

Air Products Signs Exclusive 10-Year Agreement With Japanese Distributor To Supply Helium Requirements of MRI / Electronics / Other Markets

March 12, 2002 2:12 PM ET

ALLENTOWN, Pa., Mar 12, 2002 /PRNewswire-FirstCall via COMTEX/ --

Agreement Builds on More Than 30-Year Relationship Between Air Products and Nippon Helium

Earlier this month, Air Products and Chemicals, Inc. (NYSE: APD) signed a 10-year supply agreement with Nippon Helium, Inc. -- its exclusive distributor of helium in Japan -- to serve the product requirements of customers in the magnetic resonance imaging, semiconductor, fiber optics, welding, analytical and other markets.

A joint venture of Air Water, Inc. and Mitsui and Company, Ltd., Nippon Helium has purchased gaseous and liquid bulk helium from Air Products for resale to Japanese customers since 1969. The latest supply agreement -- valued at well over \$150 million for Air Products over the supply term -- builds on the more than 30-year relationship between the companies and ensures that Nippon Helium will have sufficient product capacity to meet growing customer needs within Japan.

Nobuyuki Tasaka, president of Nippon Helium, noted that over the last three decades, Air Products has provided flawless service and support, enabling Nippon Helium to meet its customers' needs in a variety of industrial applications and markets. "We have built a strong relationship with Air Products based not only on reliable product supply, but on technology sharing and productivity programs we have jointly undertaken. We are very pleased to have signed this new 10-year agreement and are appreciative of the commitment Air Products has made to help us meet the growing needs of our customers," he said.

The costs associated with maintaining sufficient product capacity and reliable supply have increased dramatically, largely tied to electrical power cost increases and curtailments, plant and distribution equipment investment, increasing costs of labor and materials, as well as increasing costs of diesel and gasoline to transport product. Ronald E. Sheppard, worldwide general manager of Air Products' helium business, noted that these higher pricing requirements already have been passed on to Nippon Helium. "Our Japanese distributor has seen a more than 16 percent increase in recent months," he said.

All helium capacity for Japan is sourced from outside of Asia, with nearly all product being shipped from the United States. As the world's leading producer and supplier of helium utilizing the industry's most extensive network of helium production facilities, Air Products recognizes the critical need for supply reliability to meet the needs of Japanese customers, as well as other global users.

Air Products and Chemicals, Inc. (www.airproducts.com) is the world's only combined gases and chemicals company. Founded more than 60 years ago, the business has annual revenues of \$5.7 billion and operations in 30 countries. Air Products is a market leader in the global electronics and chemical processing industries, and a longstanding innovator in many industrial markets, including coatings, adhesives and polyurethanes. The company distinguishes itself through its 18,000 employees around the world, who build lasting relationships with their customers and communities based on understanding, integrity and passion.

NOTE: This release may contain forward-looking statements. Actual results could vary materially, due to changes in current expectations.

EDITOR'S NOTES:

Air Products' network of helium production facilities includes the world's newest and largest helium liquefier in Liberal, Kansas, capable of processing over 650 million standard cubic feet per year (scfy) of capacity. The Liberal site has two plants with a total capacity in excess of one billion scfy, supplementing an additional one billion scfy of capacity sourced by the company from other helium production facilities in the Texas Panhandle; Keyes, Okla.; La Barge, Wyo.; and Arzew, Algeria via a Helios joint venture with Sonatrach, the Algerian state owned oil and gas company. In addition, Air Products has 38 helium transfill facilities strategically located throughout the world.

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