explanation of Operating Results

1) Operating results for the current period

For the current consolidated fiscal year, the Group's revenue was ¥1,075,929million (105.0% that of the previous year), operating profit was ¥75,246 million (110.2%), and profit attributable to owners of parent was ¥49,074 million (110.6%). The Group thus achieved the highest financial results ever.

During the period, the Japanese economy saw an ongoing improvement in its employment and income environments and solid capital investment in the corporate sector. Nonetheless, the outlook remained unclear due mainly to rising goods prices, rapid changes in foreign exchange rates and mounting uncertainties about economic activities around the world.

Under these circumstances, the Group worked to strengthen the digital and semiconductor-related business that it defines as a growth area, as well as the overseas industrial gas-related business in India, North America and other regions. Looking at its existing businesses in Japan, the Group worked on price management including revisions to low-profitability projects, productivity improvement, streamlining and other initiatives with a view to increasing its earning power.

To realize its growth strategy, the Group opened “The Forest of AIR WATER” in December 2024. This is a facility for creating, developing, and promoting new businesses designed to address social issues in Hokkaido. In January 2025, it opened “Shonan Innovation Lab” as a new research center designed to be a core facility for semiconductor and battery material development. The Group will push ahead with open innovation in an effort to create new businesses that will help resolve regional issues. In addition, the Group will concentrate its engineers and step up their training to maximize the synergy of the knowledge and technologies owned by Group companies and to accelerate new product development. In May 2024, The Group put liquefied biomethane derived from livestock excreta to commercial use. This is an example of its carbon neutrality initiatives through its products and businesses.

2) Consolidated results by segment for this period

(Unit : Million yen)

	Revenue		Operating profit	
	FY2024	YoY Growth	FY2024	YoY Growth
Digital & Industry	351,094	102.9%	36,267	108.0%
Energy Solutions	70,918	106.5%	4,510	111.6%
Health & Safety	246,083	106.6%	15,099	100.1%
Agriculture & Foods	174,480	107.3%	6,219	89.9%
Other Businesses	233,353	104.5%	12,586	115.8%
(Adjustment)	—	— %	562	— %
Total	1,075,929	105.0%	75,246	110.2%

(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.

<Digital & Industry >

Revenue in this segment was ¥351,094 million (102.9% of that of the corresponding period of the previous year), and operating profit was ¥36,267 million (108.0%).

Amid a downward trend in demand for industrial gas in Japan from the steel, chemical and other material sectors, the Group captured gas demand driven by increased investments in manufacturing facilities in the digital and semiconductor industries and cultivated new customers. In addition, comprehensively expanded its merchandise and services supporting semiconductor manufacturing including special chemicals, gas refining devices and related construction.

Revenue suffered an adverse impact from weak demand for phthalic anhydride and other organic acid products and sealants in the field of functional materials. However, it surpassed the level of the previous year after a strong performance in gas supply to semiconductor plants and in the digital and semiconductor-related business, such as special chemicals and their supply systems and heat control equipment for semiconductor manufacturing systems. Operating profit reached a sound level. While there was a negative impact in the field of functional materials and helium procurement costs, the digital and semiconductor-related business thrived, industrial gas price management produced a positive effect and productivity in plant operations improved.

<Energy solutions>

Revenue in this segment was ¥70,918 million (106.5%), and operating profit was ¥4,510 million (111.6%).

The Group actively promoted fuel conversion from fuel oil to liquefied natural gas (LNG) to its customers amid a rise in demand for low and net-zero carbon. The Group also participated in a joint demonstration project that would serve carbon neutrality in society. Mainly serving Hokkaido, the LP gas supply business for households sought to improve its earning strength through expanding its direct sales structure by acquiring commercial rights from distributors and through improving delivery efficiency with the use of IoT technologies.

Revenue jumped significantly from the previous fiscal year. Selling prices of all products including LP gas, kerosene and LNG remained at high levels throughout the year in linkage with market prices. In addition, sales expansion of LNG-related equipment produced a positive effect. Operating income also increased due to a review of low-profit transactions in LP gas sales.

< Health & Safety>

Revenue in this segment was ¥246,083 million (106.6%), and operating profit was ¥15,099 million (100.1%).

The Group endeavored to grasp the needs of medical institutions with the use of a medical gas supply base and focused on winning outsourcing orders for the development of medical equipment and hospital operations. It worked to gain orders for surgical room renovation and other hospital facility works directly to build up its earning power.

In the consumer health segment, Promoted the reinforcement of the system, including maximization of group resources and strengthening of the supply chain.

New construction projects for hospitals in Japan and commissioned production of aerosol decreased year on year. However, sales of medical equipment and supplies increased and the price revision of hygiene materials had a positive effect. In addition, the number of patients undergoing nitric oxide inhalation therapy increased and sales of shower bathing devices for long-term care remained strong. In the field of disaster control, construction projects for hospitals outside Japan and construction projects for data centers in Japan performed solidly. Consequently, revenue and operating profit were higher than in the previous fiscal year.

<Agriculture & Foods>

Revenue in this segment was ¥174,480 million (107.3%), and operating profit was ¥6,219 million (89.9%).

The Group has taken steps to improve technological development for smart agriculture and freshness maintenance and increase the volume of agricultural products to sell, aiming for the realization of sustainable agriculture and stable food supply systems. It worked to step up collaboration and to build a supply chain platform for the procurement of raw material vegetables and distribution and processing of fruit and vegetables with the use of its distribution base.

Commissioned production of vegetable and fruit-based beverages increased and sales of frozen broccoli in the North American market expanded, as did sales of potatoes, carrots and other vegetables. In addition, the new consolidation of Marushin Seika co., Ltd, which operates a fruit and vegetable wholesaling business, during the previous fiscal year had a positive effect. As a consequence, revenue was higher than in the previous fiscal year. In contrast, operating profit was

down from the previous fiscal year, reflecting the rising prices of pork in the ham and delicatessen, a slide in adoption at convenience stores in the sweets, and the posting of temporary expenses.

<Other business>

Revenue in this segment was ¥233,353 million (104.5%), and operating profit was ¥12,586 million (115.8%).

Logistics business

While general freight transportation and food distribution performed solidly, the Group streamlined its operations by rationalizing contract fees and by improving operational efficiency with the use of digital technologies. In addition, the freight of vegetables and fruits increased through collaboration. The handling volume of industrial waste also increased. Revenue thus increased significantly from the previous fiscal year.

Nihonkaisui Co., Ltd

The electric power business suffered a negative impact from a rising price of fuel gas. Meanwhile, in the salt business, snow-melting salt, and sales of Nori seaweed and Furikake rice seasoning in the food business were buoyant. Revenue was higher than in the previous fiscal year.

Electric power business

The Onahama Biomass Power Plant was in operation for a smaller number of days than usual due to a large-scale inspection. Meanwhile, the market price of palm kernel shells (PKS) used as a fuel for power generation dropped and cost cutting efforts produced a positive impact. Operating profit consequently increased from the previous fiscal year.

Global & Engineering business

In the Indian market, on-site gas supply for steelmakers was buoyant. Sales of industrial gas using lorry cylinders to new customers expanded steadily. In the North American market, the Group sought to acquire new customers ahead of the start of operation of the in-house gas plant now under construction. Two industrial gas-related companies newly consolidated in the previous fiscal year contributed to the revenue. The high-output uninterruptible power source (UPS) segment maintained a strong performance thanks to an increase in the capital expenditure of data centers and semiconductor manufacturers.

As a result, both revenue and operating profit in other segment exceeded the levels recorded in the previous fiscal year.

(2) Summary of financial position for the current period

Total assets at the end of the consolidated fiscal year stood at ¥1,250,149 million, an increase of ¥27,452 million from the end of the previous consolidated fiscal year due primarily to increases in inventories and property, plant and equipment. Liabilities stood at ¥713,290 million, a decrease of 919 million from the end of the previous consolidated fiscal year due mainly to decreases in bonds and borrowings. Equity stood at ¥536,858 million, an increase of ¥28,372 million from the end of the previous consolidated fiscal year due mainly to an accumulation of profit attributable to owners of the parent.

Equity attributable to owners of parent per share grew from ¥2,140.68 at the end of the previous consolidated fiscal year to ¥2,256.72, and ratio of equity attributable to owners of parent to total assets changed to 41.4% from 40.0% at the end of the previous consolidated fiscal year.

(3) Summary of cash flows for the current period

Cash flows from operating activities was an inflow of ¥93,236 million after deducting payments including corporate income taxes from profit before tax and depreciation, which was an increase of ¥13,611 million from the previous consolidated fiscal year.

Cash flows from investing activities was an outflow of ¥62,166 million, which was a decrease in expenditures of ¥35,800 million from the previous consolidated fiscal year due mainly to a decrease in expenditures resulting from purchase of shares of subsidiaries with changes in scope of consolidation and an increase in proceeds resulting from sale of property, plant and equipment, despite an increase in expenditures resulting from purchase of property, plant and equipment.

Cash flows from financing activities was an outflow of ¥27,335 million, which was a decrease of ¥42,059 million from the previous consolidated fiscal year, due mainly to a decrease in proceeds from issuance of bonds.

As a result, cash and cash equivalents at the end of the consolidated fiscal year stood at ¥70,609 million, an increase of ¥5,634 million from the end of the previous consolidated fiscal year.

(4) Outlook for the next fiscal year

We forecast revenue of ¥ 1,150,000 million, operating profit of ¥84,000 million, profit before tax of ¥81,000 million, and profit attributable to owners of parent of ¥53,000 million for the next fiscal year. We expect to see a rise in revenue and profit in all the segments.

With a view towards the terrAWell30 vision for FY2030, we have a policy of maximizing value created from synergies among diverse businesses, human resources, and technologies, which constitute the Group's management resources. In line with this, we have defined two growth fields the global environment and wellness. We are endeavoring to expand growth areas, to strengthen profitability and to incubate new businesses.

Specifically, the Global Engineering Center came into operation in the city of Sakai in Osaka Prefecture in April 2025. It is aimed at bolstering engineering for expanding the industrial gas business for growth areas, namely overseas markets and the digital and semiconductor industries. To realize our global growth strategy and strengthen overseas group governance, we established the Global Strategy Promotion Headquarters. As part of our effort to create new businesses, we launched and integrated laboratories to strengthen research and development activities. We also set up and reorganized business units in organizational reforms for an aim of maximizing group synergy.

We will build up the management foundations, carry out management that harnesses our human resources and strengthen human capital investment, such as the development of global personnel and engineers to attain medium- and long-term growth.

At the moment, the Company recognize that the U.S. tariff policy will have only a minor impact on our financial results. Our mainstay industrial gas business adopts a business model of local production for local consumption. The direct impact of tariff policies of separate countries is not expected to have a significant effect. However, for as long as the tariffs' impacts on manufacturers, as our principal users, are uncertain, we will keep a close eye on developments.

(5) Basic Principles of Profit Distribution and Dividends for the Fiscal Year and for the Next Fiscal Year

The Company has positioned returning profits to shareholders as one of the most important management issues, while executing growth strategies and strengthening its management foundation to sustainably increase corporate value. The Company's basic policy is to ensure the stable distribution of dividends from surplus in line with its business results in the future periods while taking into consideration the enhancement of internal reserves that are needed for strategic

investment and other purposes for medium- to long-term growth. In line with this policy, the Company has raised its dividend payout ratio target from 30% to 35% and positions a progressive dividend policy as a basic policy.

For the current fiscal year, the Company plans to pay an interim dividend of ¥32 and a year-end dividend of ¥43, up ¥11 from the initial plan. In total, the annual dividend will be ¥75 per share.

For the next fiscal year, the interim dividend is forecast at ¥37.50 per share, and the year-end dividend is set at a minimum of ¥37.50.

5. Basic Policy of Adopting of Financial Reporting Standards

The company has voluntarily applied IFRS from the consolidated fiscal year ended March 31, 2020, for the purpose of enhancing international comparability of financial information and improving management quality in its group consolidation.

6. Consolidated Financial Statements and Significant Notes

(1) Consolidated Statement of Financial Position (As of March 31, 2024 and March 31, 2025)

(Unit : Million yen)

	FY2023 (March 31, 2024)	FY2024 (March 31, 2025)
Assets		
Current assets		
Cash and cash equivalents	64,975	70,609
Trade and other receivables	240,584	242,386
Inventories	92,643	98,215
Other financial assets	11,750	10,736
Income taxes receivable	2,465	1,273
Other current assets	36,953	33,373
Total current assets	449,372	456,594
Non-current assets		
Property, plant and equipment	497,708	525,995
Goodwill	81,859	80,280
Intangible assets	46,240	42,866
Investments accounted for using equity method	34,507	37,856
Retirement benefit asset	5,640	4,406
Other financial assets	100,621	95,302
Deferred tax assets	2,705	2,676
Other non-current assets	4,038	4,170
Total non-current assets	773,323	793,554
Total assets	1,222,696	1,250,149

	FY2023 (March 31, 2024)	FY2024 (March 31, 2025)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	167,685	167,590
Bonds and borrowings	85,933	95,410
Other financial liabilities	13,865	12,015
Income taxes payable	11,418	13,932
Provisions	1,049	812
Other current liabilities	37,528	38,096
Total current liabilities	317,481	327,857
Non-current liabilities		
Bonds and borrowings	332,786	322,818
Other financial liabilities	22,951	21,950
Retirement benefit liability	6,478	6,331
Provisions	3,559	4,407
Deferred tax liabilities	23,845	23,261
Other non-current liabilities	7,107	6,664
Total non-current liabilities	396,729	385,433
Total liabilities	714,210	713,290
Equity		
Share capital	55,855	55,855
Capital surplus	49,097	47,723
Treasury shares	(2,217)	(808)
Retained earnings	335,113	369,842
Other components of equity	50,707	44,525
Total equity attributable to owners of parent	488,557	517,139
Non-controlling interests	19,927	19,719
Total equity	508,485	536,858
Total liabilities and equity	1,222,696	1,250,149

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

Consolidated Statement of Profit or Loss
(April 1 to March 31, 2024 and 2025)

(Unit : Million yen)

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Continuing operations		
Revenue	1,024,540	1,075,929
Cost of sales	(804,271)	(844,399)
Gross profit	220,268	231,529
Selling, general and administrative expenses	(158,411)	(166,769)
Other income	7,882	10,497
Other expenses	(3,523)	(4,276)
Share of profit of investments accounted for using equity method	2,056	4,264
Operating profit	68,272	75,246
Finance income	2,878	4,084
Finance costs	(4,438)	(5,354)
Profit before tax	66,712	73,975
Income tax expense	(20,565)	(23,564)
Profit from continuing operations	46,146	50,410
Discontinued operations		
Profit (loss) from discontinued operations	(11)	(11)
Profit	46,135	50,398
Profit attributable to		
Owners of parent	44,360	49,074
Non-controlling interests	1,774	1,323
Profit	46,135	50,398

Earnings per share		
Basic earnings (loss) per share		
Continuing operations	194.74Yen	214.62Yen
Discontinued operations	(0.05)Yen	(0.05)Yen
Basic earnings per share	194.69Yen	214.57Yen
Diluted earnings (loss) per share		
Continuing operations	194.57Yen	214.50Yen
Discontinued operations	(0.05)Yen	(0.05)Yen
Diluted earnings per share	194.52Yen	214.44Yen

Consolidated Statement of Comprehensive Income
(April 1 to March 31, 2024 and 2025)

(Unit : Million yen)

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Profit	46,135	50,398
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured through other comprehensive income	8,222	(6,254)
Remeasurements of defined benefit plans	1,435	(709)
Share of other comprehensive income of investments accounted for using equity method	109	160
Total of items that will not be reclassified to profit or loss	9,768	(6,803)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	13,757	(655)
Effective portion of gains and losses on hedging instruments in a cash flow hedge	12,594	5,573
Share of other comprehensive income of investments accounted for using equity method	91	242
Total of items that may be reclassified to profit or loss	26,443	5,161
Total other comprehensive income	36,212	(1,641)
Comprehensive income	82,347	48,757
Comprehensive income attributable to		
Owners of parent	77,991	46,059
Non-controlling interests	4,356	2,697
Comprehensive income	82,347	48,757

(3) Consolidated Statement of Changes in Equity
FY2023 (April 1, 2023 to March 31, 2024)

(Unit : Million yen)

	Equity attributable to owners of parent					
	Capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations
Balance as of April 1, 2023	55,855	49,962	(3,532)	303,680	—	11,427
Profit	—	—	—	44,360	—	—
Other comprehensive income	—	—	—	—	1,410	13,731
Comprehensive income	—	—	—	44,360	1,410	13,731
Purchase of treasury shares	—	—	(4)	—	—	—
Disposal of treasury shares	—	0	1,319	—	—	—
Dividends	—	—	—	(14,197)	—	—
Share-based payment transactions	—	—	—	—	—	—
Increase (decrease) due to changes in equity	—	(670)	—	—	—	—
Increase (decrease) due to new consolidation	—	(4)	—	(891)	—	—
Increase (decrease) due to exclusion of subsidiaries from consolidation	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	2,161	(1,410)	—
Put option provided to non-controlling shareholders	—	(190)	—	—	—	—
Transfer to non-financial assets	—	—	—	—	—	—
Total transactions with owners	—	(864)	1,314	(12,927)	(1,410)	—
Balance as of March 31, 2024	55,855	49,097	(2,217)	335,113	—	25,159

(Unit : Million yen)

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity				Total		
	Net change in fair value of financial assets measured through other comprehensive income	Effective portion of gains and losses on hedging instruments in a cash flow hedge	Share acquisition rights	Total			
Balance as of April 1, 2023	10,708	1,846	284	24,266	430,232	16,249	446,482
Profit	—	—	—	—	44,360	1,774	46,135
Other comprehensive income	8,296	10,191	—	33,630	33,630	2,581	36,212
Comprehensive income	8,296	10,191	—	33,630	77,991	4,356	82,347
Purchase of treasury shares	—	—	—	—	(4)	—	(4)
Disposal of treasury shares	—	—	—	—	1,319	—	1,319
Dividends	—	—	—	—	(14,197)	(569)	(14,767)
Share-based payment transactions	—	—	(90)	(90)	(90)	—	(90)
Increase (decrease) due to changes in equity	—	—	—	—	(670)	(334)	(1,004)
Increase (decrease) due to new consolidation	—	(3,281)	—	(3,281)	(4,177)	420	(3,757)
Increase (decrease) due to exclusion of subsidiaries from consolidation	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	(750)	—	—	(2,161)	—	—	—
Put option provided to non-controlling shareholders	—	—	—	—	(190)	—	(190)
Transfer to non-financial assets	—	(1,655)	—	(1,655)	(1,655)	(194)	(1,849)
Total transactions with owners	(750)	(4,936)	(90)	(7,189)	(19,666)	(678)	(20,344)
Balance as of March 31, 2024	18,253	7,100	193	50,707	488,557	19,927	508,485

FY2024 (April 1, 2024 to March 31, 2025)

(Unit : Million yen)

	Equity attributable to owners of parent					
	Capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations
Balance as of April 1, 2024	55,855	49,097	(2,217)	335,113	—	25,159
Profit	—	—	—	49,074	—	—
Other comprehensive income	—	—	—	—	(725)	(616)
Comprehensive income	—	—	—	49,074	(725)	(616)
Purchase of treasury shares	—	—	(3)	—	—	—
Disposal of treasury shares	—	39	1,412	—	—	—
Dividends	—	—	—	(15,119)	—	—
Share-based payment transactions	—	—	—	—	—	—
Increase (decrease) due to changes in equity	—	(1,414)	—	—	—	—
Increase (decrease) due to new consolidation	—	—	—	365	—	—
Increase (decrease) due to exclusion of subsidiaries from consolidation	—	—	—	—	—	—
Increase (decrease) due to merger, etc.	—	—	—	(468)	—	—
Transfer from other components of equity to retained earnings	—	—	—	877	725	—
Put option provided to non-controlling shareholders	—	—	—	—	—	—
Transfer to non-financial assets	—	—	—	—	—	—
Total transactions with owners	—	(1,374)	1,409	(14,345)	725	—
Balance as of March 31, 2025	55,855	47,723	(808)	369,842	—	24,542

(Unit : Million yen)

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity				Total		
	Net change in fair value of financial assets measured through other comprehensive income	Effective portion of gains and losses on hedging instruments in a cash flow hedge	Share acquisition rights	Total			
Balance as of April 1, 2024	18,253	7,100	193	50,707	488,557	19,927	508,485
Profit	—	—	—	—	49,074	1,323	50,398
Other comprehensive income	(6,078)	4,405	—	(3,015)	(3,015)	1,373	(1,641)
Comprehensive income	(6,078)	4,405	—	(3,015)	46,059	2,697	48,757
Purchase of treasury shares	—	—	—	—	(3)	—	(3)
Disposal of treasury shares	—	—	—	—	1,452	—	1,452
Dividends	—	—	—	—	(15,119)	(779)	(15,899)
Share-based payment transactions	—	—	(60)	(60)	(60)	—	(60)
Increase (decrease) due to changes in equity	—	—	—	—	(1,414)	(1,477)	(2,892)
Increase (decrease) due to new consolidation	—	—	—	—	365	116	481
Increase (decrease) due to exclusion of subsidiaries from consolidation	—	—	—	—	—	(451)	(451)
Increase (decrease) due to merger, etc.	—	—	—	—	(468)	—	(468)
Transfer from other components of equity to retained earnings	(1,602)	—	—	(877)	—	—	—
Put option provided to non-controlling shareholders	—	—	—	—	—	—	—
Transfer to non-financial assets	—	(2,229)	—	(2,229)	(2,229)	(313)	(2,542)
Total transactions with owners	(1,602)	(2,229)	(60)	(3,166)	(17,478)	(2,906)	(20,384)
Balance as of March 31, 2025	10,572	9,277	133	44,525	517,139	19,719	536,858

(4) Consolidated Statement of Cash Flow

(Unit : Million yen)

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit before tax	66,712	73,975
Profit (loss) before tax from discontinued operations	(11)	(11)
Depreciation and amortization	46,590	49,231
Interest and dividend income	(1,913)	(2,974)
Interest expenses	3,592	4,352
Share of loss (profit) of investments accounted for using equity method	(2,056)	(4,264)
Loss (gain) on sale and retirement of fixed assets	(379)	(4,774)
Decrease (increase) in trade and other receivables	(5,172)	2,370
Decrease (increase) in inventories	2,619	(4,842)
Increase (decrease) in trade and other payables	(6,289)	(6,067)
Decrease (increase) in contract assets	1,756	1,233
Increase (decrease) in contract liabilities	(1,624)	25
Other	(6,203)	3,924
Subtotal	97,619	112,177
Interest received	503	790
Dividends received	1,700	2,311
Interest paid	(3,488)	(4,425)
Income taxes paid	(16,709)	(17,616)
Net cash provided by (used in) operating activities	79,625	93,236
Cash flows from investing activities		
Purchase of property, plant and equipment	(63,469)	(67,479)
Proceeds from sale of property, plant and equipment	2,327	6,349
Purchase of intangible assets	(2,999)	(3,660)
Purchase of investment securities	(6,226)	(3,929)
Proceeds from sale of investment securities	1,491	6,218
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(7,322)	(1,100)
Payments for loans	(4,657)	(561)
Collection of loans receivable	1,594	1,221
Payments for acquisition of businesses	(20,133)	—
Other	1,430	775
Net cash provided by (used in) investing activities	(97,966)	(62,166)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(245)	(5,247)
Proceeds from long-term borrowings	41,128	40,777
Repayments of long-term borrowings	(37,180)	(36,711)
Proceeds from issuance of bonds	30,000	—
Additional purchase of shares of subsidiaries	(1,004)	(5,298)
Proceeds from sale and leaseback transactions	950	706
Repayments of lease liabilities	(5,422)	(6,590)
Dividends paid	(14,193)	(15,114)
Dividends paid to non-controlling interests	(569)	(779)
Other	1,260	922
Net cash provided by (used in) financing activities	14,723	(27,335)
Impact of exchange fluctuations for cash and cash equivalents	661	1,636
Net increase (decrease) in cash and cash equivalents	(2,956)	5,372
Net increase (decrease) in cash and cash equivalents due to a change in the scope of consolidation	1,986	262
Cash and cash equivalents at beginning of period	65,944	64,975
Cash and cash equivalents at end of period	64,975	70,609

(5) Notes to Consolidated Financial Statements

(Notes on assumption of going business)

Not applicable.

(Reporting company)

Air Water Inc. (the “Company”) is a joint-stock company located in Japan. The registered address of the head office of the Company is in Chuo-ku, Osaka-shi.

The consolidated financial statement of the Company and its subsidiaries (the “Group”) closes on March 31 and consists of equity interests of the Group and its affiliates and joint control agreement.

The Group operates manufacturing and sale in the segments, Digital & Industry, Energy Solutions, Health & Safety, Agriculture & Foods, and Other products and services. See the section, “segment information, etc.” for the details of each business.

(Basis of preparation)

(1) Compliance with the IFRS

The consolidated financial statement of the Group satisfies the requirements of a Specified Company engaging in international financing activities in Article 1-2 of the Ordinance on Consolidated Financial Statements and have been prepared in accordance with IFRS as prescribed in Article 312 of the Ordinance.

(2) Basis of Measurement

The consolidated financial statement of the Group is prepared based on acquisition costs except retirement benefit liability (Assets) and financial instruments, etc. measured at fair value.

(3) Functional Currency and Presentation Currency

The monetary amounts in the consolidated financial statement are presented in units of yen, the functional currency of the Company. All financial data presented in Japanese yen are rounded down to the nearest million yen.

(4) Important Accounting Estimates and Decisions involving Estimates

In the preparation of the Group’s consolidated financial statement, the business manager must make decisions, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. The actual results may vary from such estimates.

Estimates and assumptions that become the basis of estimates are reviewed continuously. The impact of a revision of accounting estimates is recognized during the accounting period in which the estimates are revised and future accounting periods that will be affected.

The important accounting estimates and decisions involving estimates in this consolidated financial statement are the same as the consolidated financial statement for the accounting year ending March 31, 2024.

(Significant accounting policies)

The accounting principles that the Group applies to the consolidated financial statement are the same as the accounting principles applied to the consolidated financial statement for the consolidated fiscal year ending March 31, 2024.

(Segment Information)

(1) Overview of Reportable Segments

The Group's reportable segments are components of an entity for which separate financial information is available and is evaluated regularly by the Board of Directors in determining the allocation of management resources and in assessing performance.

The Group plans comprehensive strategies for each product and service and operates its business activities. Therefore, the Group consists of operating segments for each product and service, and has five reportable segments, including "Digital & Industry," "Energy Solutions," "Health & Safety," "Agriculture & Foods," and "Other Businesses."

The Digital & Industry segment primarily manufactures and sells industrial gases including oxygen, nitrogen, argon, carbon dioxide and hydrogen, and also manufactures and sells electronic materials, functional materials and so on.

The Energy Solutions segment primarily sells LP gas and kerosene, and also manufactures and sells LNG-related equipment.

The Health & Safety segment primarily manufactures and sells oxygen and other medical gases, dental and hygiene materials, hypodermic needles, aerosol products and other items, and also provides services including hospital facility construction, hospital services and home medical care.

The Agriculture & Foods segment primarily processes and distributes vegetables and fruits, manufactures and sells frozen food and processed meat products, and operates contract manufacturing of soft drinks.

The Other Business segment consists of the logistics business, which provides logistics services for general cargo, food, medical supplies and environmental products, Nihonkaisui Co., Ltd which manufactures and sells commercial use salt, overseas industrial gas businesses in North America, India and elsewhere, a business supplying high-output uninterruptible power sources (UPS), and a woody biomass power generation business, etc

(2) Information about the Amounts of Revenue and Profit or Loss by Reportable Segment

The accounting method of the reported operating segments is the same as the accounting method used to prepare the consolidated financial statements.

The profit figures of the reportable segments are operating profit. Intersegment revenue and transfers of funds are presented based on prevailing market prices.

FY2023 (April 1, 2023 to March 31, 2024)

(Unit : Million yen)

	Reportable Segment						Adjustments (Note)	Consolidated
	Digital & Industry	Energy Solutions	Health & Safety	Agriculture & Foods	Other Business	Total		
Revenue								
Revenue from external customers	341,254	66,588	230,865	162,610	223,222	1,024,540	—	1,024,540
Intersegment revenue or transfers	10,720	4,515	709	775	34,763	51,483	(51,483)	—
Total	351,975	71,103	231,574	163,385	257,985	1,076,024	(51,483)	1,024,540
Segment profit	33,596	4,042	15,078	6,917	10,869	70,505	(2,232)	68,272
Finance income								2,878
Finance costs								(4,438)
Profit before income tax								66,712
Segment assets	358,162	42,543	156,505	105,868	379,046	1,042,125	180,570	1,222,696
Other items								
Depreciation and amortization	19,830	3,409	4,396	5,128	13,826	46,590	—	46,590
Impairment loss	0	0	—	—	—	1	—	1
Share of profit of investments accounted for using equity method	766	—	731	(34)	593	2,056	—	2,056
Investments accounted for using equity method	5,194	—	13,402	17	15,893	34,507	—	34,507
Capital expenditures	31,848	3,701	7,312	4,512	23,571	70,945	2,357	73,303

(Note) 1: Adjustments of intersegment revenue or transfers of -51,483 million yen are elimination of intersegment transactions.

2: Adjustments of segment profit of -2,232 million yen are related to the elimination of intersegment transactions and profit or loss of the Company's corporate divisions not allocated to reportable segments.

3: Adjustments of segment assets of 180,570 million yen are related to the elimination of intersegment assets and corporate assets not allocated to reportable segments. Corporate assets are mainly cash and deposits, financial assets and shared corporate facilities not attributable to reportable segments.

4: Adjustments of capital expenditures of 2,357 million yen are mainly corporate assets not attributable to reportable segments.

FY2024 (April 1, 2024 to March 31, 2025)

(Unit : Million yen)

	Reportable Segment						Adjustments (Note)	Consolidated
	Digital & Industry	Energy Solutions	Health & Safety	Agriculture & Foods	Other Business	Total		
Revenue								
Revenue from external customers	351,094	70,918	246,083	174,480	233,353	1,075,929	—	1,075,929
Intersegment revenue or transfers	11,530	5,747	588	801	32,366	51,033	(51,033)	—
Total	362,624	76,665	246,671	175,281	265,719	1,126,962	(51,033)	1,075,929
Segment profit	36,267	4,510	15,099	6,219	12,586	74,683	562	75,246
Finance income								4,084
Finance costs								(5,354)
Profit before income tax								73,975
Segment assets	381,575	43,071	164,483	103,710	381,052	1,073,893	176,255	1,250,149
Other items								
Depreciation and amortization	20,967	3,527	4,555	5,233	14,947	49,231	—	49,231
Impairment loss	95	0	—	918	75	1,089	—	1,089
Share of profit of investments accounted for using equity method	846	—	587	4	1,063	2,501	1,762	4,264
Investments accounted for using equity method	5,964	—	15,229	20	16,641	37,856	—	37,856
Capital expenditures	30,634	4,939	7,063	8,972	25,409	77,019	3,439	80,458

(Note) 1: Adjustments of intersegment revenue or transfers of -51,033 million yen are elimination of intersegment transactions.

- 2: Adjustments of segment profit of 562 million yen are related to the elimination of intersegment transactions and profit or loss of the Company's corporate divisions not allocated to reportable segments.
- 3: Adjustments of segment assets of 176,255 million yen are related to the elimination of intersegment assets and corporate assets not allocated to reportable segments. Corporate assets are mainly cash and deposits, financial assets and shared corporate facilities not attributable to reportable segments.
- 4: Adjustments of share of profit of investments accounted for using equity method of 1,762 million yen are related to the corporate profit not allocated to reportable segments.
- 5: Adjustments of capital expenditures of 3,439 million yen are mainly corporate assets not attributable to reportable segments.

(Earning per share)

(1) Basic and diluted earnings per share

(Unit : Yen)

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Basic earnings (loss) per share	194.69	214.57
Continuing operations	194.74	214.62
Discontinued operations	(0.05)	(0.05)
Diluted earnings (loss) per share	194.52	214.44
Continuing operations	194.57	214.50
Discontinued operations	(0.05)	(0.05)

(2) Bases for calculating basic and diluted earnings per share

1) Profit attributable to common shareholders

(Unit : Million yen)

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Profit (loss) attributable to owners of parent	44,360	49,074
Continuing operations	44,372	49,086
Discontinued operations	(11)	(11)
Diluted profit (loss) attributable to common shareholders	44,360	49,074
Continuing operations	44,372	49,086
Discontinued operations	(11)	(11)

2) Average number of common shares during the year

(Unit : Thousands of shares)

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Average number of common shares during the year	227,856	228,712
Increases in common shares due to stock options	194	135
Average number of diluted common shares during the year	228,050	228,848

(Significant subsequent events)

Not applicable