May 12, 2021

FY 2020 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 FY 2020 (The year ended March 31, 2021)

(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	%
FY2020	806,630	-0.3	51,231	1.2	49,651	-0.4	30,410	-9.3	27,367	-10.1	42,445	48.4
FY2019	809,083	9.0	50,616	18.3	49,830	18.3	33,526	11.2	30,430	5.6	28,604	19.1

	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	%	%	%
FY2020	120.98	120.84	7.9	5.4	6.4
FY2019	147.43	147.20	10.0	5.9	6.3

(Reference) Share of profit of investments accounted for using the equity method:
2,287 million yen for FY2020, 1,605 million yen for FY2019

(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
FY2020	926,821	372,389	357,797	38.6	1,584.86
FY2019	899,699	351,815	331,992	36.9	1,460.00

(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
FY2020	76,601	-52,699	-20,889	45,983
FY2019	43,784	-115,597	80,981	41,861

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	%	%
FY2020	—	20.00	—	24.00	44.00	9,388	29.8	3.1
FY2021	—	22.00	—	22.00	44.00	10,040	36.4	2.9
FY2022 (Forecasts)	—	22.00	—	22.00	44.00		27.6	

3. Forecast of consolidated operating results for FY2021 (The year ending March 31, 2022)

(% 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
FY2021(1st half)	410,000	9.5	25,000	27.8	24,300	29.1	14,300	33.5	63.34
FY2021(Full year)	880,000	9.1	58,000	13.2	56,500	13.8	36,000	31.5	159.46

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, 2021: 229,755,057 shares

As of March 31, 2020: 229,755,057 shares

b. Number of shares of treasury shares

As of March 31, 2021: 3,995,259 shares

As of March 31, 2020: 2,362,804 shares

c. Average number of shares during the term

Year ended March 31, 2021: 226,221,158 shares

Year ended March 31, 2020: 206,407,166 shares

(Reference) Non-consolidated financial results

1. Results of non-consolidated operations for FY2020 (The year ended March 31, 2021)

(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	%
FY2020	120,722	-7.7	-6,620	—	8,943	-16.8	11,647	—
FY2019	130,837	-26.2	-4,064	—	10,756	-31.9	-401	—

	Net income per share	Fully diluted net income per share
	Yen	Yen
FY2020	51.49	51.43
FY2019	-1.95	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2020	503,432	216,146	42.9	955.98
FY2019	487,235	211,006	43.2	926.42

(Reference) Shareholder’s equity: 215,820 million yen for FY2020, 210,659 million yen for FY2019

* 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

During the consolidated fiscal year under review, the Japanese economy experienced a slump in consumer spending and business activities in the first half, due to the novel coronavirus (hereinafter "COVID-19") pandemic. In the second half of the fiscal year, there were signs of recovery in some areas due to growth in exports and economic stimulus but the outlook remained uncertain, with a resurgence of infections from the winter onwards.

Under these conditions, AIR WATER INC. and its consolidated subsidiaries (hereinafter “the Group”) fulfilled its responsibility of providing a stable supply of industrial gas, medical gas and other products which are essential for industry and people's lives, based on the implementation of thoroughgoing infection control measures and measures in consideration of safety. Meanwhile, the COVID-19 crisis led to growth in demand for electronics as teleworking and faster 5G networks become more widespread. At the same time, COVID-19 has brought about ongoing changes in needs, with growing demand for home cooked meals and home meal replacement products and increased energy consumption at home, in addition to needs for infection control products, especially sanitary materials. To adapt to such changes under the new normal the Group leveraged its diverse businesses and products to actively carve out new markets. It also made groupwide efforts to implement work style reform with digital at the core and worked to increase the efficiency of business operations.

In addition, as the foundations for growth over the coming decade, we established the Corporate Technology Strategy Center, a technology strategy platform for the overall Group, and reformed our research and development framework. We also implemented structural reforms, merging our eight regional business companies to form three new companies, with the aim of building a powerful business base which will drive improvement of profitability and sustainable business growth in Japan.

The Group advocates the recycling of global resources and strives for the realization of an Earth and society that enables future generations to live comfortably. Through its human- and environmentally friendly manufacturing activities, the Group contributes to society, works to preserve the global environment and efficiently use resources such as air and water. Under our communication concept, "meeting society's needs with nature's blessings," we have promoted initiatives to achieve the sustainable development goals (SDGs). An organizational system to facilitate Group-wide SDG activities was created by establishing the SDGs Promotion Division and the SDGs Implementation Committee chaired by the Chairman and CEO. The Group's Sustainability Vision was formulated to clarify the goals to be realized by 2050, with milestones for the achievement of the SDGs throughout the Group companies set for 2030.

During the first half of the fiscal year, the Group's performance was affected by reduced demand due to COVID-19, especially in the Industrial Gas Business and the Medical Business in Japan, and the overseas engineering business of the Other Businesses segment. However, during the second half of the fiscal year, the business environment showed continuous improvement in all segments, especially in Japan. Under these circumstances, earnings improved, largely due to the full-year contribution of the Indian industrial gas business in the Industrial Gas Business segment as well as the opening-up of new business opportunities, primarily infection control products, and reorganization of the production structure mainly in the Chemical Business, and the Agriculture and Food Business. Further boosted by cost reductions achieved through progress on digitalization and workstyle reform, operating profit exceeded the year-ago level in all segments except the Other Businesses segment, reaching an all-time high. The Group's strength as a conglomerate covering diverse business domains that support people’s lives and livelihoods, including industrial gas, medical care & hygiene, energy, agriculture & food products and logistics and the strength of its business base which is closely tied to local communities were clear for all to see even under the unprecedented conditions of the COVID crisis.

As a result, the Group reported revenue for the fiscal year under review of ¥806,630 million (99.7％ that of the previous year), operating profit of ¥51,231 million (101.2％), and profit attributable to owners of parent of ¥27,367 million (89.9％).

Because of the tax law reform that came into force on March 24, 2021 in India, the amortization of goodwill is no longer permitted in the country.

With regard to the treatment of tax effect accounting for goodwill based on this tax law reform in India, Therefore the financial results of AW INDIA in light of the findings of BSR and posted 4,875 million yen as a deferred tax liability for its goodwill.

As a result, profit and profit attributable to owners of parent for the consolidated fiscal year under review will each decrease by 4,715 million yen.

2) Consolidated results by segment for this period

(Million yen)

	Revenue		Operating profit	
	FY 2020	**YoY Growth**	**FY 2020**	**YoY Growth**
Industrial Gas Business	185,579	98.2%	20,864	108.4%
Chemical Business	33,357	121.4%	1,992	148.8%
Medical Business	186,425	99.2%	10,504	100.4%
Energy Business	53,085	102.1%	4,558	107.2%
Agriculture and Food Products Business	132,569	96.6%	4,029	122.8%
Logistics Business	53,291	105.7%	2,831	118.2%
Seawater Business	40,971	102.5%	3,082	105.0%
Other Businesses	121,349	97.0%	4,853	66.1%
(Adjustment)	-	- %	-1,486	234.8%
Total	806,630	99.7%	51,231	101.2%

(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.

<Industrial gas business>

Revenue in this segment was ¥185,579 million (98.2% that of the previous year), and operating profit was ¥20,864 million (108.4%).

In the circumstances where demand from domestic steel manufacturers was decreasing, this segment reoptimized its production system for the on-site business for steel manufacturers, in parallel with the restructuring of its earnings foundation by maximizing and expanding the effects of integration in its regional business and by enhancing its infrastructure networks. However, there has been a transformation of its business portfolio following the expansion of the electronics business, which includes large-scale nitrogen gas supply, special chemicals supply, equipment and construction for the rapidly growing semiconductor field, and the development of the on-site business for steel manufacturing centered on large oxygen gas supply plant technologies.

While the segment as a whole was affected by a fall in demand from the domestic manufacturing industry, including steel manufacturers, the segment remained solid in terms of profit because of business expansion led mainly by the industrial gas business in India, gas supply services and equipment sales for electronics applications and large engineering projects.

In the **gas business,** our gas supply services for electronics applications remained firm on the back of the expansion of facilities and the increase of production by domestic semiconductor manufacturers due to the expansion of demand related to data centers and 5G. Conditions surrounding our on-site gas supply services for domestic steel manufacturers continued to be harsh due to a decline in sales volume chiefly due to stoppages or shutdowns of our major customers' blast furnaces. In our tanker truck and cylinder gas supply services, while demand declined sharply due to production adjustments in the domestic manufacturing industry in early spring, demand for gas picked up from the second quarter in tandem with the recovery of the automotive industry, returning to a level nearly on par with the previous year in the second half of the fiscal year.

The **equipment and construction-related business** remained firm because sales of gas purification equipment and special material supply devices for major semiconductor manufacturers increased in addition to large-scale projects for gas generators and supply facilities.

The **overseas business** remained strong, as our on-site gas supply services for steel manufacturers maintained a high operating rate in tandem with buoyant crude steel production in the mainstay Indian business and that sales of our tanker truck and cylinder gas supply services for the construction and automotive industries increased from the second quarter.

<Chemical business>

Revenue in this segment was ¥33,357 million (121.4% that of the previous year), and operating profit was ¥1,992 million (148.8%).

In this segment, after the 2018 transfer of the coal chemicals business, which is susceptible to market fluctuation, a structural reform has been promoted aiming to shift toward the functional chemicals business focusing on electronics materials. As a step in the reform, companies that have joined the Group in 2019 were integrated and reorganized with existing businesses in pursuit of synergies benefiting the businesses as a whole. The Group intends to prepare for change and the future development of the demand structure in the coming super smart society throughout the chemicals business, including the basic chemicals sector, the food chemistry sector, and the pharmaceutical and agricultural chemical intermediates sector.

There was progress in the improvement of earnings for the segment as a whole due to consolidation through M&A implemented in the previous fiscal year as a part of the structural reform of the businesses, increased sales of electronics materials, and the restructuring of the production system.

In the **functional chemicals business**, the sales expansion of electronics materials, including polyimide resin materials, made progress. In addition, the consolidation of FILWEL Co., Ltd., which saw strong sales of precision polishing pads on the back of growing demand for hard disk drives from data centers, and Daito Chemical Co., Ltd., Japan's leading domestic sodium acetate manufacturer, where the organic synthesis business for electronics materials expanded, made a contribution. Profitability also improved as a result of our promoting the rebuilding of the production system, which included the closure of the plant in China.

Although the sales of **Kawasaki Kasei Chemicals Ltd.** were affected by declines in market prices and the sales of phthalic anhydrides, its operating results remained firm thanks to the recovery of sales of naphthoquinone.

<Medical business>

Revenue in this segment was ¥186,425 million (99.2％ that of the previous year), and operating profit was ¥10,504 million (100.4％).

The strengths of this segment lie in its comprehensive capabilities, including its diverse business sectors including advanced medical care which primarily handles medical gas and medical equipment and everyday medical care including dental and hygiene materials. Leveraging this comprehensive strength, the business responds to changing customer needs for infection control, an urgent issue as society faces the COVID-19 pandemic, and to the improvement of the efficiency of hospital operations. In addition, the creation of new healthcare businesses for the smart society has begun, including the commercialization of dental pulp regenerative medicine, remote medical examination systems using IoT, and other medical care.

The segment as a whole firmly maintained the performance of the previous year by capturing the expanding demand for infection control products such as hygiene materials despite the influence of the decrease in the number of outpatients due to the COVID-19 pandemic and a decrease in demand for maintenance at medical institutions.

The conditions surrounding the **facility business** were harsh, and it was affected by the postponement of construction projects for operating rooms and other hospital facilities, maintenance and inspections, although sales of simple negative pressure devices increased.

In the **medical gas business**, in the second half of the fiscal year sales volume recovered to the level of the previous year, but full-year sales volume declined, affected by the decline in the number of outpatients and operations in the first half. In the medical service business, the volume of services provided via SPD (Supply, Processing and Distribution management for hospitals) declined for the same reasons.

The **home medical care business** remained firm, reflecting the continued trend of shifting to providing medical care at home to prevent hospital-acquired infections.

The **medical equipment business** remained strong due to an increase of sales of infection control products, such as UV radiation devices.

The **hygiene products business** saw expanded sales of personal protective equipment for medical institutions, masks, hand sanitizers and other similar equipment for a wide range of customers such as major mass retailers and mail-order companies as a result of a strengthening of its production system to ensure a stable supply in response to the surging demand for infection control products.

In **other businesses**, sales of infection control products increased, particularly mail orders from dentists at our equity method affiliate Ci Medical Co., Ltd. However, conditions surrounding the injection needle business and the construction of hospital facilities in Singapore remained severe due to COVID-19's impact on the overseas markets.

<Energy business>

Revenue in this segment was ¥53,085 million (102.1％ that of the previous year), and operating profit was ¥4,558 million (107.2％).

This segment posted a steady increase in revenue through the strengthening of direct sales of LP gas and the expansion of sales through strong measures increasing the number of customers and the sales volume and the acquisition of commercial rights. Further, on the foundation of the LP gas business, initiatives have begun to develop LNG-related equipment and new biogas energy systems that are able to contribute to carbon neutrality and to construct the foundation of an LP gas business in the Vietnamese market we have recently entered.

In the segment as a whole, the business remained robust with the expansion of demand for LP gas for general households due to people's refraining from leaving home and progress in the acquisition of commercial rights although demand for LP gas for commercial and industrial uses was sluggish.

In the **LP gas business**, demand declined for industrial use and commercial use by restaurants and hotels, etc., while consumption by general households increased as more people's refrain from leaving home. LP gas import prices fell sharply at the beginning of the fiscal year, but began trending upward towards the end of the year, so the impact was insignificant. The business remained solid, supported by the positive impact of a larger direct sales ratio as a result of the acquisition of commercial rights of retailers and the streamlining of delivery using IoT. The sales volume of kerosene increased due to the low average temperature in winter. In our equipment and construction services, sales of equipment decreased due to the cancellation of events such as exhibitions. The business also benefited from the consolidation of the wholesale business in Vietnam, which we acquired through M&A in the previous consolidated fiscal year.

In the **natural gas business**, the sales volume of LNG increased, and sales of V Satellite, a type of LNG supply equipment, were strong due to increasing environmental awareness.

<Agriculture and food products business>

Revenue in this segment was ¥132,569 million (96.6％ that of the previous year), and operating profit was ¥4,029 million (122.8％).

In this segment, a thorough commitment to the rationalization of production and logistics resulted in significant progress in profitability. As people's lifestyles and food needs have significantly changed due to the COVID-19 pandemic, production and sales systems mainly handling commercial-use for hotels and restaurants were reviewed. Now, we have focused on the development of new consumer products such as frozen foods, prepared foods, and those for home delivery, as well as the development of new sales channels.

Profit for this segment as a whole exceeded the previous fiscal year because earnings improved mainly in the fruit and vegetable retail sector and the sweets sector, although the segment was affected by a decline in demand for food products for commercial use.

The **farm products and food processing business** focused on the sales expansion of fully cooked products and frozen vegetables for home use, in addition to the development of takeout and home-delivery products in response to demand generated by people's refraining from leaving home. Conditions surrounding the ham/delicatessen sector remained harsh on a full-year basis due to the decline of demand for commercial-use products mainly in the first half of the fiscal year, although sales have been trending toward recovery from the second half. The sweets sector remained steady due to progress in the improvement of profitability in production and logistics, as well as the capturing of demand generated by people's refraining from leaving home.

In the **beverage business**, earnings improved with cutting-edge PET bottle filling lines at a production plant in Hokkaido beginning operations and the capturing of stable demand for vegetable drinks on the back of increasing health consciousness, despite a fall in the contract manufacturing of products including tea-based beverages affected by people's refraining from leaving home.

In **other businesses**, the agricultural equipment sector remained firm by steadily capturing demand. In the fruit and vegetable retail sector, results exceeded the previous year in terms of profit due to improved earnings in store operations, although the sector was affected by the closing of stores and their shorter operating hours.

<Logistics business>

Revenue in this segment was ¥53,291 million (105.7％ that of the previous year), and operating profit was ¥2,831 million (118.2％).

In this segment, low-temperature logistics with high added value based on the Group's technology has been steadily growing as a result of the improvement of logistics centers and other infrastructure. The segment will continue to focus on the low-temperature business, in which an increase of demand is expected, and on building a Group logistics network to improve profitability. In parallel, we have committed to the creation of synergy between businesses through the restructuring of the organization to centralize Group-wide logistics by leveraging warehouses to optimize costs and streamline operations.

The segment as a whole remained strong due to the improved operating rate of low-temperature logistics centers, in addition to the increased volume of shipments in food logistics and the effect of new consolidation.

In the **transport business**, although the volume of shipments between companies, including the shipment of construction materials, declined from the previous year given stagnant economic activity in the first half of the fiscal year, its impact was offset by the contribution of cost improvement as a result of falling diesel oil prices and the streamlining of delivery using the new centralized vehicle assignment center. There was also the new consolidation effect of KATSURA TSUSHO Co., Ltd., a western Japan-based transport and warehouse operator we acquired through M&A.

The **3PL(third party logistics) business** centering on food logistics performed favorably, thanks to an increase in volume of shipments for supermarkets, as well as improved operations of low-temperature logistics centers.

The **vehicle custom installation business**, which designs truck bodies and installs accessories, performed steadily due to orders received for highly profitable projects, despite a fall in the number of customized vehicles.

<Seawater business>

Revenue in this segment was ¥40,971 million (102.5％ that of the previous year), and operating profit was ¥3,082 million (105.0％).

Starting from the main businesses such as commercial salts and magnesia for electromagnetic steel plates, in which we have the largest market shares in the industry, this segment has built a foundation for stable earnings through the development of diverse businesses derived from seawater involving the environment, foods, electricity, and urban infrastructure (water treatment and sewage pipe rehabilitation). Aiming for further growth, we have engaged in the development of the environment business and the woody biomass power generation business for which demand has been increasing in Southeast Asia against the background of increasing environmental restrictions.

In the segment as a whole, progress was made in the expansion of the urban infrastructure business and the improvement of revenue from fused magnesia used for heaters, in addition to a new power plant commencing operations.

The **seawater business** was affected by a significant decrease in demand for commercial salts due to weak demand from restaurants and by a large repair at the Sanuki Plant. The **environment and urban infrastructure business** remained steady because increased orders for water treatment equipment for local governments offset a decrease in sales of magnesium hydroxide used for exhaust smoke desulfurization, which was affected by the reduced operating rates of customers' plants. The **electric power business** was affected by regular repairs at the equity method affiliate, Summit Onahama S Power Corporation, which are implemented every other year, but remained firm due to the beginning of the commercial operation of Ako No.2 Biomass Power Plant in January 2021.

In the **magnesia business**, sales volume of magnesia for ceramic engineering declined due to a decrease in crude steel production in Japan and the impact of low-priced products manufactured in China. Consequently, revenue declined that of the previous year. However, because earnings from fused magnesia used for heaters improved due to falling raw materials prices, the business remained steady in terms of profit.

<Other businesses>

Revenue in this segment was ¥121,349 million (97.0％ that of the previous year), and operating profit was ¥4,853 million (66.1％).

Although the aerosol business responded to demand for infection control products and the O-ring business, capturing semiconductor-related demand, had strong sales, the results for the segment as a whole decreased from the previous year due to the high power uninterrupted power supply systems (UPS) business which has been affected by the COVID-19 pandemic abroad and, in the electric power business, a large regular inspection that was done for the first time since the beginning of operations.

In the **aerosol business**, the contract manufacturing of alcohol-based sanitizing agent for the control of infection continued throughout the year. It remained firm as sales of pesticides and paints for models increased against the background of more people's staying at home, although the contract manufacturing of cosmetics declined due to the disappearance of inbound demand and people's refraining from leaving home.

The **information and electronic materials business** was generally affected by a decrease in demand due to the COVID-19 pandemic in the first half of the fiscal year, but due to a recovery of sales of electronic materials for vehicles in the second half, results surpassed the previous year in terms of profit.

In the **overseas engineering business**, the industrial gas equipment sector remained steady through its response to equipment demand in view of decarbonization such as liquefied hydrogen tanks for station use in North America, our main market for this business. However, results were significantly lower than a year ago in the high power uninterrupted power supply systems (UPS) sector due to the postponement of maintenance and capital investment plans because of lockdowns and movement restrictions in Europe and Singapore, the Company's main markets.

In **other businesses**, results fell below the level of the previous year in terms of profit due to the suspension of operations associated with a large regular inspection that was conducted for the first time since the woody biomass-coal mixed firing power plant in Hofu-shi, Yamaguchi Prefecture began operating. In the O-rings business, sales of products for semiconductor manufacturing equipment continued to be steady.

(2) Summary of financial position for current period

Total assets at the end of the consolidated fiscal year under review stood at ¥926,821 million, an increase of ¥27,121 million compared to the end of the previous consolidated fiscal year due mainly to increases in property, plant and equipment. Liabilities stood at ¥554,431 million, an increase of ¥6,546 million compared to the end of the previous consolidated fiscal year due mainly to increases in bonds and borrowings. Equity stood at ¥372,389 million, an increase of ¥20,574 million compared to the end of the previous consolidated fiscal year, due mainly to an increase in other components of equity and accumulation of profit attributable to owners of parent.

Equity attributable to owners of parent per share grew from ¥1,460.00 at the end of the previous consolidated fiscal year to ¥1,584.86, and ratio of equity attributable to owners of parent to total assets was 38.6%, compared with 36.9% at the end of the previous consolidated fiscal year.

(3) Summary of cash flow for the current period

Cash flows from operating activities was an inflow of ¥76,601 million after deducting payments including corporate income taxes from profit before tax and allowances for depreciation, which was an increase of ¥32,817 million compared to that in previous consolidated fiscal year.

Cash flows from investing activities was an outflow of ¥52,699 million, which was a decrease in expenditures of ¥62,898 million compared to the previous consolidated fiscal year, due mainly to a decrease in expenditures resulting from purchase of property, plant and equipment, Payments for acquisition in subsidiaries resulting in change in scope of consolidation and acquisition of businesses, despite a decrease in proceeds resulting from the recording of proceeds from sale of businesses in the same period of the previous fiscal year.

Cash flows from financial activities was an outflow of ¥20,889 million, which was an increase in expenditures of ¥80,981 million compared to the previous consolidated fiscal year, due mainly to dividends paid and Purchase of treasury shares.

As a result of the foregoing, cash and cash equivalents at the end of the consolidated fiscal year ended March 31, 2021 stood at ¥45,983 million, an increase of ¥4,122 million compared to the end of the previous consolidated fiscal year.

(4) Outlook for the next fiscal year

The future business environment is still uncertain given the current increase in COVID-19 infections, but progress in vaccination and economic measures taken in each country lead to expectations that momentum for global growth will be seen in the second half of the fiscal year.

In these circumstances, in terms of the business environment surrounding the Air Water Group, the expansion of demand for industrial gas is anticipated due to the recovery of steel and automotive-related manufacturers, while the robust performance of semiconductors and other electronics-related industries is expected to continue. It is also expected that the steady demand for infection control products will continue and that new demand, such as for injection needles, will be generated in association with vaccination. In addition to the two woody biomass power generation plants (Ako No.2 and Onahama) that began operating in 2021, the improvement of revenues from the chemical business, everyday healthcare products and services in the medical business, and agriculture & food products business is expected to contribute to the expansion of the Group's performance. We will steadily capture the increasing demand associated with the recovery of the business environment, endeavoring to improve productivity through the digitalization of all segments of the businesses.

Based on the Air Water Group's basic policy of enhancing the profitability of domestic businesses and improving global businesses to drive group growth, we are mainly focused on regional business and electronics-related business in Japan and on the industrial gas and engineering sectors abroad through proactive initiatives including M&A activities and capital investment.

Further, in response to the increasing need for decarbonization to address global warming and rapid social change triggered by the COVID-19 pandemic, the Air Water Group has developed its Sustainability Vision which stipulates the Group's goals for 2050, while setting milestones for 2030 as the entire group works to aid the achievement of the sustainable development goals (SDGs). Leveraging our strengths as a conglomerate spanning a variety of business sectors, we will contribute to the resolution of social issues through our diverse business activities. In particular, we are working to reduce our environmental footprint to realize a carbon-neutral society, and we contribute to the decarbonization of an array of industries using the technologies and infrastructure that we have accumulated in the industrial gas business to collect hydrogen and CO_2.

In consideration of these conditions, we forecast revenue of ¥880,000 million, operating profit of ¥58,000 million, profit before tax of ¥56,500 million, and profit attributable to owners of parent of ¥36,000 million for the next fiscal year.