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 Third Quarter Ended March 31, 2025"

We hereby announce that certain portions of the "Consolidated Financial Results (Under IFRS) For the Third Quarter of the March 31, 2025 Fiscal Year," disclosed on February 7, 2025, 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

February 7, 2025

Consolidated Financial Results (Under IFRS)
For the Third 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 Nine months ended December 31, 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	%
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)
Nine months ended December 31, 2023	705,465	1.9	50,774	30.3	49,899	31.4	32,681	39.4	31,460	33.8	58,365	64.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	140.27	140.18
Nine months ended December 31, 2023	138.14	138.03

(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, 2024	1,227,273	462,576	445,548	36.3
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	—	32.00	—		
The fiscal year ending March 31, 2025 (Forecasts)				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 fiscal year	1,100,000	13.8	78,000	32.2	76,000	33.3	50,000	36.5	218.64

(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 December 31, 2024: 229,755,057 shares

As of March 31, 2024: 229,755,057 shares

b. Number of shares of treasury shares

As of December 31, 2024: 760,387 shares

As of March 31, 2024: 1,529,317 shares

c. Average number of shares during the term

Nine months of the fiscal year ending March 31, 2025: 228,582,685 shares

Nine months of the fiscal year ended March 31, 2024: 227,746,017 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 "4-(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 ¥743,654 million (105.4% that of the corresponding period of the previous year), operating profit was ¥50,188 million (98.8%), and profit attributable to owners of parent was ¥32,063 million (101.9%).

During the period, the Japanese economy benefited from improvements in the employment and income conditions, as well as steady corporate capital investment. Meanwhile, the outlook remained uncertain due in part to rising commodity prices, large exchange fluctuations, and the impact of the US presidential election on global conditions.

The Group is focusing on digital and semiconductor-related businesses and industrial gas-related businesses in overseas countries such as India and North America, which are positioned as growth areas. In December 2024, the Group started the business of "The Forest of AIR WATER", an open innovation promotion facility, in Sapporo, which is one of the Group's founding locations. It will work to create new businesses that will contribute to the solution of local issues with a focus on energy and the environment as well as agriculture and food through cooperation with universities and research institutions, local governments, companies, startups, and other organizations.

Some businesses experienced an adverse impact from the sluggish semiconductor market during the period under review. Meanwhile, initiatives such as the repricing of industrial gases implemented in the past, the acquisition of new customers, and activities in the overseas industrial gas business and agricultural sector made steady progress. All segments achieved an increase in sales.

2) Consolidated results by segment for this period

(Million yen)

	Revenue		Operating profit	
	FY 2024.3Q	YoY Growth	FY2024.3Q	YoY Growth
Digital & Industry	250,149	101.0%	23,132	101.0%
Energy Solutions	46,307	108.4%	1,952	140.7%
Health & Safety	158,521	103.3%	6,810	75.5%
Agriculture & Foods	117,023	109.6%	6,577	98.1%
Other Business	171,651	110.8%	10,608	118.3%
(Adjustment)	-	-%	1,107	61.8%
Total	743,654	105.4%	50,188	98.8%

(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 ¥250,149 million (101.0% that of the corresponding period of the previous year), and operating profit was ¥23,132 million (101.0%).

Demand for domestic industrial gasses, particularly in material sectors such as steel and chemicals, was trending downwards. In response, the Group targeted demand through investment in large plants corresponding to the expansion of manufacturing facilities in the digital product and semiconductor industries and acquisition of new customers. In addition, the Group focused on comprehensive business development for Group merchandise and services supporting semiconductor manufacturing such as special chemicals, gas refining devices, and related construction.

Revenue was affected by a decrease in the unit selling price of on-site gas supply for steelmakers and sluggish sales of sealants in the functional material business. Meanwhile, gas supply for semiconductor plants remained strong. Sales in digital and semiconductor-related businesses also increased, remaining at the level as the same period of the previous year. Operating profit was affected by the cost of purchasing helium and fluctuations in demand for organic acid products such as phthalic anhydride. Nevertheless, it posted steady growth thanks largely to an increase in the productivity of plant operation and the price management of industrial gasses.

<Energy solutions>

Revenue in this segment was ¥46,307 million (108.4% that of the corresponding period of the previous year), and operating profit was ¥1,952 million (140.7%).

The Group actively promoted fuel conversion from fuel oil to liquefied natural gas (LNG) to its customers amid a rise in demand for low and net-zero carbon. Moreover, the Group started energy supply that would contribute to carbon neutrality, deploying unused resources in local areas such as liquefied biomethane derived from livestock excreta, which is a source of clean energy. Distribution efficiency of LP gas supply for households mostly in Hokkaido was raised using IoT technology. Also, took steps to improve profitability by increasing the number of customers, primarily through the acquisition of vendors' commercial rights.

Revenue grew due to an increase in selling prices linked to market prices of overall products such as LP gas, kerosene, and LNG. Also received a significant year-on-year boost owing to the expansion of sales of LNG-related equipment. Operating profit increased as a result of efforts to raise operational efficiency in LP gas distribution and the absence of the impact of a loss on inventory valuation of LP gas posted a year earlier.

<Health & Safety>

Revenue in this segment was ¥158,521 million (103.3% of the level in the same period of the previous fiscal year), and operating profit was ¥6,810 million (75.5%).

The Group worked to satisfy needs at clinical sites through the supply of gasses for medical use and focused on developing medical equipment, directly receiving orders for the construction of hospital facilities such as, in particular, repairing 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.

New construction projects for hospitals and contract manufacturing of aerosol decreased year on year. However, the number of patients undergoing nitric oxide inhalation therapy increased and sales of shower bathing devices for long-term care remained strong. In the safety services segment, too, progress mainly in projects for data centers remained strong. Furthermore, revenue increased year on year thanks to the acquisition of new facilities in the medical service business and the effect of price revisions of medical equipment and hygiene materials.

<**Agriculture & Foods**>

Revenue in this segment was ¥117,023 million (109.6% that of the corresponding period of the previous year), and operating profit was ¥6,577 million (98.1%).

The Group is taking steps to improve technological development for smart agriculture and freshness maintenance and increase the volume of agricultural products to sell in anticipation of the realization of sustainable agriculture and stable food supply systems. Additionally, it is also building a supply-chain platform in the procurement of raw material vegetables and distribution and processing of fruit and vegetables through cooperation with other companies using the Company's distribution base.

The result was affected by rising prices of raw materials such as pork. Contract production mainly of vegetable and fruit-based beverages increased due to extreme summer heat. Moreover, growth in sales of products such as frozen broccoli in the North American market and Hokkaido potatoes and carrots contributed to the result. Both revenue and operating profit grew year on year owing to the new consolidation of Marushin Seika Co., Ltd., a wholesaler of vegetables and fruits, in the previous fiscal year.

<**Other business**>

Revenue in this segment was ¥171,651 million (110.8% that of the corresponding period of the previous year), and operating profit was ¥1,068 million (118.3%).

In the logistics business, efforts to rationalize contract fees and raise operational efficiency by using digital technologies facilitated steady growth in general cargo and food transportation. An increase in the freight of vegetables and fruits through cooperative efforts with other companies was added to the volume, resulting in year-on-year growth.

NIHON KAISUI CO., LTD. demand for commercial-use salt recovered and sales volume of snow-melting salt increased. Meanwhile, sales remained unchanged year on year due to the impact of a delay in the progress of water treatment-related construction and the rising price of fuel gas in the electric power business.

The electric power business continued stable operation at the Onahama Biomass Power Plant. A decline in the market of palm kernel shells (PKS) used as the power generation fuel and the effect of cost-cutting efforts contributed to a year-on-year improvement in performance.

In the global & engineering business, in the Indian market, new sales growth of industrial gasses in expectation of in-house plant operation remained steady. Additionally, both the on-site gas supply for steelmakers and lorry cylinder supply remained strong. In the North American market, the Group is working to expand the equipment engineering business, which uses low-temperature technology and industrial gas business. The Group sought to acquire new customers for the operation of the in-house plant currently under construction. Two industrial gas-related companies newly consolidated in the previous fiscal year contributed to the revenue. The high-output uninterruptible power source (UPS) business maintained a strong performance thanks to an increase in the capital expenditure of data centers and semiconductor manufacturers.

As a result, both revenue and operating profit in other segment exceeded the levels recorded in the same period of the previous year.

(2) Explanation of financial position for the current period

Total assets at the end of the current third quarter consolidated fiscal year stood at ¥1,227,273 million, an increase of ¥39,969 million from the end of the previous consolidated fiscal year due mainly to an increase in inventories and property, plant and equipment. Liabilities stood at ¥764,696 million, an increase of ¥17,303 million from the end of the previous consolidated fiscal year due mainly to an increase in bonds and borrowings. Equity stood at ¥462,576 million, an increase of ¥22,666 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 ¥1,945.67, and ratio of equity attributable to owners of parent to total assets changed to 36.3% from 35.5% 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 ¥60,461 million, reflecting an increase of ¥8,879 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 third quarter of the current fiscal year was an outflow of ¥52,490 million, reflecting a decrease of outflow by ¥30,183 million from the same period of the previous fiscal year, due mainly to a decrease of expenditures resulting from 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 outflow of ¥9,235 million, reflecting an increase of outflow by ¥35,059 million from the same period of the previous fiscal year, due mainly to a decrease of proceeds from issuance of bonds and long-term borrowings.

As a result, cash and cash equivalents at the end of the third quarter of the current fiscal year stood at ¥67,857 million, an increase of ¥2,714 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

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 third quarter of fiscal year (As of December 31, 2024)
Assets		
Current assets		
Cash and cash equivalents	67,440	67,857
Trade and other receivables	232,094	233,111
Inventories	94,843	108,365
Other financial assets	11,490	12,223
Income taxes receivable	3,026	1,187
Other current assets	29,160	30,452
Total current assets	438,055	453,197
Non-current assets		
Property, plant and equipment	479,359	499,012
Goodwill	80,823	82,324
Intangible assets	45,078	43,350
Investments accounted for using equity method	36,281	38,985
Retirement benefit asset	5,647	5,575
Other financial assets	92,141	96,907
Deferred tax assets	5,953	4,113
Other non-current assets	3,963	3,805
Total non-current assets	749,247	774,075
Total assets	1,187,303	1,227,273

(Unit：Million yen)

	End of the previous fiscal year (As of March 31, 2024)	End of the third quarter of fiscal year (As of December 31, 2024)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	178,118	180,053
Bonds and borrowings	102,184	120,576
Other financial liabilities	17,546	16,807
Income taxes payable	10,707	8,169
Provisions	2,168	2,176
Other current liabilities	30,611	31,801
Total current liabilities	341,335	359,585
Non-current liabilities		
Bonds and borrowings	318,800	318,136
Other financial liabilities	38,883	39,983
Retirement benefit liability	6,549	6,727
Provisions	19,804	20,730
Deferred tax liabilities	13,524	11,105
Other non-current liabilities	8,494	8,428
Total non-current liabilities	406,057	405,111
Total liabilities	747,392	764,696
Equity		
Share capital	55,855	55,855
Capital surplus	49,097	47,726
Treasury shares	(2,217)	(1,050)
Retained earnings	264,451	281,600
Other components of equity	54,322	61,416
Total equity attributable to owners of parent	421,510	445,548
Non-controlling interests	18,399	17,028
Total equity	439,910	462,576
Total liabilities and equity	1,187,303	1,227,273

(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, 2023	Nine months ended December 31, 2024
Continuing operations		
Revenue	705,465	743,654
Cost of sales	(541,191)	(574,373)
Gross profit	164,274	169,281
Selling, general and administrative expenses	(116,895)	(124,211)
Other income	4,481	6,485
Other expenses	(3,090)	(4,935)
Share of profit of investments accounted for using equity method	2,005	3,567
Operating profit	50,774	50,188
Finance income	2,645	3,541
Finance costs	(3,520)	(3,933)
Profit before tax	49,899	49,795
Income tax expense	(17,231)	(17,539)
Profit from continuing operations	32,668	32,255
Discontinued operations		
Profit (loss) from discontinued operations	13	(11)
Profit	32,681	32,243
Profit attributable to		
Owners of parent	31,460	32,063
Non-controlling interests	1,221	180
Profit	32,681	32,243

(Unit：Yen)

Earnings per share		
Basic earnings (loss) per share		
Continuing operations	138.08	140.32
Discontinued operations	0.06	(0.05)
Basic earnings per share	138.14	140.27
Diluted earnings (loss) per share		
Continuing operations	137.97	140.24
Discontinued operations	0.06	(0.05)
Diluted earnings per share	138.03	140.18

Condensed quarterly consolidated statement of comprehensive income

Cumulative third quarter of the consolidated fiscal year

(Unit：Million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	32,681	32,243
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	6,323	(655)
Share of other comprehensive income of investments accounted for using equity method	102	102
Total of items that will not be reclassified to profit or loss	6,425	(553)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	6,152	4,812
Effective portion of gains and losses on hedging instruments in a cash flow hedge	12,878	6,111
Share of other comprehensive income of investments accounted for using equity method	228	60
Total of items that may be reclassified to profit or loss	19,259	10,984
Total other comprehensive income	25,684	10,430
Comprehensive income	58,365	42,674
Comprehensive income attributable to		
Owners of parent	55,429	41,321
Non-controlling interests	2,936	1,353
Comprehensive income	58,365	42,674

(3) Condensed Quarterly Consolidated Statement of Changes in Equity
Nine months ended December 31, 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	－	－	－	31,460	－	－
Other comprehensive income	－	－	－	－	－	6,258
Comprehensive income	－	－	－	31,460	－	6,258
Purchase of treasury shares	－	－	(3)	－	－	－
Disposal of treasury shares	－	6	1,133	－	－	－
Dividends	－	－	－	(14,197)	－	－
Share-based payment transactions	－	－	－	－	－	－
Increase (decrease) due to changes in equity	－	(637)	－	－	－	－
Increase (decrease) due to new consolidation	－	(4)	－	(109)	－	－
Increase (decrease) due to exclusion of subsidiaries from consolidation	－	－	－	－	－	－
Increase (decrease) due to mergers	－	－	－	(5)	－	－
Transfer from other components of equity to retained earnings	－	－	－	264	－	－
Put option provided to non-controlling shareholders	－	(314)	－	－	－	－
Transfer to non-financial assets	－	－	－	－	－	－
Total transactions with owners	－	(950)	1,130	(14,048)	－	－
Balance as of December 31, 2023	55,855	49,011	(2,401)	257,468	－	18,477

(Unit：Million yen)

	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	―	―	―	―	31,460	1,221	32,681
Other comprehensive income	6,379	11,331	―	23,969	23,969	1,715	25,684
Comprehensive income	6,379	11,331	―	23,969	55,429	2,936	58,365
Purchase of treasury shares	―	―	―	―	(3)	―	(3)
Disposal of treasury shares	―	―	―	―	1,140	―	1,140
Dividends	―	―	―	―	(14,197)	(569)	(14,767)
Share-based payment transactions	―	―	(79)	(79)	(79)	―	(79)
Increase (decrease) due to changes in equity	―	―	―	―	(637)	(196)	(834)
Increase (decrease) due to new consolidation	―	(4,825)	―	(4,825)	(4,939)	901	(4,038)
Increase (decrease) due to exclusion of subsidiaries from consolidation	―	―	―	―	―	―	―
Increase (decrease) due to mergers	―	―	―	―	(5)	―	(5)
Transfer from other components of equity to retained earnings	(264)	―	―	(264)	―	―	―
Put option provided to non-controlling shareholders	―	―	―	―	(314)	―	(314)
Transfer to non-financial assets	―	(1,211)	―	(1,211)	(1,211)	(111)	(1,322)
Total transactions with owners	(264)	(6,036)	(79)	(6,381)	(20,249)	23	(20,225)
Balance as of December 31, 2023	19,256	3,858	204	41,797	401,732	18,289	420,021

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	–	–	–	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 exclusion of subsidiaries from consolidation	–	–	–	–	–	–
Increase (decrease) due to capital increase	–	–	–	–	–	–
Increase (decrease) due to mergers	–	–	–	(48)	–	–
Transfer from other components of equity to retained earnings	–	–	–	253	–	–
Put option provided to non-controlling shareholders	–	–	–	–	–	–
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

(Unit：Million yen)

	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	－	－	－	－	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 exclusion of subsidiaries from consolidation	－	－	－	－	－	(451)	(451)
Increase (decrease) due to capital increase	－	－	－	－	－	52	52
Increase (decrease) due to mergers	－	－	－	－	(48)	－	(48)
Transfer from other components of equity to retained earnings	(253)	－	－	(253)	－	－	－
Put option provided to non-controlling shareholders	－	－	－	－	－	－	－
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

(4) Condensed quarterly Consolidated Statement of Cash Flows

(Unit：Million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Profit before tax	49,899	49,795
Profit (loss) before tax from discontinued operations	13	(11)
Depreciation and amortization	33,569	35,737
Impairment loss	1,022	4,082
Interest and dividend income	(1,898)	(2,514)
Interest expenses	2,855	3,626
Share of loss (profit) of investments accounted for using equity method	(2,005)	(3,567)
Loss (gain) on sale and retirement of fixed assets	(129)	(1,427)
Decrease (increase) in trade and other receivables	6,564	1,682
Decrease (increase) in inventories	(11,577)	(12,549)
Increase (decrease) in trade and other payables	(8,373)	2,222
Decrease (increase) in contract assets	(3,585)	356
Increase (decrease) in contract liabilities	8,294	3,106
Other	(5,899)	(1,143)
Subtotal	68,749	79,394
Interest received	536	552
Dividends received	1,417	1,955
Interest paid	(2,674)	(3,518)
Income taxes paid	(16,447)	(17,922)
Net cash provided by (used in) operating activities	51,581	60,461
Cash flows from investing activities		
Purchase of property, plant and equipment	(48,990)	(48,905)
Proceeds from sale of property, plant and equipment	871	534
Purchase of intangible assets	(1,502)	(1,549)
Purchase of investment securities	(10,981)	(3,513)
Proceeds from sale of investment securities	676	1,540
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(7,283)	(1,364)
Collection of loans receivable	1,515	1,169
Payment for acquisition of businesses	(8)	-
Other	(16,971)	(401)
Net cash provided by (used in) investing activities	(82,673)	(52,490)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,563	2,352
Proceeds from long-term borrowings	38,506	31,800
Repayments of long-term borrowings	(29,642)	(17,198)
Proceeds from issuance of bonds	30,000	-
Additional purchase of shares of subsidiaries	(834)	(4,855)
Proceeds from sale and leaseback transactions	802	494
Repayments of lease liabilities	(5,294)	(6,715)
Dividends paid	(13,789)	(15,098)
Dividends paid to non-controlling interests	(569)	(779)
Other	1,082	763
Net cash provided by (used in) financing activities	25,824	(9,235)
Impact of exchange fluctuations for cash and cash equivalents	(414)	1,680
Net increase (decrease) in cash and cash equivalents	(5,681)	417
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	65,143	67,857

(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) 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 ¥(41,214) million for the current consolidated fiscal year, of which ¥(42,773) million related to corrections to net presentation and ¥(237) million related to corrections to period attribution, and ¥(39,203) million for the previous consolidated fiscal year, of which ¥(40,177) million related to corrections to net presentation and ¥1,120 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 ¥14,654 million and ¥10,834 million, respectively, for the current consolidated fiscal year, and ¥19,065 million and ¥12,890 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, 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) 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, 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	247,678	42,704	153,406	106,798	154,877	705,465	-	705,465
Inter-segment revenue	7,488	3,167	419	598	14,232	25,904	(25,904)	-
Total	255,166	45,871	153,825	107,396	169,109	731,370	(25,904)	705,465
Revenue by segment	22,907	1,387	9,015	6,705	8,968	48,983	1,791	50,774
Finance income								2,645
Finance costs								3,520
Operating profit								49,899

(Note) 1. The reconciling item of (25,904) million yen of intersegment revenue and transfers is elimination of intersegment transactions.
2. The reconciling item of 1,791 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.

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	250,149	46,307	158,521	117,023	171,651	743,654	-	743,654
Inter-segment revenue	7,806	4,048	452	603	14,480	27,390	(27,390)	-
Total	257,956	50,355	158,974	117,626	186,131	771,044	(27,390)	743,654
Revenue by segment	23,132	1,952	6,810	6,577	10,608	49,080	1,107	50,188
Finance income								3,541
Finance costs								3,933
Operating profit								49,795

(Note) 1. The reconciling item of (27,390) million yen of intersegment revenue and transfers is elimination of intersegment transactions.
2. The reconciling item of 1,107 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)

The company resolved at the meeting of its Board of Directors held on February 7, 2025 that it will acquire the common stock of KAWAMOTO CORPORATION (hereafter “the Target”) by means of a tender offer in accordance with the Financial Instruments and Exchange Act for the purpose of making the Target its wholly-owned subsidiary. For more details, please refer to the press release titled “Notification with respect to Commencement of Tender Offer for shares of KAWAMOTO CORPORATION (Securities code: 3604)” issued on the same date.