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July 31, 2026

Consolidated Financial Results
for the Nine months Ended December 31, 2025
(Under IFRS)

AIR WATER INC.
Head Office: Grand Green Osaka
South Building Park Tower 13F,
5-54 Ofukacho, Kita-ku, Osaka, Japan

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

1. Results for the Nine months ended December 31, 2025

(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	%
Nine months ended December 31, 2025	769,590	3.5	23,802	(52.6)	12,325	(75.2)	(2,137)	—	(1,799)	—	26,596	(37.7)
Nine months ended December 31, 2024	743,654	5.4	50,188	(1.2)	49,795	(0.2)	32,243	(1.3)	32,063	1.9	42,674	(26.9)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2025	(7.85)	(7.85)
Nine months ended December 31, 2024	140.27	140.18

(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
	Million yen	Million yen	Million yen	%
As of December 31, 2025	1,292,494	469,458	445,800	34.5
As of March 31, 2025	1,210,110	458,224	442,215	36.5

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Third quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	32.00	—	43.00	75.00
Fiscal year ending March 31, 2026	—	37.50	—		
Fiscal year ending March 31, 2026 (Forecasts)				37.50	75.00

(Note) Changes in forecast of dividends for the fiscal year ending March 31, 2026, from the latest disclosure: No

3. Forecast of consolidated operating results for the fiscal 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
The fiscal year	1,150,000	13.5	14,000	(77.6)	0	(100.0)	(10,000)		(43.63)

(Note) Changes in forecast of consolidated operating results for the fiscal year ending March 31, 2026, from the latest disclosure: Yes

Notes

(1) Significant changes in the scope of consolidation during the period : Yes
Newly included: 20 companies (C.I. MEDICAL CO., LTD. and its 19 subsidiaries)

(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 December 31, 2025: 229,755,057 shares
As of March 31, 2025: 229,755,057 shares
b. Number of shares of treasury shares
As of December 31, 2025: 538,478 shares
As of March 31, 2025: 599,422 shares
c. Average number of shares during the term
Nine months of the fiscal year ending March 31, 2026: 229,190,173 shares
Nine months of the fiscal year ended March 31, 2025: 228,582,685 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : Yes

* 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 “1-(3) Explanation of future prediction information such

as forecast of consolidated operating results".

4. Qualitative Information relating to Third Quarter Settlement of Accounts

(1) Explanation of Operating Results

1) Operating results for the current period

For the cumulative third quarter of the current consolidated fiscal year, the group's revenue was ¥769,590 million (103.5% that of the corresponding period of the previous year), operating profit was ¥23,802 million (47.4%), and loss attributable to owners of parent was ¥1,799 million (profit attributable to owners of parent of the corresponding period of the previous year was ¥32,063 million).

2) Consolidated results by segment for this period

Beginning the third quarter of the fiscal year under review, the Group has revised its segment classifications for certain businesses. The logistics business previously included in the Agriculture & Foods segment has been transferred to "Other Businesses."

The segment information for the third quarter of the previous consolidated fiscal year shown here was prepared based on the revised reporting segments.

(Million yen)

	Revenue		Operating profit	
	FY 2025.3Q	YoY Growth	FY2025.3Q	YoY Growth
Digital & Industry	237,716	94.6%	(9,053)	－%
Energy Solutions	66,783	105.6%	3,075	65.6%
Health & Safety	181,771	114.7%	22,666	344.3%
Agriculture & Foods	118,600	101.3%	4,495	67.9%
Other Business	164,719	107.2%	7,437	100.2%
(Adjustment)	-	- %	(4,818)	－%
Total	769,590	103.5%	23,802	47.4%

(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 ¥237,716 million (94.6% that of the corresponding period of the previous year), and operating loss was ¥9,053 million (operating profit of the corresponding period of the previous year was ¥23,851 million).

<**Energy solutions**>

Revenue in this segment was ¥66,783 million (105.6% that of the corresponding period of the previous year), and operating loss was ¥3,075 million (65.6%).

<**Health & Safety**>

Revenue in this segment was ¥181,771 million (114.7%), and operating profit was ¥22,666 million (344.3%)

<**Agriculture & Foods**>

Revenue in this segment was ¥118,600 million (101.3%), and operating profit was ¥4,495 million (67.9%)

<**Other business**>

Revenue in this segment was ¥164,719 million (107.2%), and operating profit was ¥7,437 million (100.2%)

(2) Explanation of financial position for the current period

Total assets at the end of the current third quarter consolidated fiscal year stood at ¥1,292,494 million, an increase of

¥82,384 million from the end of the previous consolidated fiscal year due mainly to an increase of Inventories and Property, plant and equipment. Liabilities stood at ¥823,036 million, an increase of ¥71,150 million from the end of the previous consolidated fiscal year due mainly to an increase of Bonds and borrowings. Equity stood at ¥469,458 million, an increase of ¥11,234 million from the end of the previous consolidated fiscal year, due mainly to increases in non-controlling interests resulting from new consolidation and in other components of equity, although there was the recording of a quarterly loss attributable to owners of parent and the payment of dividends.

Equity attributable to owners of parent per share increased from ¥1,929.76 at the end of the previous consolidated fiscal year to ¥1,944.89, and ratio of equity attributable to owners of parent to total assets changed to 34.5% from 36.5% at the end of the previous consolidated fiscal year.

Cash flows from operating activities for the third quarter of the current fiscal year was an inflow of ¥62,002 million, reflecting an increase of ¥1,541 million from the same period of the previous fiscal year, after deducting income taxes paid from depreciation and others.

Cash flows from investing activities for the third quarter of the current fiscal year was an outflow of ¥78,861 million, reflecting an increase of outflow by ¥26,371 million from the same period of the previous fiscal year, due mainly to an increase of expenditures resulting from purchase of property, plant and equipment and purchase of shares of subsidiaries resulting in change in scope of consolidation.

Cash flows from financing activities for the third quarter of the current fiscal year was an inflow of ¥15,038 million, reflecting an increase of ¥24,273 million from the same period of the previous fiscal year, due mainly to an increase of short-term borrowings.

As a result, cash and cash equivalents at the end of the third quarter of the current fiscal year stood at ¥73,298 million, an increase of ¥5,441 million from the end of the third quarter of the previous consolidated fiscal year.

(3) Explanation of future prediction information such as forecast of consolidated operating results

With respect to the revision of the full-year earnings forecast, please refer to the “Notice Regarding the Revision of the Full-Year Earnings Forecast” announced on February 13, 2026.

5. **Condensed Quarterly Consolidated Financial Statements**

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Unit：Million yen)

	End of the previous fiscal year (As of March 31, 2025)	End of the third quarter of fiscal year (As of December 31, 2025)
Assets		
Current assets		
Cash and cash equivalents	73,227	73,298
Trade and other receivables	230,356	227,741
Inventories	101,005	124,347
Other financial assets	11,464	7,800
Income taxes receivable	1,777	3,702
Other current assets	24,703	37,876
Total current assets	442,535	474,765
Non-current assets		
Property, plant and equipment	506,227	544,701
Goodwill	78,224	83,026
Intangible assets	41,678	40,463
Investments accounted for using equity method	39,984	31,860
Retirement benefit asset	4,761	4,818
Other financial assets	86,319	106,808
Deferred tax assets	6,748	2,625
Other non-current assets	3,630	3,423
Total non-current assets	767,574	817,728
Total assets	1,210,110	1,292,494

	End of the previous fiscal year (As of March 31, 2025)	End of the third quarter of fiscal year (As of December 31, 2025)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	177,877	182,608
Bonds and borrowings	111,226	167,244
Other financial liabilities	16,624	11,578
Income taxes payable	12,631	9,996
Provisions	2,614	3,036
Other current liabilities	30,090	37,559
Total current liabilities	351,063	412,024
Non-current liabilities		
Bonds and borrowings	311,581	316,103
Other financial liabilities	39,506	42,710
Retirement benefit liability	6,332	6,321
Provisions	21,523	23,027
Deferred tax liabilities	13,534	15,630
Other non-current liabilities	8,343	7,217
Total non-current liabilities	400,821	411,011
Total liabilities	751,885	823,036
Equity		
Share capital	55,855	55,855
Capital surplus	47,723	46,025
Treasury shares	(808)	(727)
Retained earnings	290,533	271,544
Other components of equity	48,911	73,101
Total equity attributable to owners of parent	442,215	445,800
Non-controlling interests	16,008	23,657
Total equity	458,224	469,458
Total liabilities and equity	1,210,110	1,292,494

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

Condensed quarterly consolidated statement of profit or loss
Cumulative third quarter of the consolidated fiscal year

(Unit：Million yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Continuing operations		
Revenue	743,654	769,590
Cost of sales	(574,373)	(584,221)
Gross profit	169,281	185,369
Selling, general and administrative expenses	(124,211)	(147,661)
Other income	6,485	16,405
Other expenses	(4,935)	(33,811)
Share of profit of investments accounted for using equity method	3,567	3,500
Operating profit (loss)	50,188	23,802
Finance income	3,541	3,244
Finance costs	(3,933)	(14,722)
Profit (loss) before tax	49,795	12,325
Income tax expense	(17,539)	(14,463)
Profit (loss) from continuing operations	32,255	(2,137)
Discontinued operations		
Profit (loss) from discontinued operations	(11)	—
Profit (loss)	32,243	(2,137)
Profit (loss) attributable to		
Owners of parent	32,063	(1,799)
Non-controlling interests	180	(338)
Profit (loss)	32,243	(2,137)

(Unit：Yen)

Earnings per share		
Basic earnings (loss) per share		
Continuing operations	140.32	(7.85)
Discontinued operations	(0.05)	—
Basic earnings (loss) per share	140.27	(7.85)
Diluted earnings (loss) per share		
Continuing operations	140.24	(7.85)
Discontinued operations	(0.05)	—
Diluted earnings (loss) per share	140.18	(7.85)

Condensed quarterly consolidated statement of comprehensive income

Cumulative third quarter of the consolidated fiscal year

(Unit：Million yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit (loss)	32,243	(2,137)
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	(655)	18,325
Share of other comprehensive income of investments accounted for using equity method	102	126
Total of items that will not be reclassified to profit or loss	(553)	18,452
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	4,812	2,537
Effective portion of gains and losses on hedging instruments in a cash flow hedge	6,111	7,811
Share of other comprehensive income of investments accounted for using equity method	60	(66)
Total of items that may be reclassified to profit or loss	10,984	10,281
Total other comprehensive income	10,430	28,733
Comprehensive income	42,674	26,596
Comprehensive income attributable to		
Owners of parent	41,321	25,484
Non-controlling interests	1,353	1,111
Comprehensive income	42,674	26,596

(3) Condensed Quarterly Consolidated Statement of Changes in Equity
Nine months ended December 31, 2024

(Unit：Million yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Capital	Capital surplus	Treasury shares	Retained earnings	Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations
Balance as of April 1, 2024	55,855	49,097	(2,217)	264,451	－	25,517
Profit (loss)	－	－	－	32,063	－	－
Other comprehensive income	－	－	－	－	－	4,754
Comprehensive income	－	－	－	32,063	－	4,754
Purchase of treasury shares	－	－	(3)	－	－	－
Disposal of treasury shares	－	43	1,169	－	－	－
Dividends	－	－	－	(15,119)	－	－
Share-based payment transactions	－	－	－	－	－	－
Increase (decrease) due to changes in equity	－	(1,414)	－	－	－	－
Increase (decrease) due to new consolidation	－	－	－	－	－	－
Increase (decrease) due to deconsolidation	－	－	－	－	－	－
Effects of capital increase	－	－	－	－	－	－
Increase (decrease) due to mergers and other transactions	－	－	－	(48)	－	－
Transfer from other components of equity to retained earnings	－	－	－	253	－	－
Transfer to non-financial assets	－	－	－	－	－	－
Total transactions with owners	－	(1,371)	1,166	(14,914)	－	－
Balance as of December 31, 2024	55,855	47,726	(1,050)	281,600	－	30,271

	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	21,511	7,100	193	54,322	421,510	18,399	439,910
Profit (loss)	—	—	—	—	32,063	180	32,243
Other comprehensive income	(535)	5,039	—	9,257	9,257	1,172	10,430
Comprehensive income	(535)	5,039	—	9,257	41,321	1,353	42,674
Purchase of treasury shares	—	—	—	—	(3)	—	(3)
Disposal of treasury shares	—	—	—	—	1,213	—	1,213
Dividends	—	—	—	—	(15,119)	(779)	(15,899)
Share-based payment transactions	—	—	(33)	(33)	(33)	—	(33)
Increase (decrease) due to changes in equity	(1)	—	—	(1)	(1,415)	(1,487)	(2,903)
Increase (decrease) due to new consolidation	—	—	—	—	—	175	175
Increase (decrease) due to deconsolidation	—	—	—	—	—	(451)	(451)
Effects of capital increase	—	—	—	—	—	52	52
Increase (decrease) due to mergers and other transactions	—	—	—	—	(48)	—	(48)
Transfer from other components of equity to retained earnings	(253)	—	—	(253)	—	—	—
Transfer to non-financial assets	—	(1,876)	—	(1,876)	(1,876)	(234)	(2,110)
Total transactions with owners	(254)	(1,876)	(33)	(2,164)	(17,283)	(2,724)	(20,008)
Balance as of December 31, 2024	20,721	10,263	160	61,416	445,548	17,028	462,576

Nine months ended December 31, 2025

(Unit：Million yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Capital	Capital surplus	Treasury shares	Retained earnings	Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations
Balance as of April 1, 2025	55,855	47,723	(808)	290,533	－	24,655
Profit (loss)	－	－	－	(1,799)	－	－
Other comprehensive income	－	－	－	－	－	2,555
Comprehensive income	－	－	－	(1,799)	－	2,555
Purchase of treasury shares	－	－	(2)	－	－	－
Disposal of treasury shares	－	51	83	－	－	－
Dividends	－	－	－	(18,449)	－	－
Share-based payment transactions	－	－	－	－	－	－
Increase (decrease) due to changes in equity	－	(1,748)	－	－	－	－
Increase (decrease) due to new consolidation	－	－	－	(72)	－	51
Increase (decrease) due to deconsolidation	－	－	－	－	－	－
Effects of capital increase	－	－	－	－	－	－
Increase (decrease) due to mergers and other transactions	－	－	－	(64)	－	－
Transfer from other components of equity to retained earnings	－	－	－	1,396	－	－
Transfer to non-financial assets	－	－	－	－	－	－
Total transactions with owners	－	(1,697)	81	(17,189)	－	51
Balance as of December 31, 2025	55,855	46,025	(727)	271,544	－	27,262

	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, 2025	14,846	9,277	133	48,911	442,215	16,008	458,224
Profit (loss)	—	—	—	—	(1,799)	△338	(2,137)
Other comprehensive income	18,409	6,318	—	27,283	27,283	1,450	28,733
Comprehensive income	18,409	6,318	—	27,283	25,484	1,111	26,596
Purchase of treasury shares	—	—	—	—	(2)	—	(2)
Disposal of treasury shares	—	—	—	—	135	—	135
Dividends	—	—	—	—	(18,449)	(646)	(19,095)
Share-based payment transactions	—	—	(2)	(2)	(2)	—	(2)
Increase (decrease) due to changes in equity	—	—	—	—	(1,748)	(3,686)	(5,435)
Increase (decrease) due to new consolidation	—	—	—	51	(21)	11,083	11,062
Increase (decrease) due to deconsolidation	—	—	—	—	—	(58)	(58)
Effects of capital increase	—	—	—	—	—	59	59
Increase (decrease) due to mergers and other transactions	—	—	—	—	(64)	—	(64)
Transfer from other components of equity to retained earnings	(1,396)	—	—	(1,396)	—	—	—
Transfer to non-financial assets	—	(1,746)	—	(1,746)	(1,746)	(213)	(1,960)
Total transactions with owners	(1,396)	(1,746)	(2)	(3,093)	(21,900)	6,537	(15,362)
Balance as of December 31, 2025	31,859	13,849	130	73,101	445,800	23,657	469,458

(4) Condensed quarterly Consolidated Statement of Cash Flows

(Unit：Million yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from operating activities		
Profit (loss) before tax	49,795	12,325
Profit (loss) before tax from discontinued operations	(11)	－
Depreciation and amortization	35,737	40,248
Impairment loss	4,082	35,424
Interest and dividend income	(2,514)	(2,138)
Interest expenses	3,626	3,825
Share of loss (profit) of investments accounted for using equity method	(3,567)	(3,500)
Loss (gain) on sale and retirement of fixed assets	(1,427)	(19)
Gain on step acquisition	－	(12,325)
Other finance costs		12,187
Decrease (increase) in trade and other receivables	1,682	7,226
Decrease (increase) in inventories	(12,549)	(6,973)
Increase (decrease) in trade and other payables	2,222	2,443
Decrease (increase) in contract assets	356	(3,510)
Increase (decrease) in contract liabilities	3,106	8,151
Other	(1,143)	(8,152)
Subtotal	79,394	85,211
Interest received	552	1,801
Dividends received	1,955	1,829
Interest paid	(3,518)	(3,576)
Income taxes paid	(17,922)	(23,263)
Net cash provided by (used in) operating activities	60,461	62,002
Cash flows from investing activities		
Purchase of property, plant and equipment	(48,905)	(57,517)
Proceeds from sale of property, plant and equipment	534	5,948
Purchase of intangible assets	(1,549)	(2,032)
Purchase of investment securities	(3,513)	(1,563)
Proceeds from sale of investment securities	1,540	3,162
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,364)	(25,707)
Collection of loans receivable	1,169	1,658
Other	(401)	(2,809)
Net cash provided by (used in) investing activities	(52,490)	(78,861)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,352	57,828
Proceeds from long-term borrowings	31,800	27,309
Repayments of long-term borrowings	(17,198)	(32,869)
Additional purchase of shares of subsidiaries	(4,855)	(5,740)
Proceeds from sale and leaseback transactions	494	592
Repayments of lease liabilities	(6,715)	(6,571)
Dividends paid	(15,098)	(18,434)
Dividends paid to non-controlling interests	(779)	(646)
Redemption of preferred shares	－	(6,522)
Other	763	92
Net cash provided by (used in) financing activities	(9,235)	15,038
Impact of exchange fluctuations for cash and cash equivalents	1,680	1,890
Net increase (decrease) in cash and cash equivalents	417	70
Cash and cash equivalents at beginning of period	67,440	73,227
Cash and cash equivalents at end of period	67,857	73,298

(5) Notes to Condensed Quarterly 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 Kita-ku, Osaka-shi.

The condensed quarterly consolidated financial statement of the Company and its subsidiaries (the “Group”) closes on December 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) Basis of Measurement

The condensed quarterly 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.

(2) Functional Currency and Presentation Currency

The monetary amounts in the condensed quarterly 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.

(3) Important Accounting Estimates and Decisions involving Estimates

In the preparation of the Group’s condensed quarterly 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 condensed quarterly consolidated financial statement are the same as the consolidated financial statement for the accounting year ending March 31, 2025.

(Significant accounting policies)

The accounting principles that the Group applies to the condensed quarterly consolidated financial statement are the same as the accounting principles applied to the consolidated financial statement for the consolidated fiscal year ended March 31, 2025.

(Additional Information)

Inappropriate Accounting Treatments

In July 2025, the Company discovered inappropriate accounting treatments related to inventories at Nippon Helium Inc., a consolidated subsidiary of the Company. Subsequently, in September 2025, as the Company continued its internal investigation, inappropriate accounting treatments related to inventories, stored goods and other items were also identified at Air Water Ecoroca Inc. and Air Water Mechatronics Inc., both consolidated subsidiaries of the Company, as well as at the Company’s Plant Gas Division. In the course of audit procedures performed by the accounting auditor, the Company also received indications regarding these accounting treatments. In response to these circumstances, the

Company had been conducting an internal investigation led by an outside Audit & Supervisory Board member, with support from outside attorneys and certified public accountants. However, as the possibility of involvement by the Company's officers and employees in the above four cases emerged, and as it became necessary to conduct a further sufficient investigation into whether similar incidents had occurred at the Company or other Group companies, the Company established a Special Investigating Committee composed of external experts on October 9, 2025.

Thereafter, the Company received an investigation report from the Special Investigating Committee on February 12, 2026 (as of February 9, 2026), an investigation report on March 31, 2026, and an additional investigation report on June 19, 2026. As a result, it was found that, against the backdrop of excessive pressure from the Company's top management to achieve sales or profit targets, various inappropriate accounting treatments had been widely conducted at the Company and a significant number of its subsidiaries and associates for the purpose of inflating sales and profits. These treatments included overstatement of inventories, deferral of losses on valuation of assets, overstatement and premature recording of sales, inflation of sales by interposing unnecessary business partners, avoidance of recording provisions, and capitalization of expenditures that do not meet asset recognition criteria. In particular, at Air Water Safety Service Inc., in addition to inappropriate accounting treatments such as overstatement of work in process, manipulation of the timing of revenue recognition, and profit manipulation through transfers of costs, falsification of supporting documents was conducted to conceal these inappropriate accounting treatments. In addition, at NIHON KAISUI CO., LTD, inappropriate accounting treatments were conducted, including arbitrary capitalization of periodic repair costs for plant facilities and labor costs, gross presentation of sales for agent transactions that should have been presented on a net basis, and cost transfers between business divisions.

Based on the investigation results of the Special Investigating Committee, the Company conducted additional voluntary internal reviews regarding the appropriateness of accounting treatments in prior periods. As a result, additional matters were newly identified, including omissions in the recognition of impairment losses on property, plant and equipment arising from corrections of inappropriate accounting treatments, and omissions in the recognition of valuation losses on investments in and loans to affiliates. Accordingly, the Company determined that it was necessary to retrospectively correct misstatements arising from these inappropriate accounting treatments in the consolidated financial statements and other financial information included in the annual securities reports, semiannual reports and quarterly reports previously submitted, and has submitted amendment reports to the relevant annual securities reports and other reports. In addition, the Company has corrected misstatements in its condensed quarterly consolidated financial statements.

Of these corrections, the amounts of corrections to misstatements related to revenue were ¥(48,010) million for the current third quarter consolidated accounting period, of which ¥(47,676) million related to corrections to net presentation and ¥1,550 million related to corrections to period attribution, and ¥(41,214) million for the previous third quarter consolidated accounting period, of which ¥(42,773) million related to corrections to net presentation and ¥(237) million related to corrections to period attribution. The transactions subject to correction were numerous. In addition, with respect to Air Water Safety Service Inc., where falsification of supporting documents was conducted to conceal inappropriate accounting treatments, revenue and cost of sales of the company included in the condensed quarterly consolidated financial statements were ¥16,514 million and ¥10,926 million, respectively, for the current third quarter consolidated accounting period, and ¥14,654 million and ¥10,834 million, respectively, for the previous third quarter consolidated accounting period.

(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, NIHON KAISUI 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)Matters related to changes in reportable segments

From the first quarter of the current consolidated fiscal year, the engineering business in Japan and the overseas and engineering business including the industrial gas business in India, which were previously included in Digital & Industry, are included in the Other Business. Similarly, the carbonic acid gas and hydrogen business, which was previously included in Energy solutions, is now a part of Digital & Industry.

The segment information for the third quarter of the previous consolidated fiscal year shown here was prepared based on the revised reporting segments.

(3) 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.

Nine months ended December 31, 2024

(Unit : Million yen)

	Reportable Segment						Adjustment (Note)	Quarterly consolidated statements of income
	Digital & Industry	Energy Solutions	Health & Safety	Agriculture & Foods	Other Business	Total		
Revenue								
Revenue from outside customers	251,267	63,240	158,525	117,023	153,597	743,654	―	743,654
Inter-segment revenue	9,684	7,257	452	603	8,830	26,828	(26,828)	―
Total	260,951	70,498	158,977	117,626	162,428	770,483	(26,828)	743,654
Revenue by segment	23,851	4,691	6,583	6,622	7,424	49,173	1,014	50,188
Finance income								3,541
Finance costs								(3,933)
Operating profit								49,795

(Note) 1. The reconciling item of ¥(26,828) million of intersegment revenue and transfers is elimination of intersegment transactions.

2. The reconciling item of ¥1,014million of segment profit is related to profit or loss of the Company’s head office, which is not distributed to elimination of inter-segment transactions and each reportable segment.

Nine months ended December 31, 2025

(Unit : Million yen)

	Reportable Segment						Adjustment (Note)	Quarterly consolidated statements of income
	Digital & Industry	Energy Solutions	Health & Safety	Agriculture & Foods	Other Business	Total		
Revenue								
Revenue from outside customers	237,716	66,783	181,771	118,600	164,719	769,590	―	769,590
Inter-segment revenue	8,610	6,857	550	522	8,737	25,278	(25,278)	―
Total	246,326	73,641	182,322	119,122	173,456	794,869	(25,278)	769,590
Revenue by segment	(9,053)	3,075	22,666	4,495	7,437	28,621	(4,818)	23,802
Finance income								3,244
Finance costs								(14,722)
Operating profit								12,325

(Note) 1. The reconciling item of ¥(25,278) million of intersegment revenue and transfers is elimination of intersegment transactions.

2. The reconciling item of ¥4,818 million of segment profit is related to profit or loss of the Company’s head office, which is not distributed to elimination of inter-segment transactions and each reportable segment.

(Significant subsequent events)

Based on the resolution of the Board of Directors held on January 30, 2026, the Company entered into a syndicated commitment line agreement totaling ¥113,000 million on February 12, 2026, for the purpose of securing flexible and stable financing methods to ensure working capital and stabilize its financial base. The Company executed borrowings under this commitment line agreement as follows.

Lender	Sumitomo Mitsui Trust Bank, Limited	Sumitomo Mitsui Trust Bank, Limited
Borrowing amount	¥30,000 million	¥17,000 million
Interest rate	Base rate + spread	Base rate + spread
Drawdown date	June 29, 2026	July 29, 2026
Borrowing period	One month	One month
Collateral	None	None