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February 16, 2026

To All Concerned Parties

Company	Air Water Inc.		
Name			
Representative	President and Representative	Ryosuke Matsubayashi	
	Director	(Code Number 4088 Tokyo Stock Exchange Prime Market, Sapporo Stock Exchange Market)	
Contact	General Manager of Corporate	Keisuke Fukushima	
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**Notice Regarding Receipt of a Qualified Conclusion in the Interim Review Report
on the Interim Consolidated Financial Statements**

We hereby announce that we received, on February 13, 2026, an interim review report with a qualified conclusion from its accounting auditor regarding the interim consolidated financial statements for the interim consolidated accounting period of the fiscal year ending March 31, 2026.

We extend our deepest apologies to our shareholders, investors, and all stakeholders for the great inconvenience and concern that we have caused.

1. Name of the Accounting Auditor Conducting the Review
KPMG AZSA LLC
2. Contents of the Interim Review Report on the Summarized Interim Consolidated Financial Statements

The contents stated in the interim review report on the summarized interim consolidated financial statements for the fiscal year ending March 31, 2026 are as follows.

Basis for Qualified Conclusion

As described in the Notes to the Condensed Interim Consolidated Financial Statements (Restatement to Correct Misstatements in Prior Periods), we became aware in July 2025 that one of Air Water Inc.'s consolidated subsidiaries had engaged in inappropriate accounting treatment related to inventories, specifically the deferral of losses.

Subsequently, through our audit procedures, together with our internal investigation, we identified inappropriate accounting treatment related to inventories at the Company and other consolidated subsidiaries as well. In addition, we identified the possibility of involvement by the Company's officers and employees.

As a result, in October 2025, we confirmed that a Special Investigating Committee had been established by us to conduct an investigation, and that a voluntary self-inspection by the Company, including external experts, had also been carried out.

The investigation by the Special Investigating Committee and the our voluntary self-inspection (collectively, the "Investigation and Self-Inspection"), as reviewed by us, included financial analysis, verification of the implementation status of physical inventory counts, and a reassessment of the appropriateness of revenue recognition. In addition, we performed the following investigative procedures in order to identify the actual conditions of the inappropriate accounting treatment.

1. Interviews with approximately 240 individuals, including employees of us and our consolidated subsidiaries, its consolidated subsidiaries, and external related parties
2. Digital forensic investigations of approximately 200 key individuals of us and its consolidated subsidiaries
3. Questionnaire surveys of approximately 500 individuals regarding involvement in inappropriate accounting treatments
4. Establishment of a hotline covering we and all consolidated subsidiaries, introduction of an internal leniency program (reduction of internal disciplinary actions in exchange for cooperation with investigations), and implementation of a leniency awareness program targeting approximately 60 group companies

As a result of conducting the Investigation and Self-Inspection, we determined that the Company and multiple consolidated subsidiaries had engaged in various inappropriate accounting treatments. These practices were carried out against the backdrop of excessive pressure exerted by the Company's top management to achieve sales or profit targets, and included the acceleration or deferral of revenue recognition involving the falsification of supporting documents and the manipulation of data, double counting of revenue, overstatement of inventories, deferral of asset impairment losses, avoidance of recognizing provisions, and capitalization of expenditures that lacked asset nature.

Accordingly, we have restated the comparative information to correct the misstatements identified as of the present time and have reflected such restatements in the Condensed Interim Consolidated Financial Statements for the current interim consolidated accounting period; however, we have not amended the prior-period securities reports or other related filings.

Although the investigation and voluntary self-inspection are ongoing, based on an evaluation of the impact of unresolved matters using the results obtained to date, we have concluded that, even if additional misstatements are identified through future investigation and voluntary

self-inspection, they would not be expected to have a material impact on the Condensed Interim Consolidated Financial Statements.

In response to the identification of the above inappropriate accounting treatments, in addition to inquiries and analytical procedures, we performed additional procedures as part of the interim review. These included evaluating the results of the investigations and voluntary self-inspections conducted to date while utilizing fraud investigation specialists and IT specialists, as well as performing procedures such as vouching revenue and cost of sales to supporting documents and attending physical inventory counts. However, we were unable to perform important interim review procedures necessary to verify the matters described in (1) and (2) below.

1. Appropriateness of the period attribution of revenue and cost of sales at Air Water Safety Service Inc.

As described in the Notes to the Condensed Interim Consolidated Financial Statements (Restatement to Correct Misstatements in Prior Periods), it was identified that at Air Water Safety Service Inc. (“AW Safety Service”), a consolidated subsidiary of the Company, inappropriate accounting treatments related to revenue and cost of sales had been conducted in prior periods. These included the acceleration or deferral of revenue recognition and the reallocation of costs between accounting periods.

Accordingly, during the interim review procedures, we performed additional procedures, including inquiries of personnel responsible for sales and accounting at AW Safety Service regarding transaction details and terms, as well as vouching transactions to supporting documents such as construction contracts, certificates of completion and delivery, goods receipt records, and purchase orders.

However, as supporting documents related to construction completion dates and delivery dates of goods had been falsified, and necessary records to clarify the actual conditions of cost reallocations, including labor costs and outsourcing expenses, were not retained, we were unable to perform procedures to verify the appropriateness of the period attribution of revenue and cost of sales amounting to ¥13,052 million and ¥8,190 million, respectively, for the current interim consolidated accounting period, and revenue and cost of sales amounting to ¥10,578 million and ¥7,318 million, respectively, for the prior interim consolidated accounting period (including the related statement of financial position items). As a result, we were unable to obtain sufficient appropriate evidence to form a basis for expressing a conclusion.

As a result, we were unable to determine whether adjustments were required to the amounts of revenue and cost of sales for the current interim consolidated accounting period, as well as the amounts of revenue and cost of sales for the prior interim consolidated accounting period presented as comparative information (including the related statement of financial position items).

These effects are limited to specific accounts of AW Safety Service, one of our consolidated subsidiaries. Accordingly, the potential impact on the Condensed Interim Consolidated Financial Statements is material but not pervasive.

2. Appropriateness of the Period Attribution of Revenue

As described in the Notes to the Condensed Interim Consolidated Financial Statements (Restatement to Correct Misstatements in Prior Periods), it was identified that we and multiple consolidated subsidiaries had engaged in inappropriate accounting treatments in prior periods, including the acceleration or deferral of revenue recognition, double counting of revenue, and the reallocation of costs between accounting periods.

Accordingly, we have restated the comparative information for misstatements identified based on the results of the investigations and voluntary self-inspections conducted to date and have reflected such restatements in the Condensed Interim Consolidated Financial Statements for the current interim consolidated accounting period. Numerous misstatements have been corrected. The amounts of revenue recognized in the Condensed Interim Consolidated Statements of Profit or Loss and the decreases in revenue resulting from the correction of misstatements are as follows.

	Previous interim consolidated accounting period	Current interim consolidated accounting period
Amount of revenue recognized in the Condensed Interim Consolidated Statement of Profit or Loss	¥504,608 million	¥516,639 million
Decrease in revenue resulting from the correction of misstatements	¥3,353 million	¥530 million

In response to the detection of numerous misstatements, we performed additional interim review procedures, including re-investigation of transaction flows, vouching revenue and cost of sales to supporting documents, and attending physical inventory counts at the end of the current interim consolidated accounting period. However, inappropriate accounting treatments related to the period attribution of revenue were identified at Air Water Inc. and multiple consolidated subsidiaries. In addition, because supporting documents necessary to verify the period attribution of revenue were not appropriately retained, we were unable to sufficiently perform procedures to verify the reasonableness of the amounts to be corrected as misstatements related to the period attribution of revenue at the ends of fiscal years prior to the previous consolidated fiscal year (including interim consolidated accounting period-ends) (including related cost of sales and statement of financial position items).

As a result, we were unable to obtain sufficient appropriate evidence to form a basis for expressing a conclusion regarding the amounts to be corrected as misstatements related to the period attribution of revenue for the current interim consolidated accounting period and the previous interim consolidated accounting period presented as comparative information (including the related cost of sales and the amounts to be corrected for the statement of financial position items as of the end of the previous consolidated fiscal year), and accordingly, we were unable to determine whether adjustments to these amounts were required.

However, the effects of the corrections of misstatements related to the period attribution of

revenue identified through the investigations and voluntary self-inspections conducted to date, as well as the interim review procedures performed by us, are not individually material and, even when aggregated, are limited in comparison with the revenue recognized in the Condensed Interim Consolidated Statement of Profit or Loss. Accordingly, the effects of any remaining potential corrections of misstatements related to the period attribution of revenue do not preclude the expression of a conclusion on the Condensed Interim Consolidated Financial Statements as a whole, and the potential impact on the Condensed Interim Consolidated Financial Statements is material but not pervasive.

The effects of the matters described in “1. Appropriateness of the period attribution of revenue and cost of sales at Air Water Safety Service Inc.” and “2. Appropriateness of the period attribution of revenue” are, even when aggregated, limited to specific accounts. Excluding such effects, there are no matters that cause us to believe, in all material respects, that the Condensed Interim Consolidated Financial Statements do not present fairly the financial position of Air Water Inc. and its consolidated subsidiaries as of September 30, 2025, and their financial performance and cash flows for the interim consolidated accounting period then ended. Accordingly, the potential impact on the Condensed Interim Consolidated Financial Statements is material but not pervasive.

We conducted the interim review in accordance with the interim review standards generally accepted in Japan. Our responsibilities under the interim review standards are described in “Auditor’s Responsibilities in the Interim Review of the Condensed Interim Consolidated Financial Statements.” We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements in Japan, including those applicable to audits of financial statements of entities with high public interest, and we have fulfilled our other ethical responsibilities as auditors. We believe that we have obtained sufficient appropriate evidence to provide a basis for our qualified conclusion.

3. Date of Receipt of the Interim Review Report
February 13, 2026

4. Future Actions

We take this matter that resulted in the issuance of a qualified conclusion very seriously and will take appropriate measures to address it.

We extend our deepest apologies to our shareholders, investors, and all stakeholders for the great inconvenience and concern that we have caused.

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