Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

July 31, 2026

To All Concerned Parties

Company Name	Air Water Inc.	
Representative	Representative Director President and Executive Officer	Yoshihiro Senzai
	(Code Number 4088 Tokyo Stock Exchange Prime Market, Sapporo Stock Exchange Market)	
Contact	General Manager of Corporate Communications Office	Keisuke Fukushima
	(TEL 06-6252-3966)	

(Correction, Numerical Data Correction) Partial Corrections to “Consolidated Financial Results (IFRS) for the First Quarter Ended March 31, 2025”

We hereby announce that certain portions of the “Consolidated Financial Results (Under IFRS) For the First Quarter of the March 31, 2025 Fiscal Year,” disclosed on August 8, 2024, have been corrected.

In addition, as corrections have been made to the numerical data, the corrected numerical data is also being submitted.

1. Details of and Reasons for the Corrections

For details of and reasons for the corrections, please refer to the “Notice Regarding the Submission of Correction Reports for Annual Securities Reports and Other Reports for Prior Fiscal Years, and Amendments to Financial Results Summaries and Other Disclosures for Prior Fiscal Years,” separately disclosed today (July 31, 2026).

2. Sections Corrected

As the corrections cover numerous sections, only the corrected version is attached in its entirety. The corrected portions are indicated by underlining.

END

August 8, 2024

Consolidated Financial Results (Under IFRS)
For the First Quarter of the March 31, 2025 Fiscal Year

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

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

1. Results for the three months ended June 30, 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	%
Three months ended June 30, 2024	234,698	6.9	12,892	(3.9)	13,188	(2.2)	8,259	(3.2)	8,400	0.1	27,293	(3.2)
Three months ended June 30, 2023	219,501	2.8	13,420	7.3	13,487	14.5	8,534	15.3	8,388	16.0	28,187	62.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	36.79	36.77
Three months ended June 30, 2023	36.87	36.84

(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 June 30, 2024	1, 197, 629	455, 463	437, 916	36. 6
As of March 31, 2024	1, 187, 303	439, 910	421, 510	35. 5

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
The fiscal year ended March 31, 2024	—	30.00	—	34.00	64.00
The fiscal year ending March 31, 2025	—				
The fiscal year ending March 31, 2025 (Forecasts)		32.00	—	32.00	64.00

(Note) Changes in forecast of dividends for the fiscal year ending March 31, 2025, from the latest disclosure: No

3. Forecast of consolidated operating results for the fiscal year ending March 31, 2025

(% 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 second quarter (cumulative)	510,000	12.8	33,000	8.4	32,000	8.0	21,000	10.7	91.94
The fiscal year	1,100,000	13.8	78,000	32.2	76,000	33.3	50,000	36.5	218.88

(Note) Changes in forecast of consolidated operating results for the fiscal year ending March 31, 2025, from the latest disclosure: No

Notes

(1) Significant changes in the scope of consolidation during the period : 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 June 30, 2024:	229,755,057 shares
As of March 31, 2024:	229,755,057 shares

b. Number of shares of treasury shares

As of June 30, 2024:	1,289,874 shares
As of March 31, 2024:	1,529,317 shares

c. Average number of shares during the term

First Three months of the fiscal year ending March 31, 2025:	228,338,236 shares
First Three months of the fiscal year ended March 31, 2024:	227,478,311 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : None

* 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 First Quarter Settlement of Accounts

(1) Explanation of Operating Results

1) Operating results for the current period

As a result, for the current first quarter consolidated cumulative period, the Group's revenue was ¥234,698 million (106.9% that of the corresponding period of the previous year), operating profit was ¥12,892 million (96.1%), and profit attributable to owners of parent was ¥8,400 million (100.1%).

During the first quarter of the fiscal year under review, the Japanese economy experienced sluggish personal spending due to rising commodity prices while signs of a recovery were seen in capital expenditure supported by the robust performance of the corporate sector. The overseas outlook remained uncertain due to tension continuing to rise in the Middle East and downward pressure on the US and European economies caused by ongoing monetary tightening.

In this environment, the Group bolstered the profitability of existing businesses in Japan through integrated Group management based on business units. It is also making progress in building a foundation for overseas businesses as a future growth area and to address issues in carbon neutrality and agriculture, with a view to solving social issues.

During the first quarter under review, all segments excluding Health & Safety and Other business achieved profit growth thanks to the steady performance in activities in the overseas industrial gas and agriculture businesses positioned as growth segments, in addition to progress in price management and structural reforms, which the Group had been instituting.

2) Consolidated results by segment for this period

(Million yen)

	Revenue		Operating profit	
	FY 2024.1Q	YoY Growth	FY2024.1Q	YoY Growth
Digital & Industry	78,327	96.8%	6,011	114.5%
Energy Solutions	14,891	107.7%	961	133.9%
Health & Safety	51,318	104.5%	2,390	62.3%
Agriculture & Foods	36,546	112.7%	1,828	127.4%
Other Business	53,615	123.9%	924	63.4%
(Adjustment)	—	—%	777	108.0%
Total	234,698	106.9%	12,892	96.1%

(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 ¥78,327million (96.8% that of the corresponding period of the previous year), and operating profit was ¥6,011 million (114.5%).

The Group developed new customers and implemented capital expenditure for large plants to acquire demand for gases amid growth in manufacturing facilities for semiconductors and digital industry in Japan. It also worked to expand its electronics-related businesses such as supply of special chemicals and sale of gas refining equipment. Moreover, the Group continued to revise gas prices, which had started in the previous fiscal year, and further streamlined manufacturing and supply structures while the general demand for industrial gasses remained somewhat weak.

Revenue decreased year on year as a result of a fall in the unit selling price of on-site gas supply for steelmakers and low sales of basic chemicals in the functional materials business, which more than offset the revenue growth through the price revision of industrial gasses. Operating profit increased year on year owing to the strong performance of gas supply to large semiconductor plants and the effect of the management of industrial gas prices ongoing since the previous fiscal year.

<**Energy solutions**>

Revenue in this segment was ¥14,891 million (107.7%), and operating profit was ¥961 million (133.9%).

The Group actively promoted customers' fuel conversion from fuel oil to LNG to meet the growing demand for low-carbon and net-zero carbon emissions and started energy supply that would contribute to carbon neutrality by harnessing unused local resources such as liquefied biomethane derived from cow manure. Efforts to raise the earning power of LP gas supply for households mostly in Hokkaido included an increase in delivery efficiency using the IoT technology and obtaining vendor commercial rights to acquire customers.

Revenue from LP gas increased year on year due to a rise in the selling price to customers, which was linked to import price. An increase in the sales volume of LNG also contributed to the revenue growth. Operating profit increased as the impact of inventory valuation of LP gas posted a year earlier had disappeared.

<**Health & Safety**>

Revenue in this segment was ¥51,318 million (104.5%), and operating profit was ¥2,390 million (62.3%).

The Group worked to satisfy needs at clinical sites through the supply of gasses for medical use and focused on the development of medical equipment, proposals for upgrading hospital facilities such as operating rooms, and receiving outsourcing contracts for hospital operations. In addition, the Group worked to enhance the structures of businesses closer to consumers such as home medical care, dental care, hygiene medicals, injection needles, and aerosol cosmetics. The safety services segment sought to receive contracts for data center-related projects.

Revenue increased year on year, which was attributable, in the safety services segment, to progress in the contraction of emergency generators for data centers in partnership with overseas, an increase in the number of nitric oxide inhalation therapy cases, and sales growth of shower bathing systems. Contract manufacturing of products such as injection needles, aerosol, and cosmetics remained at the level of the same period in the previous fiscal year. Operating profit decreased year on year, primarily due to higher raw material costs for imported products, including medical equipment and products..

<**Agriculture & Foods**>

Revenue in this segment was ¥36,546 million (112.7%), and operating profit was ¥1,828 million (127.4%).

In the business as a whole, the Group built a cooperative structure of four companies in the same industry in the agriculture sector in anticipation of the realization of sustainable agriculture and stable food supply system. Also, it worked to enhance the platform for the function of raw material procurement and the distribution and processing of vegetables and fruits. In addition, the Group improved the technology for smart agriculture, established a new business model using distribution and processing functions, and focused on the sale of commercial food products catering to changes in lifestyles and diverse needs in food consumption.

The foods segment was affected by a rise in the prices of raw materials such as meat, while sales of products such as frozen broccoli remained strong. Also, Contract manufacturing of vegetable and fruit beverages also remained solid. In the agriculture segment, the new consolidation of Marushin Seika Co., Ltd., a wholesaler of vegetables and fruits in Kyushu, in the previous period contributed to a year-on-year increase both in revenue and operating profit.

<**Other business**>

Revenue in this segment was ¥53,615 million (123.9%), and operating profit was ¥924 million (63.4%).

Revenue in the logistics business increased steadily, driven by solid performance in general freight transportation and food logistics, together with ongoing efforts to optimize contract fees. Revenue of Nihon Kaisui Co., Ltd. remained solid, driven by a recovery in the sales volume of commercial-use salt and the contribution to revenue from the operation of the Kanda Biomass Power Plant, which commenced commercial operations in August 2023.

Revenue in the electric power business remained at the same level as the corresponding period of the previous fiscal year, supported by the stable operation of the Onahama Biomass Power Plant.

In the global and engineering business, revenue in the industrial gas business in India remained strong, supported by solid performance in both on-site gas supply for steelmakers and gas supply through tank lorries and cylinders. Revenue in the industrial gas business in North America benefited from contributions from two gas distributors newly consolidated in the previous fiscal year. In addition, revenue in the high-output UPS (uninterruptible power supply) business remained solid, driven by growth in the data center market. As a result, in other businesses, revenue increased year on year, while operating income decreased year on year.

(2) Explanation of financial position for the current period

Total assets at the end of the current first quarter consolidated fiscal year stood at ¥1,197,629 million, an increase of ¥10,326 million from the end of the previous consolidated fiscal year due mainly to an increase in other financial assets. Liabilities stood at ¥742,166 million, a decrease of ¥5,226 million from the end of the previous consolidated fiscal year due mainly to a decrease in trade and other payables. Equity stood at ¥455,463 million, an increase of ¥15,552 million from the end of the previous consolidated fiscal year, due mainly to an increase in other components of equity.

Equity attributable to owners of parent per share grew from ¥1,846.90 at the end of the previous consolidated fiscal year to ¥1,916.78, and ratio of equity attributable to owners of parent to total assets changed to 36.6% from 35.5% at the end of the previous consolidated fiscal year.

Cash flows from operating activities for the first quarter of the current fiscal year was an inflow of ¥27,430 million, reflecting an increase of ¥17,456 million from the same period of the previous fiscal year, after deducting income taxes paid from profit before tax, depreciation and others.

Cash flows from investing activities for the first quarter of the current fiscal year was an outflow of ¥17,997 million, reflecting a decrease of outflow by ¥1,925 million from the same period of the previous fiscal year, due mainly to a decrease of expenditures resulting from purchase of investment securities despite an increase in expenditures resulting from purchase of property, plant and equipment.

Cash flows from financing activities for the first quarter of the current fiscal year was an outflow of ¥10,992 million, reflecting a decrease of ¥5,993 million from the same period of the previous fiscal year, due mainly to a decrease of additional purchase of shares of subsidiaries

As a result, cash and cash equivalents at the end of the first quarter of the current fiscal year stood at ¥66,858 million, an increase of ¥10,319 million from the end of the first quarter of the previous consolidated fiscal year.

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

Our full-year operating results forecasts remain unchanged from the forecasts announced on May 9, 2024.

5. Condensed Quarterly Consolidated Financial Statements and Significant Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Unit：Million yen)

	End of the previous fiscal year (As of March 31, 2024)	End of the first quarter of fiscal year (As of June 30, 2024)
Assets		
Current assets		
Cash and cash equivalents	67,440	66,858
Trade and other receivables	232,094	212,318
Inventories	94,843	103,001
Other financial assets	11,490	12,627
Income taxes receivable	3,026	2,811
Other current assets	29,160	25,761
Total current assets	438,055	423,378
Non-current assets		
Property, plant and equipment	479,359	492,004
Goodwill	80,823	84,613
Intangible assets	45,078	45,643
Investments accounted for using equity method	36,281	36,464
Retirement benefit asset	5,647	5,537
Other financial assets	92,141	102,666
Deferred tax assets	5,953	3,491
Other non-current assets	3,963	3,829
Total non-current assets	749,247	774,251
Total assets	1,187,303	1,197,629

	End of the previous fiscal year (As of March 31, 2024)	End of the first quarter of fiscal year (As of June 30, 2024)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	178,118	152,378
Bonds and borrowings	102,184	107,099
Other financial liabilities	17,546	16,863
Income taxes payable	10,707	4,965
Provisions	2,168	2,566
Other current liabilities	30,611	51,910
Total current liabilities	341,335	335,784
Non-current liabilities		
Bonds and borrowings	318,800	318,887
Other financial liabilities	38,883	39,646
Retirement benefit liability	6,549	6,523
Provisions	19,804	20,550
Deferred tax liabilities	13,524	12,430
Other non-current liabilities	8,494	8,343
Total non-current liabilities	406,057	406,382
Total liabilities	747,392	742,166
Equity		
Share capital	55,855	55,855
Capital surplus	49,097	47,953
Treasury shares	(2,217)	(1,850)
Retained earnings	264,451	265,071
Other components of equity	54,322	70,885
Total equity attributable to owners of parent	421,510	437,916
Non-controlling interests	18,399	17,546
Total equity	439,910	455,463
Total liabilities and equity	1,187,303	1,197,629

(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 first quarter of the consolidated fiscal year

(Unit：Million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Continuing operations		
Revenue	219,501	234,698
Cost of sales	(168,965)	(181,133)
Gross profit	50,536	53,565
Selling, general and administrative expenses	(38,364)	(40,238)
Other income	1,136	1,993
Other expenses	(497)	(3,019)
Share of profit of investments accounted for using equity method	609	591
Operating profit	13,420	12,892
Finance income	1,014	1,591
Finance costs	(948)	(1,295)
Profit before tax	13,487	13,188
Income tax expense	(4,950)	(4,926)
Profit from continuing operations	8,536	8,262
Discontinued operations		
Profit (loss) from discontinued operations	(2)	(2)
Profit	8,534	8,259
Profit attributable to		
Owners of parent	8,388	8,400
Non-controlling interests	146	(140)
Profit	8,534	8,259

(Unit：Yen)

Earnings per share		
Basic earnings (loss) per share		
Continuing operations	36.88	36.80
Discontinued operations	(0.01)	(0.01)
Basic earnings per share	36.87	36.79
Diluted earnings (loss) per share		
Continuing operations	36.85	36.78
Discontinued operations	(0.01)	(0.01)
Diluted earnings per share	36.84	36.77

Condensed quarterly consolidated statement of comprehensive income

Cumulative first quarter of the consolidated fiscal year

(Unit：Million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	8,534	8,259
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	5,132	2,483
Share of other comprehensive income of investments accounted for using equity method	10	113
Total of items that will not be reclassified to profit or loss	5,142	2,596
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	7,029	9,332
Effective portion of gains and losses on hedging instruments in a cash flow hedge	7,427	6,989
Share of other comprehensive income of investments accounted for using equity method	53	115
Total of items that may be reclassified to profit or loss	14,510	16,437
Total other comprehensive income	19,652	19,033
Comprehensive income	28,187	27,293
Comprehensive income attributable to		
Owners of parent	26,426	26,032
Non-controlling interests	1,760	1,261
Comprehensive income	28,187	27,293

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Three months ended June 30, 2023

(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, 2023	55,855	49,962	(3,532)	240,056	－	12,219
Profit	－	－	－	8,388	－	－
Other comprehensive income	－	－	－	－	－	7,052
Comprehensive income	－	－	－	8,388	－	7,052
Purchase of treasury shares	－	－	(0)	－	－	－
Disposal of treasury shares	－	－	397	－	－	－
Dividends	－	－	－	(7,326)	－	－
Share-based payment transactions	－	－	－	－	－	－
Increase (decrease) due to changes in equity	－	－	－	－	－	－
Increase (decrease) due to new consolidation	－	－	－	(30)	－	－
Increase (decrease) due to mergers	－	－	－	(1)		－
Transfer from other components of equity to retained earnings	－	－	－	99	－	－
Put option provided to non-controlling shareholders	－	(177)	－	－	－	－
Transfer to non-financial assets	－	－	－	－	－	－
Total transactions with owners	－	(177)	396	(7,258)	－	－
Balance as of June 30, 2023	55,855	49,784	(3,135)	241,186	－	19,272

	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	13, 141	(1, 435)	284	24, 210	366, 552	15, 328	381, 881
Profit	—	—	—	—	8, 388	146	8, 534
Other comprehensive income	5, 122	5, 863	—	18, 038	18, 038	1, 613	19, 652
Comprehensive income	5, 122	5, 863	—	18, 038	26, 426	1, 760	28, 187
Purchase of treasury shares	—	—	—	—	(0)	—	(0)
Disposal of treasury shares	—	—	—	—	397	—	397
Dividends	—	—	—	—	(7, 326)	(279)	(7, 605)
Share-based payment transactions	—	—	—	—	—	—	—
Increase (decrease) due to changes in equity	—	—	—	—	—	(0)	(0)
Increase (decrease) due to new consolidation	—	—	—	—	(30)	474	443
Increase (decrease) due to Mergers	—	—	—	—	(1)	—	(1)
Transfer from other components of equity to retained earnings	(99)	—	—	(99)	—	—	—
Put option provided to non-controlling shareholders	—	—	—	—	(177)	—	(177)
Transfer to non-financial assets	—	(256)	—	(256)	(256)	—	(256)
Total transactions with owners	(99)	(256)	—	(356)	(7, 395)	194	(7, 201)
Balance as of June 30, 2023	18, 164	4, 170	284	41, 892	385, 583	17, 283	402, 867

Three months ended June 30, 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	－	－	－	8,400	－	－
Other comprehensive income	－	－	－	－	－	9,319
Comprehensive income	－	－	－	8,400	－	9,319
Purchase of treasury shares	－	－	(1)	－	－	－
Disposal of treasury shares	－	－	－	－	－	－
Dividends	－	－	－	(7,788)	－	－
Share-based payment transactions	－	－	368	－	－	－
Increase (decrease) due to changes in equity	－	(1,144)	－	－	－	－
Increase (decrease) due to new consolidation	－	－	－	－	－	－
Transfer from other components of equity to retained earnings	－	－	－	7	－	－
Put option provided to non-controlling shareholders	－	－	－	－	－	－
Transfer to non-financial assets	－	－	－	－	－	－
Total transactions with owners	－	(1,144)	367	(7,780)	－	－
Balance as of June 30, 2024	55,855	47,953	(1,850)	265,071	－	34,836

	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	–	–	–	–	8,400	(140)	8,259
Other comprehensive income	2,609	5,703	–	17,632	17,632	1,401	19,033
Comprehensive income	2,609	5,703	–	17,632	26,032	1,261	27,293
Purchase of treasury shares	–	–	–	–	(1)	–	(1)
Disposal of treasury shares	–	–	–	–	–	–	–
Dividends	–	–	–	–	(7,788)	(434)	(8,222)
Share-based payment transactions	–	–	–	–	368	–	368
Increase (decrease) due to changes in equity	–	–	–	–	(1,144)	(1,477)	(2,621)
Increase (decrease) due to new consolidation	–	–	–	–	–	73	73
Transfer from other components of equity to retained earnings	(7)	–	–	(7)	–	–	–
Put option provided to non-controlling shareholders	–	–	–	–	–	–	–
Transfer to non-financial assets	–	(1,061)	–	(1,061)	(1,061)	(275)	(1,336)
Total transactions with owners	(7)	(1,061)	–	(1,069)	(9,626)	(2,114)	(11,740)
Balance as of June 30, 2024	24,112	11,742	193	70,885	437,916	17,546	455,463

(4) Condensed quarterly Consolidated Statement of Cash Flows

(Unit：Million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from operating activities		
Profit before tax	13,487	13,188
Profit (loss) before tax from discontinued operations	(2)	(2)
Depreciation and amortization	10,821	11,839
Impairment loss	2	1,580
Interest and dividend income	(805)	(1,108)
Interest expenses	887	1,209
Share of loss (profit) of investments accounted for using equity method	(609)	(591)
Loss (gain) on sale and retirement of fixed assets	(81)	(58)
Decrease (increase) in trade and other receivables	25,213	20,863
Decrease (increase) in inventories	(6,953)	(7,247)
Increase (decrease) in trade and other payables	(24,111)	(25,952)
Decrease (increase) in contract assets	2,151	5,673
Increase (decrease) in contract liabilities	2,015	1,447
Other	(470)	17,139
Subtotal	21,544	37,981
Interest received	179	189
Dividends received	701	1,074
Interest paid	(828)	(1,163)
Income taxes paid	(11,622)	(10,651)
Net cash provided by (used in) operating activities	9,974	27,430
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,125)	(16,501)
Proceeds from sale of property, plant and equipment	134	311
Purchase of intangible assets	(548)	(243)
Purchase of investment securities	(7,723)	(599)
Proceeds from sale of investment securities	181	59
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(1,067)
Collection of loans receivable	156	737
Other	3	(693)
Net cash provided by (used in) investing activities	(19,922)	(17,997)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,917	4,315
Proceeds from long-term borrowings	3,835	3,292
Repayments of long-term borrowings	(3,933)	(4,081)
Additional purchase of shares of subsidiaries	—	(4,855)
Proceeds from sale and leaseback transactions	289	204
Repayments of lease liabilities	(1,444)	(1,788)
Dividends paid	(6,779)	(7,644)
Dividends paid to non-controlling interests	(279)	(434)
Other	394	(1)
Net cash provided by (used in) financing activities	(4,999)	(10,992)
Impact of exchange fluctuations for cash and cash equivalents	662	977
Net increase (decrease) in cash and cash equivalents	(14,284)	(581)
Net increase (decrease) in cash and cash equivalents due to a change in the scope of consolidation	157	—
Cash and cash equivalents at beginning of period	70,666	67,440
Cash and cash equivalents at end of period	56,539	66,858

(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 June 30 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) Applicable Financial Reporting Framework

The condensed quarterly consolidated financial statement of the Group have been prepared in accordance with Article 5, Paragraph 2 of the Tokyo Stock Exchange, Inc.’s Standards for the Preparation of Quarterly Financial Statements, applying the provisions for reduced disclosures as set forth in Article 5, Paragraph 5 of the Standards

(2) 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.

(3) 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.

(4) 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, 2024.

(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 ending March 31, 2024.

(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.

Of these corrections, the amounts of corrections to misstatements related to revenue were ¥(11,244) million for the current consolidated fiscal year, of which ¥(13,615) million related to corrections to net presentation and ¥1,839 million related to corrections to period attribution, and ¥(10,538) million for the previous consolidated fiscal year, of which ¥(12,819) million related to corrections to net presentation and ¥(1,672) 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 consolidated financial statements were ¥5,260 million and ¥3,616 million, respectively, for the current consolidated fiscal year, and ¥5,815 million and ¥3,300 million, respectively, for the previous consolidated fiscal year.

(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.

Three months ended June 30, 2023

(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	80,884	13,824	49,111	32,423	43,257	219,501	—	219,501
Inter-segment revenue	1,771	1,110	130	177	3,681	6,871	(6,871)	—
Total	82,655	14,935	49,242	32,601	46,939	226,373	(6,871)	219,501
Revenue by segment	5,250	717	3,838	1,435	1,458	12,701	719	13,420
Finance income								1,014
Finance costs								(948)
Operating profit								13,487

(Note) 1. The reconciling item of (6,871) million yen of intersegment revenue and transfers is elimination of intersegment transactions.
2. The reconciling item of 719 million yen 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.

Three months ended June 30, 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	78,327	14,891	51,318	36,546	53,615	234,698	—	234,698
Inter-segment revenue	2,276	1,175	132	189	4,306	8,079	(8,079)	—
Total	80,603	16,066	51,451	36,735	57,922	242,778	(8,079)	234,698
Revenue by segment	6,011	961	2,390	1,828	924	12,115	777	12,892
Finance income								1,591
Finance costs								(1,295)
Operating profit								13,188

(Note) 1. The reconciling item of (8,079) million yen of intersegment revenue and transfers is elimination of intersegment transactions.
2. The reconciling item of 777 million yen 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)

Not applicable.