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AIR WATER

Fiscal year 2025 Full Year Financial Results Explanatory Material
（Supplementary Materials for Self-Inspection）

July 31, 2026

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Agenda

Contents

Ⅰ. Introduction

Ⅱ. Fiscal Year 2025 Full-Year Results

Ⅲ. Fiscal Year 2026 Full-Year Financial Results Forecast

Ⅳ. Segment Information

Ⅴ. Supplementary Materials (Business Information)

Ⅵ. Supplementary Materials (Self-inspection)

Ⅰ. Introduction

Overview of the Inappropriate Accounting Matter

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Timeline of Events			
	2025	Jul	Discovered inappropriate accounting (loss deferral) involving inventory at a consolidated subsidiary
		Oct 9	Established a Special Investigation Committee composed of external experts; formed a self-inspection team
		Nov 14	Approved an extension of the semi-annual report filing deadline (Q2 FY3/2026 results postponed)
	2026	Feb 6	Disclosed that the Q3 FY3/2026 earnings report would exceed 45 days after quarter-end
		Feb 12	Received the Special Investigation Committee's report (as of Feb 9)
		Feb 13	Filed the semi-annual report (independent auditor's review: "qualified conclusion")
			Announced Q2 FY3/2026 financial results; published recurrence-prevention measures (outline)
		Mar 31	Received the Special Investigation Committee's report
		Apr 3	Disciplinary action for those involved; published recurrence-prevention measures (detailed version)
		May 1	Designated as a Security on Special Alert by the Tokyo Stock Exchange and charged a listing-agreement penalty
		Jun 19	Established a Responsibility Investigation Committee; received a supplementary report from the Special Investigation Committee
		Jun 30	Approved an extension of the Annual Securities Report filing deadline
		Jul 31	Announced Q3 and full-year FY3/2026 results; corrected prior-year securities reports, earnings reports, etc.
			Filed the Improvement Plan and Status Report(Plan)

Summary in Light of This Matter

- Inappropriate accounting practices were identified at 43 Group companies, including Air Water
- Not merely an accounting issue, but weaknesses in corporate culture, governance, and internal controls
- In addition to the investigation by the Special Investigation Committee, a thorough self-inspection was conducted covering all 211 consolidated subsidiaries, significantly expanding the scope of investigation and review items to ensure the reliability of financial reporting

Having advanced prior-year earnings corrections and the formulation and rollout of recurrence-prevention measures, With today's earnings announcement and the submission of the Improvement Plan and Status Report(Plan), we are fully launching our efforts to restore trust and rebuild management.

New Management Structure

[Restructuring of Management Structure]

Internal Directors (4 → 3)

▸ Internal director structure renewed; Senzai,formerly an outside Diretor, has been appointed as an internal director

Reappointed

Representative Director, President and Executive Officer
Yoshihiro Senzai

New

Representative Director Executive Vice President
Yu Karato

New

Director
Hirokazu Nishimura

Oversight & checks strengthened

Outside Directors (4 → 5)

▸ Outside directors increased to a majority; 5 directors, 3 newly appointed

Reappointed

Director
Yuko Haga
Management strategy, M&A, Governance
※Chair of the Nomination and Compensation Committee

New

Director
Mikihiko Kato
Management strategy, Finance & Accounting

Reappointed

Director
Rochelle Kopp
Human capital, Global, ESG

New

Director
Mitsutoshi Matsushita
Legal affairs, Governance

New

Director
Shinichi Kawasaki
Management strategy, Technology strategy

Newly established

Management Reform Office
Driving governance strengthening and structural reform in an integrated manner

Newly established

Board of Directors Secretariat
Corporate Secretary
Enhanced information provision to outside directors

▸ Enhanced management support via a Board Secretariat and a new Management Reform Office

Strengthening oversight and advisory functions by appointing directors with expertise in areas requiring further enhancement

Status of Recurrence Prevention Measures

[Overview and Implementation of Recurrence Prevention Measures]

	Basic Framework (announced February 13, 2026)	Specific Implementation Status (as of 7/31)
(1) Corporate Culture Reform	• Reform toward a sound, open corporate culture that prioritizes compliance and encourages proper conduct • Setting performance targets while eliminating excessive performance pressure • Fundamental strengthening of education and training (ethics, accounting literacy) • Strengthening of the internal whistleblowing system	• **Monthly messages from top management to all employees** • **Town hall meetings held at 51 major Group companies** • **Enhanced operation of the whistleblowing system, including the establishment of new reporting channels to outside Audit & Supervisory Board Members and an independent external third party** • Enhanced training for all managers on business ethics and compliance • Enhanced accounting literacy training for all employees
(2) Governance Reform	• Strengthening the oversight function of the Board of Directors • Strengthening the oversight function of the Board of Auditors • Strengthening the role of the Nomination and Compensation Committee	• Review of the management structure and renewal of internal directors, increase in outside directors • Participation of outside directors in key executive meetings, with accompanyingenhanced information provision • Establishment of a Board Secretariat and strengthening of the Corporate Secretary • Change of Nomination and Compensation Committee members(operated and assessed solely by outside directors) • Establishment of a Responsibility Investigation Committee (investigating the legal responsibility of current and former directors and auditors)
(3) Management foundation and rebuilding of internal controls	• Appointment of an officer for administration and an officer for finance • Strengthening administrative functions centered on the accounting department • Rebuilding internal controls across the entire group • Strengthening the internal audit function	• Creation of a Chief Accounting and Finance Officer • Increased headcount in HQ accounting • Increased headcount in internal audit; strengthened external support structure • Strengthened regular meetings with major group companies on financial closing and accounting (major domestic 28 companies and major overseas 11 companies)
(4) Review of Company-wide Strategy (review of the business portfolio)	• Redefinition of core competencies • Selection and concentration of businesses • Optimization and restructuring of group companies	• Held company-wide strategy meetings to redefine core competencies • Launch and operation of a Portfolio Management Committee (held multiple times) (based on the above, a total of 4 business transfers implemented)

Toward Removal of the Securities on Special Alert Designation

FY2026 Q1 (Apr–Jun 2026)	FY2026 Q2 (Jul–Sep)	FY2026 Q3 (Oct–Dec)	FY2026 Q4 (Jan–Mar 2027)	FY2027 Q1 (Apr–Jun)

Completed

Rebuild and operate the internal control system Group-wide (JPX-R-led verification)

- ★ (5/1) **Securities on Special Alert designation**
- ★ (5/29) Improvement plan direction set
- ★ (6/15) Improvement Plan / Status Report draft submitted
- ★ (7/31) **Improvement Plan / Status Report submitted**
- ★ (3/31) Internal control confirmation letter draft submitted
- ★ (4/30) **Internal control confirmation letter submitted**
- (thereafter) **Designation-Removal review response**

(Current progress)

- May 1, 2026: Designated as a Security on Special Alert
- Advancing initiatives to remove the designation
- Completed submission of the Improvement Plan and Status Report(Plan)

(Future outlook)

Based on the "Improvement Plan / Status Report" and the "Internal Control Confirmation Letter," we will achieve the following

① Build a management system that ensures such incidents never recur

② Meet the examination criteria required for a new listing (listing eligibility)

Aiming to have the Security on Special Alert designation removed during FY2027

Overview of the Improvement Plan and Status Report

Root-Cause Analysis

Structural issues behind the improper accounting, organized via investigation and self-inspection

1 Corporate Culture & Compliance

- A culture prioritizing performance targets, with dulled accounting-compliance awareness
- Organization run by a dominant top management, with a culture of deferring to its intentions
- Excessive performance pressure on the front line
- Insufficient ethics and accounting literacy
- Inadequate review of the whistleblowing system and its operation

2 Governance & Oversight

- No director in charge of finance and accounting
- Insufficient oversight by the Board of Directors
- Insufficient audit function of the Audit & Supervisory Board
- Weak internal audit function

3 Internal Control & Management Structure

- Weak management foundation and internal controls
- Insufficient functioning of administrative divisions, centered on accounting
- Lack of effective internal control, including organizational roles and responsibilities
- Business flows that enabled improper processing, and lax inventory management
- Insufficient review of business risks, organization, and processes

Measures to Prevent Recurrence

To address the root-cause findings, five improvement measures were established to drive integrated reform across corporate culture, governance, internal control, and audit functions.

Corporate Culture Reform
Shift to a culture that puts compliance first

Strengthening Internal Audit
Supporting early detection and correction of risk
Strengthening the audit system

Governance Reform
Building a transparent, objective management structure

Strengthen Audit & Supervisory Board
Strengthening independent oversight

Rebuild Management Foundation & Controls
Review of the business portfolio

Rebuilding internal controls through the improvement plan
— an integrated approach across corporate culture, governance, and internal control

Progress and Outlook of the Improvement Plan

Key Initiatives

We will translate these improvement measures into concrete initiatives from the perspectives of corporate culture reform, governance reform, the reconstruction of management infrastructure and internal controls, the strengthening of internal audits, and the enhancement of Audit & Supervisory Board audits. Through the steady execution and embedding of these improvement plans, we will continue our efforts to enhance the effectiveness of our internal management framework.

Corporate Culture Reform

- Reform messaging from top management
- Promote two-way communication
- Foster compliance awareness
- Enhance the whistleblowing system
- Review appointment/dismissal and HR evaluation systems

Governance Reform

- Strengthen Board functions
- Reform nominations & pay
- Review governance rules
- Strengthen risk controls
- Clarify roles & authority

Transition to an audit-committee company

Strengthen Internal Audit

- Advance internal audit
- Develop audit personnel
- Coordinate with auditors

Strengthen Audit & Supervisory Board

- Strengthen Board
- functions
- Improve audit response

Detect risk signs early etc.

Rebuild Foundation & Internal Controls

- Strengthen internal control at subsidiaries
- Strengthen subsidiary governance
- Strengthen group company management
- Review company-wide strategy (Review of business portfolio)
- Reform the budget management process

Future Roadmap

FY2026	2026~FY2026-27	2027 (within the year)
Build and establish systems	Embed and improve effectiveness	Removal from Securities Under Supervision Restore trust

Restoring Trust and Enhancing Corporate Value through Management Restructuring

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Steadily execute management reform and rebuild the management foundation, prioritizing the restoration of trust

Review of Business Portfolio

■Concentrate resources on businesses that leverage our strengths

- Strengthen the competitiveness of the core industrial-gas and adjacent businesses
- Review the business portfolio from a best-owner perspective
- Improve growth, profitability, and capital efficiency through selection and concentration

Rebuild Foundation & Governance

■Toward a robust management structure that supports sustainable growth

- Strengthen, streamline, and advance group management and internal control
  - Reinforce professional talent
- Business and organizational restructuring from an internal-control perspective
  - Streamline group companies

Accelerate the business-portfolio transformation toward our desired future, aiming to enhance corporate value

Leverage the stable cash generation of industrial gas to return to a growth trajectory through investment in growth areas

Ⅱ. Fiscal Year 2025
Full Year Result Results

Financial Results Summary

(Unit: Billion yen)	FY2024 Actual (Restated)	FY2025 Actual	Change	FY2026 Forecast	Change
Revenue	1,013.1	**1,066.8**	+53.7	**1,140.0**	+73.2
Business profit (①)*	70.2	**74.5**	+4.3	**76.4**	+1.8
Non-recurring factors (②)*	▲7.7	**▲111.7**	▲104.0	**▲28.4**	+83.4
Operating profit (①+②)	62.5	**▲37.2**	▲99.7	**48.0**	+85.2
Profit attributable to owners of parent	39.9	**▲63.9**	▲103.9	**28.0**	+91.9
Dividend per share	**75 yen**	**75 yen**	±0 yen	**TBD**	

Performance Highlights

- Profitability : Business profit ¥74.5 billion, remaining solid / operating cash flow ¥107.6 billion, a record high (stable earning power and cash generation)
- Non-recurring factors : Recorded impairment losses on goodwill, fixed assets, etc., mainly in overseas businesses, of ¥108.0 billion, and investigation-related expenses of ¥13.0 billion
- Shareholder returns : Taking into account the future business outlook and current financial base, maintained the annual dividend of ¥75

Main Business Conditions

- Industrial Gas : Domestic: pricing measures progressed and semiconductor-related demand was strong
  Overseas businesses struggled overall (including a temporary slowdown in India)
- Medical & Disaster Prevention : Disaster-prevention products such as gas fire-extinguishing systems saw strong orders
  Hospital-related sales, including medical gases, medical equipment, and consumables, declined
- Other : Continued cost increases in purchasing prices, labor, etc. / Promoting appropriate pricing and contract fees across all businesses

*About Business Profit / Non-recurring Factors
- Business profit : A proprietary indicator calculated by excluding gains and losses that arise temporarily from non-recurring events and factors from operating profit
- Non-recurring factors : Impairment losses (impairment of goodwill, fixed assets, etc.), impact of business withdrawals, gains on step acquisitions, other special gains and losses, investigation-related expenses

Initiatives to Ensure the Reliability of Financial Statements (Overview of the Voluntary Inspection)

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[Background of the Voluntary Inspection]

・ Following the discovery of inappropriate accounting practices related to inventories, the Company established a Special Investigation Committee composed of external experts and conducted an investigation into the facts.

・ In parallel, the Company **conducted its own voluntary inspection.** As a result, it was confirmed that inappropriate accounting practices were widely prevalent across the Group.

・ Based on these findings, the Company recognized that deficiencies existed in the internal control over financial reporting (including entity-level controls and business process controls) throughout the Group. Accordingly, in order to ensure the reliability of the financial statements for the fiscal year ended March 31, 2026, **<u>the Company conducted a voluntary accounting inspection covering all consolidated subsidiaries.</u>**

[Purpose of the Voluntary Inspection]

・In light of the identified deficiencies in internal controls, the Company conducted additional verification procedures on significant accounts and transactions with the objective of confirming the following two matters:

① That the financial statements have been prepared and presented appropriately in accordance with applicable accounting standards;
② That there are no additional material weaknesses in internal control over financial reporting that require disclosure.

Scope of the Voluntary Inspection

[Background and Scope of the Voluntary Inspection]

- Triggered by the inappropriate inventory accounting, a <u>Special Investigation Committee composed of external experts</u> (investigation and correction of the inappropriate inventory accounting)
- In response to the above, to clarify the identified inappropriate accounting and identify any similar cases across the Group, an outside-expert <u>Voluntary Inspection Team was established</u>
  → Expanding the scope of investigation, <u>complementing internal-control issue identification and deficiency remediation</u> (As of fiscal year-end: covering all 211 consolidated companies)

*Conducted for certain companies, such as those above a certain business scale

(Investigation & inspection structure)

The Company

Special Investigation Committee

【Q2 to fiscal year-end】
Inappropriate inventory accounting investigation & correction

Voluntary Inspection Team

【Q2】
Clarify identified inappropriate accounting & check similar cases
→<u>Root-cause analysis; recurrence prevention</u>

【Fiscal year-end】
Compensating procedures to address identified internal control defciencies: ensure reliable financial reporting
→<u>Scope expanded to all consolidated companies</u>

<u>Special Investigation Committee + Voluntary Inspection</u>: group-wide investigation conducted

<u>The inappropriate accounting identified this time — all responses completed (including prior-year corrections)</u>

(Summary of procedures performed)

Q2	Fiscal year-end		
Physical inventory count	Physical inventory count ① (Observation)	Negative sales data	Job-costing applied cases Cost transfer check*
Special Investigation Committee Follow-up	Physical inventory count ② (Alternative procedures)	Monthly trend analysis of sales & gross profit	Job-costing applied cases Gross margin analysis*
Financial analysis	Physical inspection of fixed assets	Revenue recognition questionnaire	Monthly trend analysis of each expense
Digital forensics & interviews	Fixed asset retirement transaction check	Verification of sales details	Unrecorded liabilities check
Promotion of information gathering	Capitalization of repair & research expenses	Percentage-of-completion method (Application to accounting standards)*	Confirmation of non-recurring events
Cross-application of findings	Recognition of asset retirement obligations	Monthly analysis of construction budgets*	Estimated accrued expenses basis check
Revenue recognition questionnaire Construction transaction questionnaire	Impairment of fixed assets	Construction cases: purchasing & raw material outbound data consistency*	Financial analysis*
Verification of intersegment transactions	Review of provision for bonuses	Construction progress-rate analysis*	Intersegment reallocation verification*
	Balance confirmation (accounts receivable)	Costs on uncompleted construction contracts aging check*	
	Verification of overdue receivables		

Impact of Inappropriate Accounting, etc.

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[PL Prior-Year Restatement]

(Unit: Billion yen)		Prior-Year Restatement Amounts 2020	2021	2022	2023	2024	Main impact items (restatement items)
Revenue	Revenue (before)	806.6	888.7	1,004.9	1,024.5	1,075.9	(Revenue restatement factors) ① Refinement of principal vs. agent accounting ・Beverage: paid supply transactions ・Medical devices: delivery, sales and maintenance services ・SPD-related: contracted operations, etc. ② Elimination of double sales, etc.
	Special Investigation Committee *1	▲6.7	▲0.7	▲5.7	▲2.3	▲4.8	
	Self-inspection *2	▲11.3	▲18.5	▲23.3	▲35.7	▲38.5	
	Stricter accounting standards *3	▲21.5	▲22.7	▲21.9	▲20.2	▲19.5	
	Revenue (after)	767.2	846.8	954.0	966.4	1,013.1	
	(Ref.) Impact ratio	(5%)	(5%)	(5%)	(6%)	(6%)	
Operating profit	Operating profit (before)	51.2	65.2	62.2	68.3	75.2	(Operating profit restatement factors) ・As shown in the attached supplementary materials (Details of impairment losses) ・Prior-year impairment related to biomass power generation (Ako, Kanda, Onahama)
	Special Investigation Committee *1	▲1.9	▲1.7	▲1.7	+1.3	▲3.6	
	Self-inspection *2	▲1.7	▲0.7	▲4.3	▲5.6	▲6.8	
	Impairment losses	▲0.1	▲0.0	▲32.6	▲2.6	▲0.1	
	Stricter accounting standards *3	+0.2	▲0.2	▲0.9	▲2.3	▲2.1	
	Operating profit (after)	47.8	62.5	22.7	59.0	62.5	
	(Ref.) Impact ratio	(7%)	(4%)	(63%)	(14%)	(17%)	

*2026/4/3 release “Details of the investigation results, disposition of involved parties, and recurrence-prevention measures regarding the inappropriate accounting case”, and the 6/22 release “Notice regarding receipt of the additional investigation report from the Special Investigation Committee and future response” reflected.

*1= Fraud *2= Largely error *3= Restatement due to stricter accounting standards

Impact of Inappropriate Accounting, etc.

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[BS Prior-Year Restatement]

(Unit: Billion yen)		Amount of Prior Period Adjustments (Fiscal Year) 2020	2021	2022	2023	2024
Assets	Before restatement	926.8	1,022.0	1,091.6	1,222.7	1,250.1
	After restatement	966.3	1,042.6	1,086.6	1,187.3	1,210.1
	Difference	39.5	20.6	▲5.0	▲35.4	▲40.0
	% change	4.3%	2.0%	▲0.5%	▲2.9%	▲3.2%
Liabilities	Before restatement	554.4	602.2	645.2	714.2	713.3
	After restatement	619.6	653.2	704.7	747.4	751.9
	Difference	65.2	51.0	59.6	33.2	38.6
	% change	11.8%	8.5%	9.2%	4.6%	5.4%
Equity	Before restatement	372.4	419.9	446.5	508.5	536.9
	After restatement	346.6	389.5	381.9	439.9	458.2
	Difference	▲25.7	▲30.4	▲64.6	▲68.6	▲78.6
	% change	▲6.9%	▲7.2%	▲14.5%	▲13.5%	▲14.6%

Consolidated Results / Full-Year Results Highlights

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[Full-year results]

(Unit: Billion yen)	2024 Results (Restated)	2025 Results	Change	
			Amount	Rate
Revenue	1,013.1	1,066.8	+53.7	+5.3%
Business profit (①)	70.2	74.5	+4.3	+6.1%
Non-recurring factors (②)	▲7.7	▲111.7	▲104.0	–
Operating profit (①+②)	62.5	▲37.2	▲99.7	–
Profit attributable to owners of parent	39.9	▲63.9	▲103.9	–

Business profit margin	6.9%	7.0%	+0.1%	–
Operating profit margin	6.2%	▲3.5%	▲9.7%	–
EPS (net income per share)*1	175円	▲279円	▲454円	–
ROE (Return on equity)*2	9.2%	–	–	–
ROIC (Return on invested capital)*3	4.8%	–	–	–

*1 Basic earnings per share is calculated using the weighted-average number of shares outstanding during the period.
*2 "Profit attributable to owners of the parent"÷"Equity attributable to owners of the parent (average of beginning and end of period)"
*3 "Profit attributable to owners of the parent"÷"Invested capital, calculated as equity attributable to owners of the parent plus interest-bearing debt"

(Finance Cost)

- Losses on Overseas Hydrogen-Related Investments: ▲12.2 billion yen

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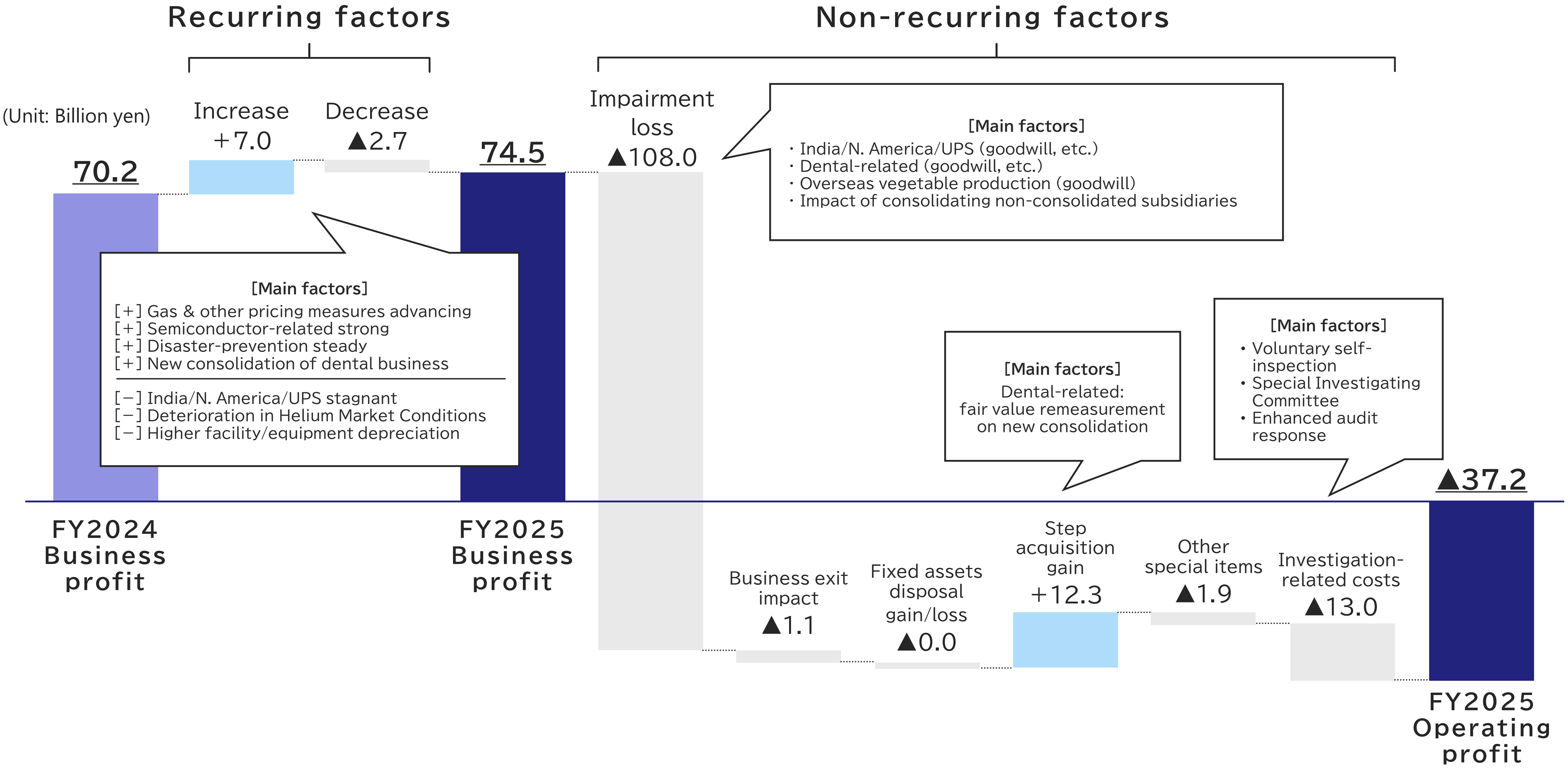
[Business Profit / Operating Profit ― Changes]



Consolidated Results / Full-Year Results Highlights

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[Non-recurring factors]

(Unit: Billion yen)	FY2025 (at Q2)	FY2025 actual	Change	Main factors for FY2025 actual results
Impairment loss	▲37.8	▲108.0	▲70.2	• Review of future profitability India industrial gas/goodwill & fixed assets (▲46.4), dental-related/goodwill (▲16.4) high-output UPS/goodwill (▲10.4), N. America industrial gas/goodwill (▲6.6) Onahama biomass power/fixed assets (▲4.7), Kanda biomass power/fixed assets (▲3.8) • Decline in business profitability N. America cryogenic equipment/goodwill, etc. (▲4.1), overseas vegetable production/goodwill (▲3.2) Domestic biomass facilities/fixed assets (▲3.0), N. America engineering/intangible assets (▲2.2)
Business exit impact	▲6.6	▲1.1	+5.5	(▲6.6: partial reclassification of Impairment losses & Other special gains/losses included therein)
Gain/loss on disposal of fixed assets	0.0	▲0.0	▲0.0	
Other special gains/losses	▲13.5	▲2.6	+10.9	• Step-acquisition gain from new consolidation of dental-related business (+12.3) • Investigation-related expenses (▲12.8)
Non-recurring factors (②)	▲57.9	▲111.7	▲53.8	

(Investigation-related expenses breakdown)

- FY2025 actual: ¥13.0 billion — Voluntary self-inspection support (60%), Special Investigating Committee operation (20%), Enhanced audit response (20%)

  *Voluntary self-inspection support: accounting/bookkeeping support, internal-control support, leniency response

Consolidated Statement of Income

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[Statement of Income]

(Unit: Billion yen)	FY2024 actual (restated)	FY2025 actual	Change	
			Amount	Rate
Revenue	1,013.1	**1,066.8**	+53.7	+5.3%
Cost of sales	789.3	**826.5**	+37.2	+4.7%
Gross profit	223.8	**240.3**	+16.5	+7.4%
Selling, general & administrative expenses	168.8	**201.5**	+32.8	+19.4%
Other income and expenses	3.2	**▲79.9**	▲83.2	–
Share of profit of equity-method investments	4.3	**4.0**	▲0.3	▲7.6%
Operating profit	62.5	**▲37.2**	▲99.7	–
Finance income and costs	▲1.7	**▲14.3**	▲12.6	–
Profit before tax	60.9	**▲51.4**	▲112.3	–
Income tax expense	▲21.9	**▲14.8**	+7.1	–
Profit from discontinued operations (▲=loss)	▲0.0	–	+0.0	–
Profit for the period	39.0	**▲66.3**	▲105.2	–
Profit attributable to owners of parent	39.9	**▲63.9**	▲103.9	–
Non-controlling interests	▲1.0	**▲2.3**	▲1.4	–

EPS (net income per share)*1	175 Yen	**▲279 Yen**
ROE (return on equity)*2	9.2%	–
ROIC (return on invested capital)*3	4.8%	–

*1 Basic net income per share is calculated using the weighted-average number of shares outstanding during the period.

*2 "Profit attributable to owners of parent" ÷"Equity attributable to owners of parent (average of beginning and end of period)"

*3 "Profit attributable to owners of parent" ÷"Invested capital (shareholders' equity + interest-bearing debt)"

Consolidated Statement of Financial Position

[Financial Statements]

(Unit: Billion yen)	2025/3 (after restatement)	2026/3	Change
[Assets]			
Cash and cash equivalents	73.2	87.1	13.9
Trade receivables	230.4	206.9	▲23.4
Inventories	101.0	121.8	20.8
Others	37.9	50.8	12.9
Current assets Total	442.5	466.6	24.1
Property, plant and equipment	506.2	505.6	▲0.6
Goodwill	78.2	51.6	▲26.6
Intangible assets	41.7	32.0	▲9.7
Others	141.4	160.5	19.0
Non-current assets Total	767.6	749.7	▲17.9
Total assets	1,210.1	1,216.3	6.2

(Unit: Billion yen)	2025/3 (after restatement)	2026/3	Change
[Liabilities]			
Trade payables	177.9	173.4	▲4.5
Interest-bearing debt	466.0	515.7	49.7
Others	108.0	116.2	8.2
Total liabilities	751.9	805.3	53.4

[Equity]			
Equity attributable to owners of parent	442.2	390.2	▲52.0
Non-controlling interests	16.0	20.7	4.7
Total equity	458.2	411.0	▲47.3
(Net D/E ratio*)	(0.89)	(1.10)	(+0.21)

* "Net interest-bearing debt" ÷ "Equity attributable to owners of parent"

Liabilities· Equity (Total)	1,210.1	1,216.3	6.2

Cash Flow Overview

[Cash Flow Statement]

(Unit: Billion yen)	FY2024 Actual (after restatement)	FY2025 Actual	Change
Profit before tax	60.9	▲51.4	▲112.3
Depreciation and amortization	48.2	57.1	+8.8
Impairment losses	9.5	108.0	+98.5
Loss on disposal and sale of non-current assets	▲4.9	▲0.2	+4.7
Change in working capital	▲5.5	16.9	+22.4
Gain on step acquisition	―	▲12.3	▲12.3
Taxes and others	▲15.5	▲10.4	▲5.1
Operating cash flow (①)	+92.7	+107.6	+14.8
Capital expenditure	▲69.9	▲73.3	▲3.3
Change in investment securities	4.0	5.0	+1.0
Payments for acquisition of subsidiary shares	▲2.5	▲25.8	▲23.3
Asset sales and others	8.1	5.5	▲2.6
Investing cash flow (②)	▲60.3	▲88.6	▲28.3
Free cash flow (①+②)	32.5	19.0	▲13.5
Financing cash flow (③)	▲28.3	▲5.7	+22.6

Cash and cash equivalents at end of period	73.2	87.1	+13.9

Capital Expenditure and Depreciation

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[Company-wide total]

(Unit: Billion yen)	FY2024 Actual	FY2025 Actual	Change
Capital expenditure	80.5	65.1	▲15.3
(of which global-related*)	(12.9)	(23.0)	(+10.0)

*Capital expenditure of global businesses (India, North America, UPS, etc.)

[Breakdown by segment]

(Unit: Billion yen)	FY2025 Actual		FY2025 Main new & growth capital expenditure
	Capital expenditure	Depreciation	
Digital & Industry	33.1	26.1	India industrial gas plant, North America industrial gas plant, domestic gas plant for semiconductors
Energy Solution	6.3	4.1	Biomethane production facility, hydrogen production plant, LP gas and kerosene sales equipment
Health & Safety	5.2	6.2	Aerosol factory equipment
Agriculture & Food	6.0	6.4	Beverage filling equipment, agricultural product processing equipment
Other businesses	9.0	14.3	Salt production plant, additional truck vehicles, truck body fabrication factory
Head office	5.6	0	Head office relocation, Sakai office renewal
Total	65.1	57.1	

Ⅲ. FY2026 Full-Year Financial Results forecast

Consolidated Earnings Forecast

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[Full-Year Results]

(Unit: Billion yen)	FY2025 Actual	FY2026 Forecast	Change	
			Amount	Rate
Revenue	1,066.8	1,140.0	+73.2	+6.9%
Business Profit (1)	74.5	76.4	+1.9	+2.6%
Non-recurring Factors (2)	▲111.7	▲28.4	+83.3	–
Operating Profit (1+2)	▲37.2	48.0	+85.2	–
Profit attrib. to owners of parent	▲63.9	28.0	+91.9	–

Business Profit Margin	7.0%	6.7%	▲0.3%	–
Operating Profit Margin	▲3.5%	4.2%	+7.7%	–

(External support cost breakdown)

- FY2026 estimate: Approximately ¥25.0 billion

Main components = Voluntary inspection response, Special Investigation Committee, whose investigation concluded at the end of June, strengthened audit response, removal of Securities-on-Alert designation

Going forward, part of the voluntary-inspection response is expected to shift to internal personnel costs with plans to assign an additional 100 to 200 personnel

*Voluntary inspection: accounting/bookkeeping support, internal-control support, leniency response

Current Business Environment

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[Business Environment]

	Business environment and measures for core products		
Digital & Industry	• Domestic industrial gas • Overseas industrial gas	: Backed by generative AI demand, advanced semiconductors strong : Centered on India steel & N. America semiconductors, demand robust	➡ Continue strengthening new-customer acquisition and pricing ➡ Advance new acquisition and production-capacity enhancement
Energy Solution	• LP gas & kerosene • CO_2 & hydrogen	: Crude oil price risk from Middle East situation : Feedstock gas shortage remains an industry issue	➡ LP gas fuel conversion and continued business-rights acquisitions ➡ Domestic: focus on building a stable supply system
Health & Safety	• Medical gas • Facility construction	: Hospitals & medical institutions curbing consumables use : New hospital-facility construction stagnating, but renewal needs exist	➡ Strengthen new acquisition and total solutions ➡ In disaster-prevention equipment, cultivate power-related & DC-oriented demand
Agriculture & Food	• Produce distribution & processing • Beverage contract manufacturing	: Rising temperatures & heatwaves cloud harvest volumes : Product price rises may weaken consumer sentiment	➡ Expand contract farms and promote variety switching ➡ Continue cost optimization and productivity gains
Other Businesses	• Logistics • Specialized trading	: Diesel prices & labor costs keep rising : Advanced semiconductors stay strong on factory expansions	➡ Continue optimizing contract fees ➡ Drive volume expansion in response to demand trends

[Middle East Situation Impact]

	Impact on key divisions and measures	
Raw material procurement (Direct impact)	• Impact on helium gas procurement & sales is limited; maintaining stable supply domestically and overseas	➡ LP gas & kerosene: reflecting crude wholesale price changes, implement timely pass-through to selling prices
Electricity cost (Indirect impact)	• For electricity charges, driven by surging crude oil prices, assume cost increases (manufacturing cost)	➡ Especially for industrial gas, strengthen & advance price-management strategy
Logistics cost (Indirect impact)	• For logistics costs, higher diesel raises procurement cost and assume higher transport-outsourcing fees (cost of goods)	➡ Advance appropriate price pass-through; in logistics, consider flexible fee optimization and diesel procurement

Capital Expenditure Plan

[Company-wide Total]

(Unit: Billion yen)	FY2025 Actual	FY2026 Forecast	Change
Capital Expenditure	65.1	74.8	+9.6
(of which global-related*)	(23. 0)	(13.4)	(▲9.6)

*Capex for India, North America, UPS, etc.

[Breakdown by Segment]

(Unit: Billion yen)	Capital Expenditure			FY2026Forecast Key New & Growth Capex
	FY2025 Actual	FY2026 Forecast	Change	
Digital & Industry	33.1	38.0	+4.9	Gas plants for semiconductor factories, overseas on-site gas plants
Energy Solution	6.3	5.9	▲0.3	CO2 & hydrogen-related facilities, biomethane-related facilities
Health & Safety	5.2	9.8	+4.6	Medical gas filling, aerosol plant, dental plant facilities
Agriculture & Food	6.0	6.6	+0.6	New beverage production lines, agricultural productprocessing & storage, ham/deli plant facilities
Other Businesses	9.0	13.1	+4.1	Salt plant power generation, magnesia plant, semiconductor materials center relocation
Headquarters	5.6	1.3	▲4.3	Gas-related, medical-related,seawater-related R&D facilities & equipment
Total	65.1	74.8	+9.6	

Dividends and Shareholder Returns

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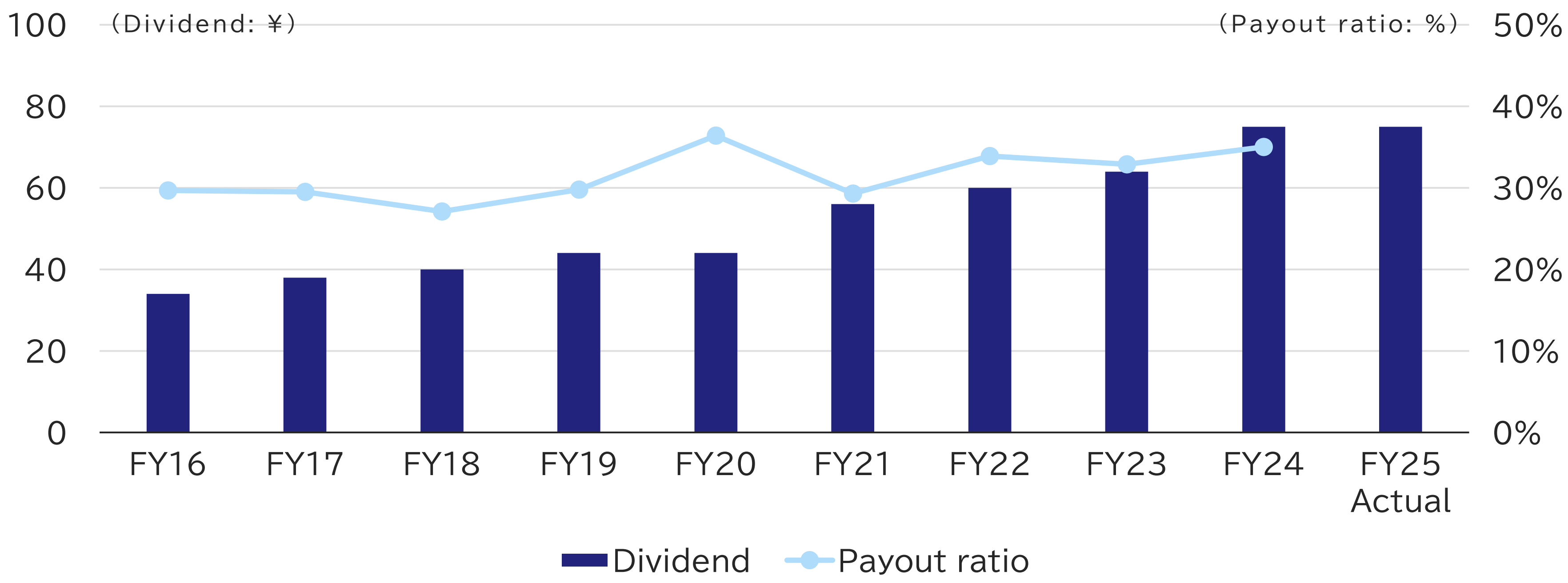
[Dividend Forecast and Historical Trend]

(Dividend results and forecast)

	FY2024 Actual	FY2025 Actual	FY2026 Forecast	Change
Dividend per share	¥75	¥75	TBD	TBD

(Past 10 years — dividend and payout ratio trend)



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Ⅳ. Segment Information

Performance by Segment

[Results Summary]

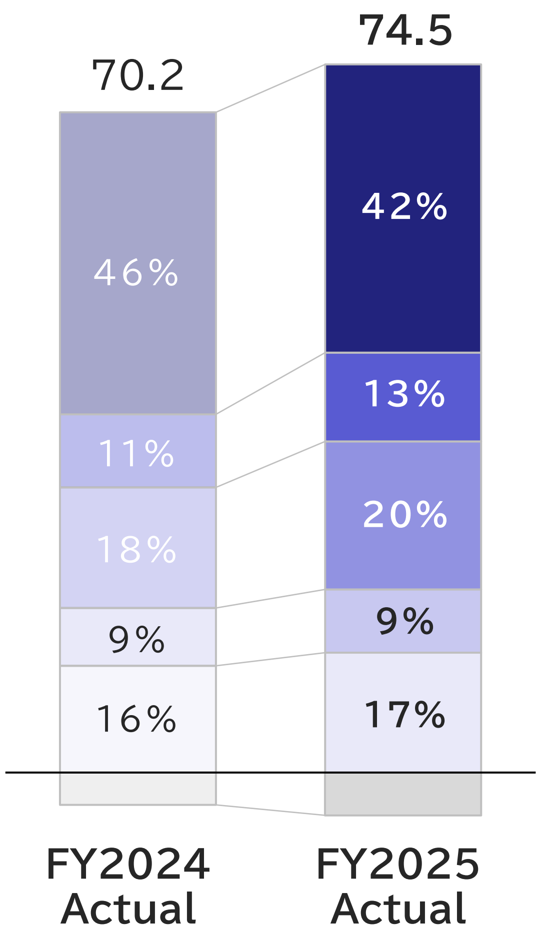
(Unit: Billion yen)	Revenue				Business Profit				Operating Profit			
	FY2024 Actual	FY2025 Actual	Change	Change %	FY2024 Actual	FY2025 Actual	Change	Change %	FY2024 Actual	FY2025 Actual	Change	Change %
Digital & Industry	344.5	**329.9**	▲14.6	▲4.2%	33.8	**32.6**	▲1.2	▲3.6%	30.1	**▲40.9**	▲71.0	–
Energy Solution	92.7	**98.5**	+5.8	+6.3%	8.2	**10.1**	+1.9	+23.2%	8.1	**6.4**	▲1.7	▲21.4%
Health & Safety	220.5	**268.5**	+48.0	+21.8%	13.5	**16.2**	+2.7	+20.0%	11.9	**10.4**	▲1.5	▲13.0%
Agriculture & Food	149.7	**153.0**	+3.3	+2.2%	6.5	**7.1**	+0.6	+9.2%	5.0	**3.7**	▲1.3	▲26.5%
Other Businesses	205.7	**216.9**	+11.2	+5.4%	11.8	**13.4**	+1.6	+13.6%	7.5	**1.5**	▲6.0	▲80.3%
Adjustments*	0.0	**0.0**	+0.0	–	▲3.6	**▲4.8**	▲1.2	+33.3%	▲0.1	**▲18.2**	▲18.1	–
Total	1,013.1	**1,066.8**	+53.7	+5.3%	70.2	**74.5**	+4.3	+6.1%	62.5	**▲37.2**	▲99.7	–

*Adjustments: elimination of inter-segment transactions and corpotate income and expenses not allocated to individual segments

Performance by Segment

[Business Profit Composition Trend]

※Percentages in te chart represent each segment's share of total business profit.



(Unit: Billion yen)

	Business Profit FY2024 Actual	FY2025 Actual	Change	Key Change Factors
Digital & Industry	33.8	32.6	▲1.2	[+] Air-separation gas pricing, strong semiconductor demand [−] India industrial gas & high-output UPS sluggish
Energy Solution	8.2	10.1	+1.9	[+] CO2 gas pricing, higher household energy [−] Higher depreciation for renewables & green industrial gas
Health & Safety	13.5	16.2	+2.7	[+] Strong fire-suppression, new dental consolidation [−] Lower supply/sales of medical gases, devices & consumables
Agriculture & Food	6.5	7.1	+0.6	[+] Ham/deli pricing, produce-retail site rationalization [−] Lower overseas farming, produce distribution & processing
Other Businesses	11.8	13.4	+1.6	[+] Logistics fee revisions, lower power-fuel prices [−] Power output curtailment, intensified magnesia competition
Adjustments*	▲3.6	▲4.8	▲1.2	
Total	70.2	74.5	+4.3	

*Adjustments: elimination of inter-segment transactions and HQ P&L not allocated to segments

Performance by Segment

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[Non-recurring Factors]

(Unit: Billion yen)	FY2024 Actual					FY2025 Actual				
	Non-recurring Factors	Impairment loss	Business withdrawal	Gain/Loss on Sale and Disposal of Fixed Assets	Other special P&L	Non-recurring Factors	Impairment loss	Business withdrawal	Gain/Loss on Sale and Disposal of Fixed Assets	Other special P&L
Digital & Industry	▲3.7	▲3.0	▲1.4	▲0.1	+0.8	▲73.5	▲70.4	▲1.8	+0.9	▲2.2
Energy Solution	▲0.1	▲0.0	+0.0	▲0.0	+0.0	▲3.7	▲4.0	+0.0	+0.3	+0.0
Health & Safety	▲1.5	▲1.4	+0.0	+0.0	▲0.1	▲5.8	▲18.0	+0.0	▲0.2	+12.4
Agriculture & Food	▲1.6	▲1.4	+0.4	▲0.1	▲0.5	▲3.4	▲3.6	+0.6	▲0.2	▲0.2
Other Businesses	▲4.3	▲3.5	+0.0	+0.1	▲0.9	▲11.9	▲11.4	+0.0	▲0.7	+0.2
Adjustments*	+3.5	▲0.0	+0.0	+3.5	+0.0	▲13.4	▲0.5	+0.0	▲0.1	▲12.8
Total	▲7.7	▲9.5	▲1.0	+3.4	▲0.7	▲111.7	▲108.0	▲1.1	▲0.0	▲2.6

*Adjustments: elimination of inter-segment transactions and HQ P&L not allocated to segments

Segment Details

Digital & Industry

Segment Policy & Strategy

1. Strengthen semiconductor & electronics businesses
2. Expand global business (India, N. America, UPS)
3. Thorough price management, streamline supply chain

FY2025 Business Environment

- Strong demand continues for advanced semiconductors for generative AI
- Other domestic industries mostly flat
- India & N. America: volatile environment with risks

(Unit: Billion yen)	FY2024 Actual	FY2025 Actual	Change
Revenue	344.5	329.9	▲14.6
Business Profit (①)	33.8	32.6	▲1.2
Business Profit Margin	9.8%	9.9%	+0.1%
Impairment loss	▲3.0	▲70.4	▲67.4
Business withdrawal	▲1.4	▲1.8	▲0.4
Gain on step acq.	▲0.1	+0.9	+0.9
Other special P&L	+0.8	▲2.2	▲3.0
Non-recurring Factors (②)	▲3.7	▲73.5	▲69.8
Operating Profit (①+②)	30.1	▲40.9	▲71.0
Operating Profit Margin	8.7%	▲12.4%	▲21.1%

(Note) From Q3 FY2025, regional companies' CO_2 & hydrogen businesses are managed under Energy Solution. (Including a negative impact of ▲0.8 billion yen from business transfers.)

FY2025 Business Profit (①): Key Change Factors

Positive

- ● Air-separation gas price management
- ◆ Higher sales of semiconductor gas & related products
- ◆ O-ring & functional materials: demand recovery, price revisions
- ■ Better cost & procurement for N. America industrial gas

Negative

- ■ Lower N. America cryo-equipment sales on weak environment
- ■ Lower India industrial-gas on-site & merchant volume
- ● Weaker helium market
- ★ Lower on-site volume for steel

FY2025 Non-recurring Factors (②)

Impairment loss	■Industrial gas (India)	Goodwill	▲46.4	Review of future profitability
	■High-output UPS	Goodwill, etc.	▲10.4	Review of future profitability
	■Industrial gas (N. America)	Goodwill	▲6.6	Review of future profitability
	■Cryo equipment (N. America)	Goodwill, etc.	▲3.9	Lower profitability
Business withdrawal	■Cryo equipment (N. America)	Company liquidation	▲1.7	One-time loss on withdrawal (incl. impairment loss)

● Industrial Gas ★ Gas Products ◆Digital ■ Global Engineering

Segment Details

Energy Solution

Segment Policy & Strategy

1. Secure feedstock-gas sources, maintain stable supply
2. Expand response to low-carbon & carbon neutrality
3. Thorough price management, stronger business-right acquisitions

FY2025 Business Environment

- Active demand in strategic industries like semiconductors & shipbuilding
- Feedstock-gas source industries trending to lower output
- Hokkaido energy consumption declining with population

(Unit: Billion yen)	FY2024 Actual	FY2025 Actual	Change
Revenue	92.7	98.5	+5.8
Business Profit (①)	8.2	10.1	+1.9
Business Profit Margin	8.9%	10.2%	+1.4%
Impairment loss	▲0.0	▲4.0	▲4.0
Business withdrawal	+0.0	+0.0	+0.0
Gain on step acq.	▲0.0	+0.3	+0.4
Other special P&L	+0.0	+0.0	+0.0
Non-recurring Factors (②)	▲0.1	▲3.7	▲3.6
Operating Profit (①+②)	8.1	6.4	▲1.7
Operating Profit Margin	8.8%	6.5%	▲2.3%

(Note) From Q3 FY2025, regional companies' CO_2 & hydrogen businesses are managed under Energy Solution. (Including a positive impact of +0.8 billion yen from business transfers)

FY2025 Business Profit (①): Key Change Factors

Positive

- ★ Price management for CO_2 & hydrogen
- ● LP gas & kerosene price revisions, higher household volume
- ● LP gas & kerosene ancillary-service fee revisions
- ★ K&O Energy equity-method profit

Negative

- ★ Higher depreciation for renewables & green industrial gas
- ● LNG-related equipment sales down
- ● LNG sales down
- ● LP gas & kerosene equipment & construction down

FY2025 Non-recurring Factors (②)

Impairment loss	★ Biogas related	Fixed assets	▲3.0	Loss of recoverable amount (accidents/troubles, etc.)
Business withdrawal	(None)			

●Energy Solution ★ Green Innovation

Segment Details

Health & Safety

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Segment Policy & Strategy

1. Fire suppression, dental materials, etc.: strengthen & expand growth areas
2. Maintain stable earnings base (medical gases, hospital equipment, etc.)
3. Review product lineup, streamline supply chain

FY2025 Business Environment

- Strong equipment demand for power facilities & data centers
- Medical: tough environment continues in hospital management
- Dental: tailwind from aging demand & digitalization

(Unit: Billion yen)	FY2024 Actual	FY2025 Actual	Change
Revenue	220.5	268.5	+48.0
Business Profit (①)	13.5	16.2	+2.7
Business Profit Margin	6.1%	6.0%	▲0.1%
Impairment loss	▲1.4	▲18.0	▲16.6
Business withdrawal	+0.0	+0.0	+0.0
Gain on step acq.	+0.0	▲0.2	▲0.2
Other special P&L	▲0.1	+12.4	+12.5
Non-recurring Factors (②)	▲1.5	▲5.8	▲4.2
Operating Profit (①+②)	11.9	10.4	▲1.5
Operating Profit Margin	5.4%	3.9%	▲1.5%

FY2025 Business Profit (①): Key Change Factors

Positive	■ Ci Medical equity-method profit & new consolidation ★ More fire-suppression orders for power facilities ◆ Higher injection-needle sales ◆ Higher consumer hygiene-product sales
Negative	● Lower supply/sales of medical oxygen, devices & consumables ★ Fewer overseas hospital orders, higher material costs ★ Reaction to prior-year marine fire-suppression demand ◆ Reaction to prior-year aerosol special demand

FY2025 Non-recurring Factors (②)

Impairment loss	■ Dental related	Goodwill, etc.	▲16.4	Review of future profitability
Business withdrawal	(None)			

● Medical Products ★ Disaster Prevention ◆Home Healthcare ■ Dental Care

Segment Details

Agriculture & Food

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Segment Policy & Strategy

1. Build a high-profit value chain in Agri
2. Strengthen stable procurement, distribution & processing platforms
3. Price optimization for cost increases and consumption trends

FY2025 Business Environment

- Farm produce hit hard by recent temperature rise and heat waves
- Ham & deli face continued rise in imported material costs
- Beverages: concern over weaker sentiment amid price hikes

(Unit: Billion yen)	FY2024 Actual	FY2025 Actual	Change
Revenue	149.7	153.0	+3.3
Business Profit (①)	6.5	7.1	+0.6
Business Profit Margin	4.4%	4.6%	+0.2%
Impairment loss	▲1.4	▲3.6	▲2.2
Business withdrawal	+0.4	+0.6	+0.2
Gain on step acq.	▲0.1	▲0.2	▲0.2
Other special P&L	▲0.5	▲0.2	+0.3
Non-recurring Factors (②)	▲1.6	▲3.4	▲1.8
Operating Profit (①+②)	5.0	3.7	▲1.3
Operating Profit Margin	3.3%	2.4%	▲0.9%

(Note) In the second quarter of FY2025, Logistics was reclassified into the "Other Businesses" segment.
Accordingly, prior-year figures have also been reclassified and presented under the latest segment structure.

FY2025 Business Profit (①): Key Change Factors

Positive	★ Stronger ham/deli sales, pricing management ● Streamlined produce-retail store ops ★ Better factory productivity for CVS sweets ◆ Pricing management in beverage contract mfg
Negative	★ Lower overseas vegetable output on poor weather ★ Intensified competition in CVS sweets ● Lower produce volume, higher processed-goods costs ◆ Inventory write-downs in processing vegetables, etc.

FY2025 Non-recurring Factors (②) *500M or more listed

Impairment loss	★ Vegetable prod. (overseas)	Goodwill	▲3.2	Lower profitability
Business withdrawal	(None)			

● Agri ★ Foods ◆Beverages

Segment Details

Other Businesses

Segment Policy & Strategy

1. Strengthen earnings power centered on salt & magnesia pricing measures
2. Agile optimization of contract fees in logistics
3. Strengthen sales of electronic materials for semiconductors & electronics

FY2025 Business Environment

- Salt & magnesia: intensifying competition in Japan and overseas
- Logistics: continued rise in labor costs and ongoing driver shortages
- Semiconductors: advanced-chip production expected to keep expanding

(Unit: Billion yen)	FY2024 Actual	FY2025 Actual	Change
Revenue	205.7	216.9	+11.2
Business Profit (①)	11.8	13.4	+1.6
Business Profit Margin	5.7%	6.2%	+0.5%
Impairment loss	▲3.5	▲11.4	▲7.9
Business withdrawal	+0.0	+0.0	+0.0
Gain on step acq.	+0.1	▲0.7	▲0.8
Other special P&L	▲0.9	+0.2	+1.1
Non-recurring Factors (②)	▲4.3	▲11.9	▲7.6
Operating Profit (①+②)	7.5	1.5	▲6.0
Operating Profit Margin	3.6%	0.7%	▲3.0%

(Note) In the second quarter of FY2025, Logistics was reclassified into the "Other Businesses" segment.
Accordingly, prior-year figures have also been reclassified and presented under the latest segment structure.

FY2025 Business Profit (①): Key Change Factors

Positive	■ Lower biomass fuel costs; zero unplanned outages ★ Food-logistics fee optimization; new rice-logistics deals ● Salt price-management gains; more water-treatment sales ◆ More electronic-material sales for advanced chips
Negative	■ More biomass output curtailment; higher demurrage costs ● Lower road de-icing salt resale ● Tougher overseas competition in heater magnesia ★ Higher costs from new food cold-storage launch

FY2025 Non-recurring Factors (②)

Impairment loss	●■Biomass Power Generation	Fixed assets	▲8.5	Review of future profitability
Business withdrawal	(None)			

● Seawater ★ Logistics ◆ Trading ■ Electric Power ※Other

V. Supplementary Material (Business Information)

Company & Business Overview

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(As of July 1, 2026 / Certain information is presented based on the former organizational structure.)

Corporate Name	AIR WATER INC.
Corporate Name (English)	AIR WATER INC.
Established	September 24, 1929
Representative	Representative Director, President and Executive Officer Yoshihiro Senzai
Head Office	5-54 Ofukacho, Kita-ku, Osaka-shi, Osaka, Grand Green Osaka South Building Park Tower 13F
Capital	¥55.9 billion
Revenue (2025 Actual)	Consolidated 106.7 billion yen Non-consolidated 14.3 billion yen
Number of Employees (As of end-March 2026)	Consolidated 21,824 Non-consolidated 685
Number of Group Companies	262 (consolidated subsidiaries: 206)
Business Segments	■ Digital& Industry (D&I) ■ Energy Solutions (ES) ■ Health& Safety (H&S) ■ Agriculture& Foods (A&F) ■ Other (Other)

Securities Code	4088
Listed Stock Exchanges	Tokyo Stock Exchange Prime Market, Sapporo Stock Exchange
Total Shares Issued	229,755,057 shares
Number of Shareholders	47,329
Fiscal Year	April 1 to March 31 of the following year

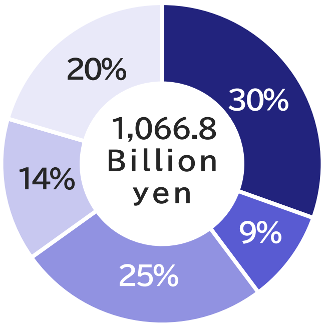
Purpose / Vision

Meeting society's needs with nature's blessings.

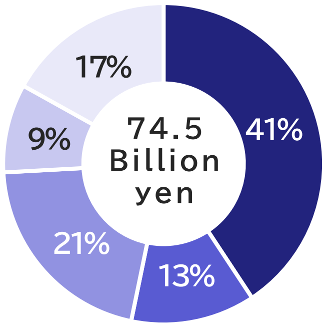
Backed by an entrepreneurial spirit,
we dedicate ourselves and our resources to
the creation and development of businesses linking
air, water and the earth.

Group Consolidated Results, etc.(2025 Actual)

Revenue



Business Profit



■D&I ■ES ■H&S ■A&F ■Other

(Consolidated Results Summary)

Net Sales	1,066.8
Business Profit	74.5
Business Profit Margin	7.0%
Operating Profit	▲111.8
Operating Profit Margin	–
Profit for the Year	▲66.3
EPS	–

Number of Consolidated Companies

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	End of March 2025	End of March 2026	Change
Consolidated subsidiaries*	202 (159)	206 (164)	Increase of 4 (increase of 5)
Equity-method affiliates	51	53	Increase of 2
Total	253 (159)	259 (164)	Increase of 6 (increase of 5)

*Figures in parentheses ( ) are reference values that count only companies for which Air Water directly performs consolidated accounting.
Affiliates for which a consolidated subsidiary performs consolidated accounting are excluded from that count.
The consolidated subsidiaries above include joint operations (jointly controlled operations).

[FY2025 Major New Consolidated Companies]

In the third quarter of FY2025, Ci Medical Co., Ltd. was newly consolidated in the Health & Safety segment. Accordingly, Nissen Holdings Co., Ltd., which has a capital relationship with Ci Medical, and 13 other companies were also newly consolidated.

In addition, as of the end of March 2025 and the end of September 2025,certain non-consolidated subsidiaries were included in the scope of consolidation.

Business Overview by Segment / Unit (FY2025 Disclosure Criteria)

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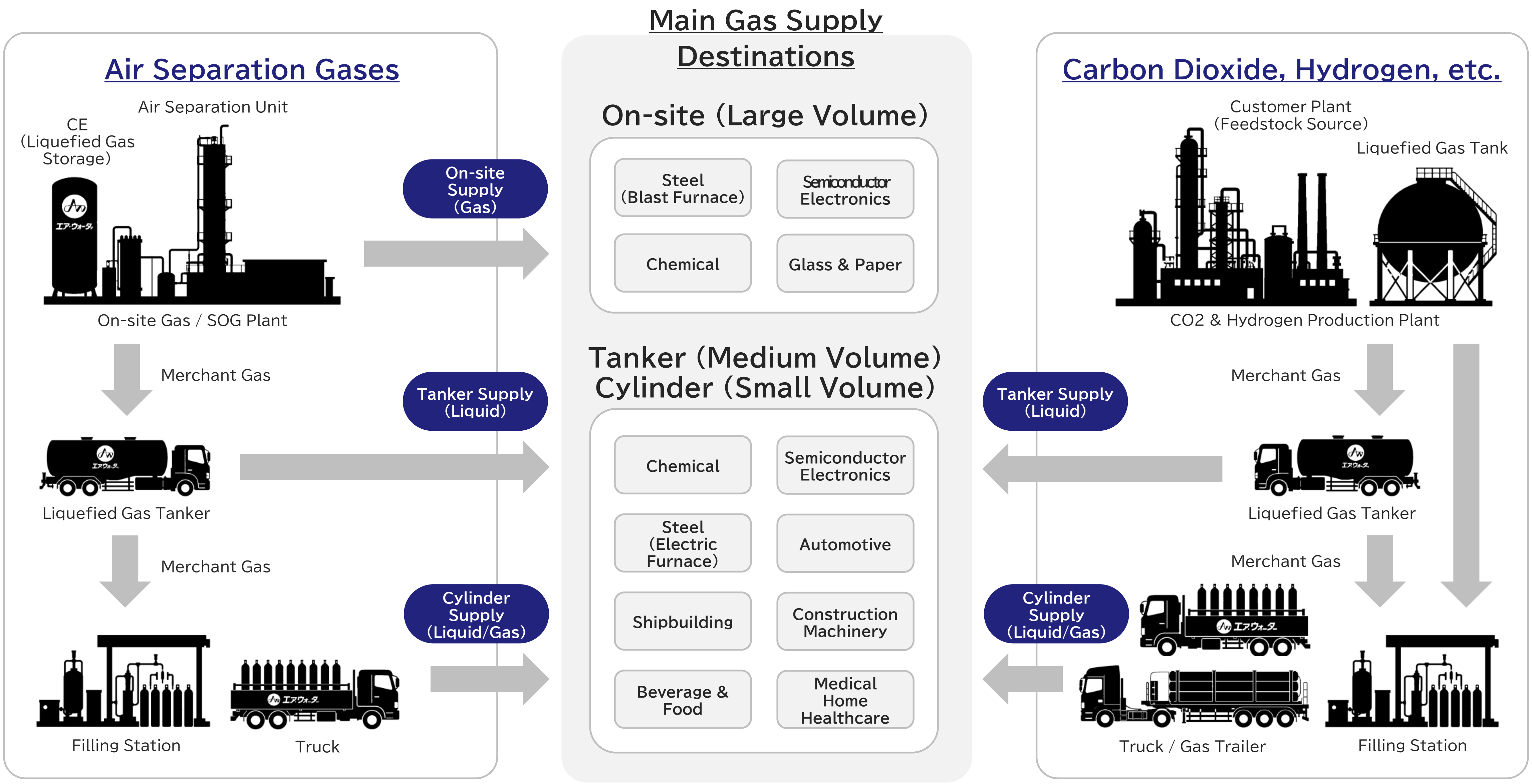
Segment	Unit	Business description
Digital & Industry	Industrial Gas	Industrial gases (air-separation gases, etc.; supply by tanker/cylinder/SOG), equipment, devices & construction
	Gas Products	On-site gas supply for steelmaking
	Digital	Gases for semiconductors & electronics, specialty gases, specialty chemicals, equipment/devices & construction, functional materials
	Global Engineering	Industrial gases, cryogenic equipment (India, North America, etc.), engineering, high-output UPS (uninterruptible power supply)
Energy Solutions	Energy Solution	LP gas & kerosene, LP gas-related equipment & construction, LNG & LNG-related equipment & construction
	Green Innovation	Industrial gases (carbon dioxide, hydrogen), liquefied biomethane, low-carbon/decarbonization business development
Health & Safety	Medical Products	Medical gases, medical devices, home medical care, SPD, contract sterilization, cardiovascular products
	Disaster Prevention	Hospital facility construction, gas fire-extinguishing systems, respirators (air respirators for firefighting)
	Home Healthcare	Aerosols & cosmetics (OEM/ODM contract manufacturing), injection needles, sanitary materials
	Dental Care	Dental materials, dental mail-order
Agriculture & Foods	Agriculture	Fresh produce distribution/processing/retail, farm tools & agricultural machinery
	Foods	Ham & delicatessen, frozen vegetables
	Beverages	Vegetable & fruit beverages (OEM contract manufacturing)
Other	Seawater	Salt, environmental products, woody biomass power generation (Ako City, Hyogo; Kanda Town, Fukuoka), magnesia
	Logistics	General logistics, food logistics, medical & environmental logistics, vehicle body outfitting
	Electric Power	Woody biomass power generation (Iwaki City, Fukushima)
	Specialized Trading	Semiconductor & electronics-related products
	Other	Construction work, etc.

Industrial Gas Supply Model



5-Year Consolidated Results Trend(Restated)

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(Unit: Billion yen)	FY2021 Actual (Restated)	FY2022 Actual (Restated)	FY2023 Actual (Restated)	FY2024 Actual (Restated)	FY2025 Actual
Revenue	846.8	954.0	966.4	1,013.1	1,066.8
Operating Profit	62.5	22.7	59.0	62.5	▲37.2
Profit Attributable to Owners of Parent	41.7	9.3	36.6	39.9	▲63.9
Operating Profit Margin	7.4%	2.4%	6.1%	6.2%	–
Operating Cash Flow(①)	61.5	58.7	78.7	92.7	107.6
Investing Cash Flow(②)	▲57.5	▲74.6	▲95.5	▲60.3	▲88.6
Free Cash Flow (①+②)	▲17.9	▲15.9	▲16.8	32.5	19.0
Financing Cash Flow	▲6.8	22.3	12.7	▲28.3	▲5.7
Cash and Cash Equivalents at End of Period	62.7	70.7	67.4	73.2	87.1

Revenue & Operating Profit Trend (After restatement)

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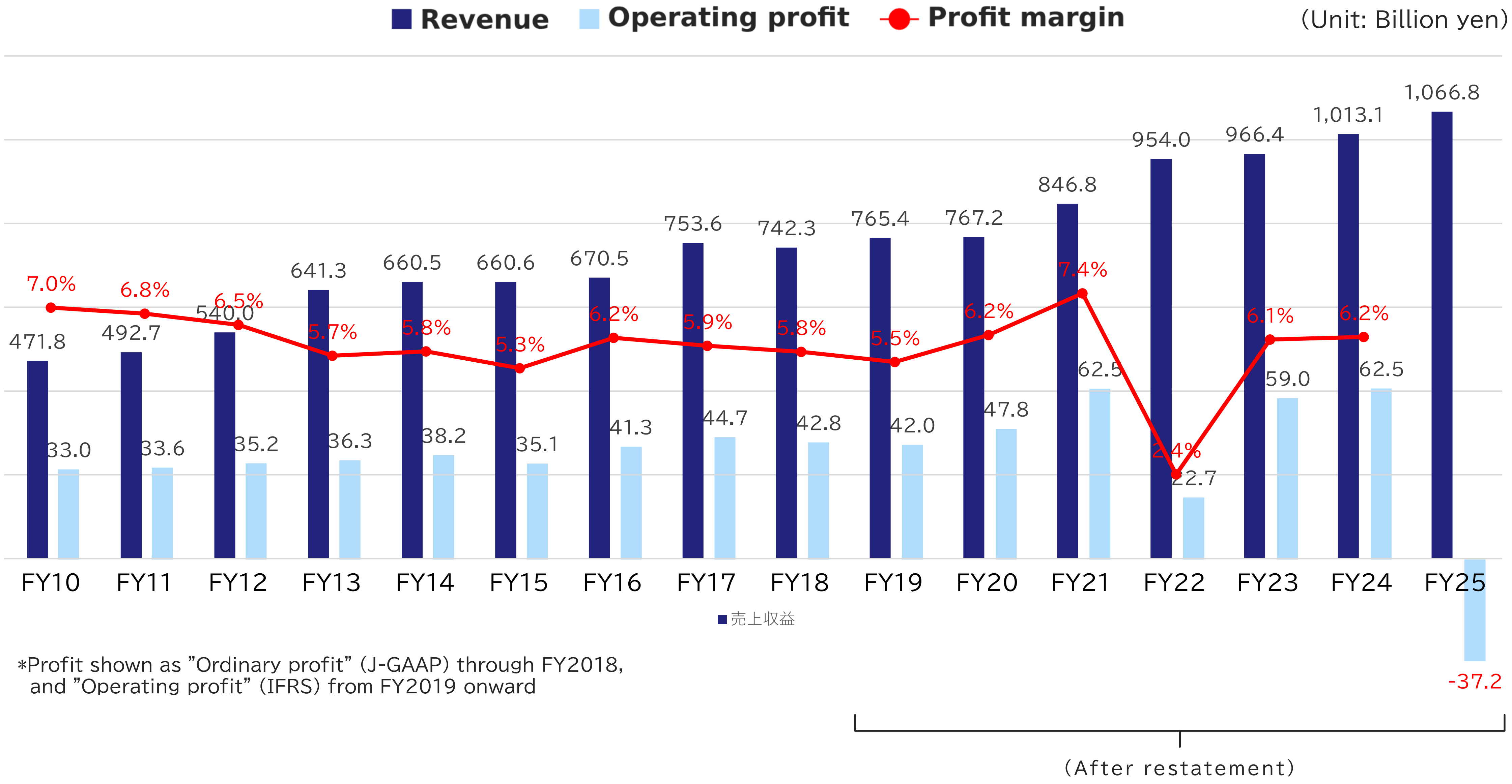

*Profit shown as "Ordinary profit" (J-GAAP) through FY2018, and "Operating profit" (IFRS) from FY2019 onward

Net Income & ROE Trend (After restatement)

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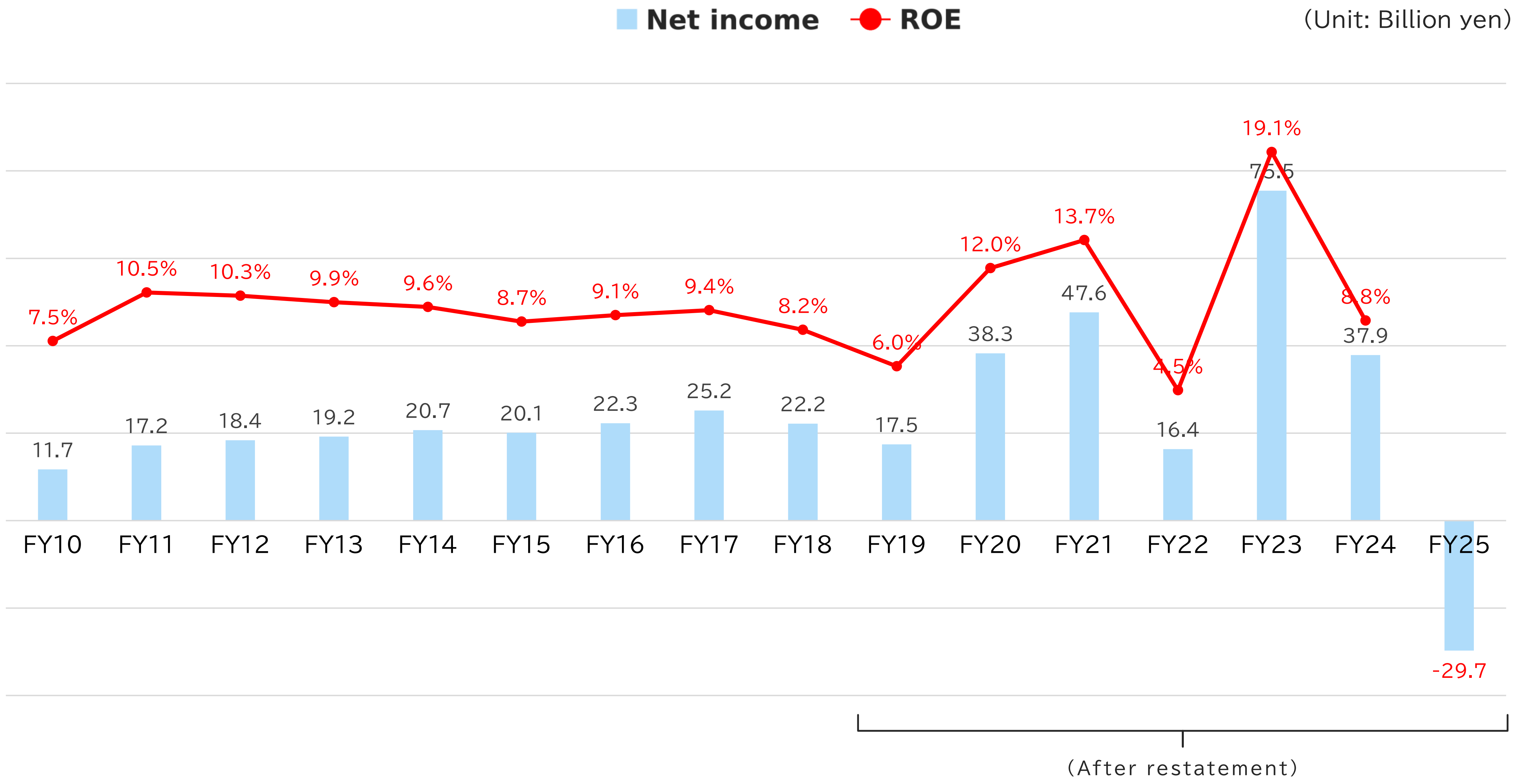
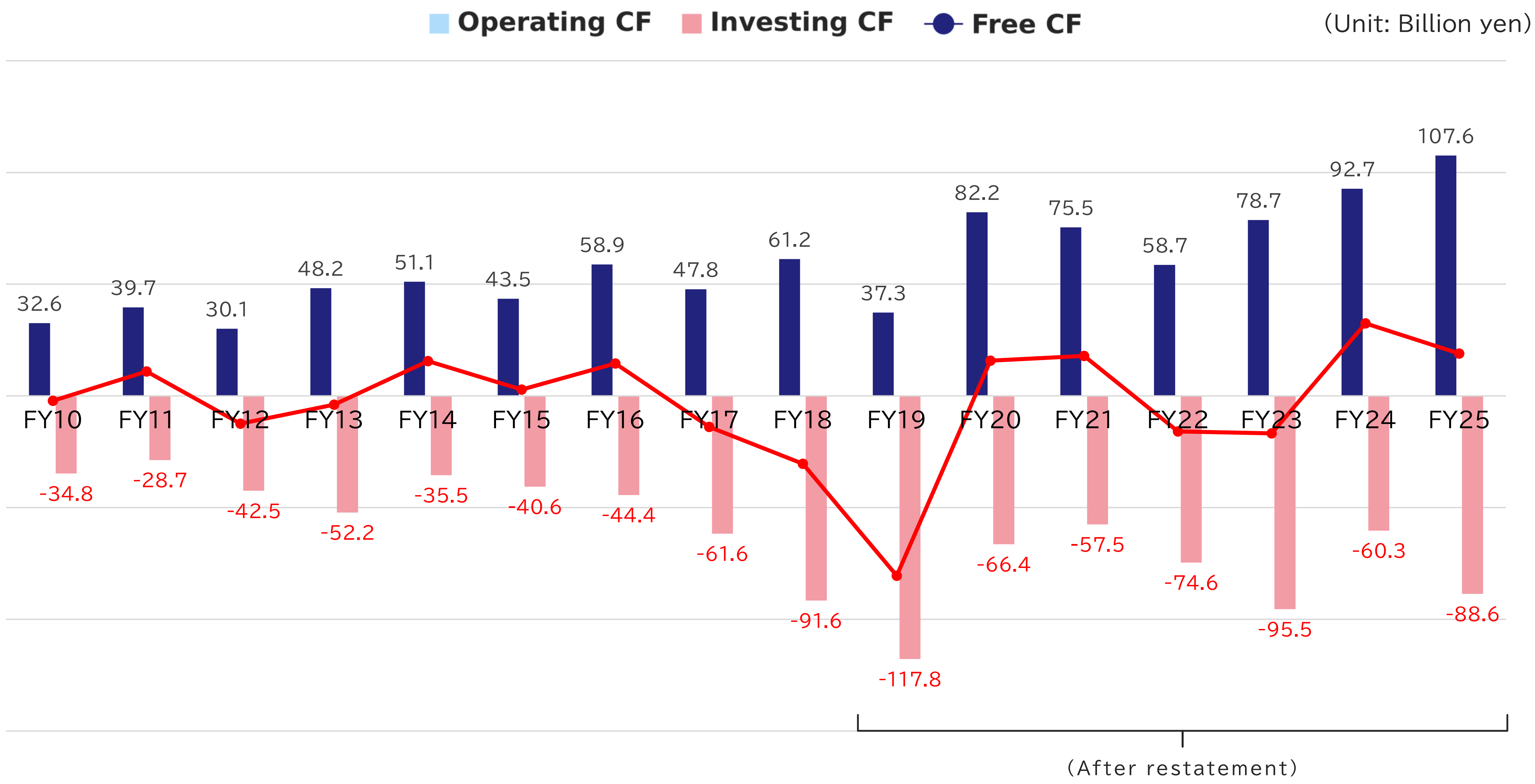


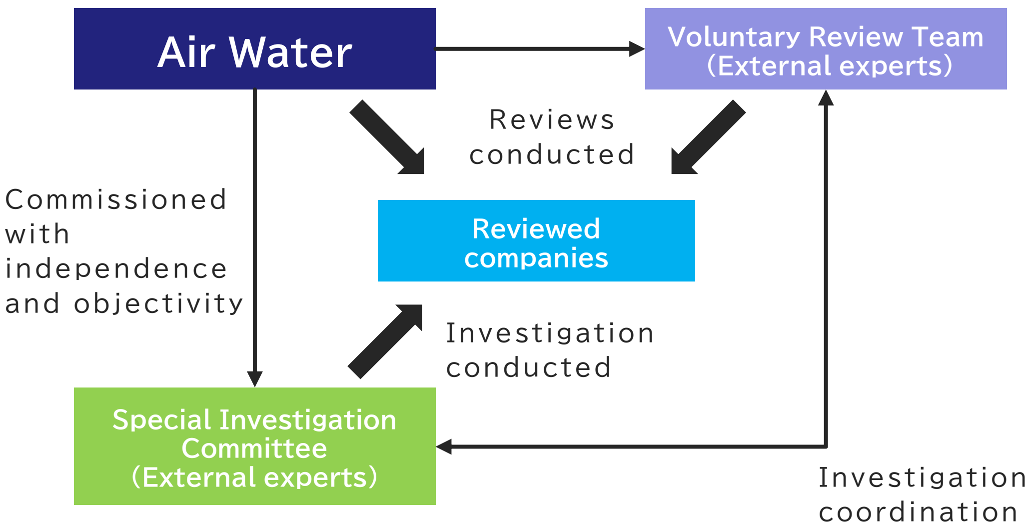
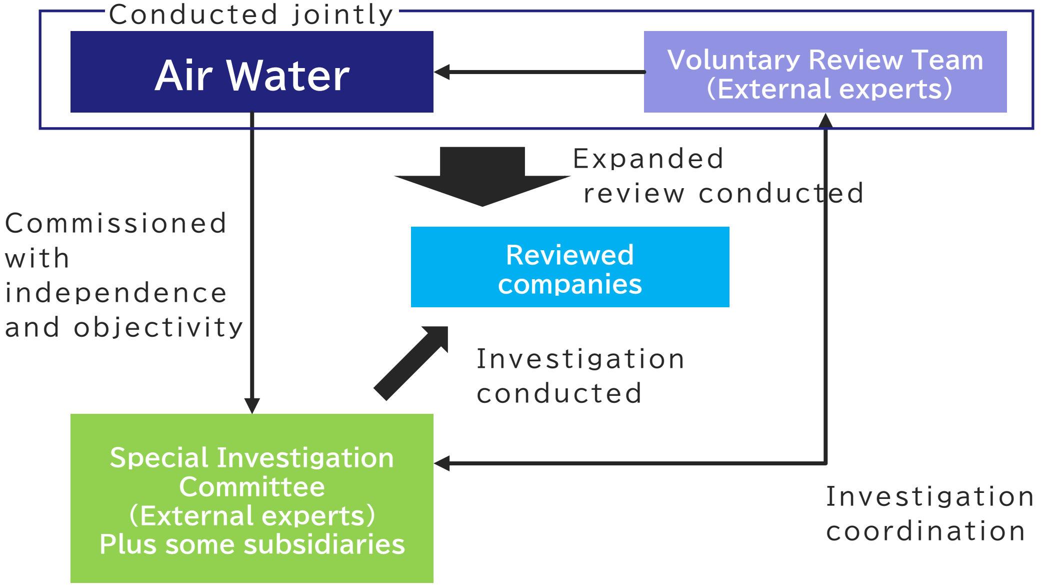
Cash Flow Trend (After restatement)



Ⅵ. Supplementary Material (Business Information)

Roles and Positioning of Voluntary Reviews at the Q2 and Fiscal Year-End Closings

The voluntary reviews conducted this time differ in their purpose and structure between the Q2 closing, when a response to the misconduct was required, and the fiscal year-end closing, when the reliability of financial reporting had to be ensured.

<table>
<tr><th></th><th>Q2 Closing (Investigation via Voluntary Review)</th><th>Fiscal Year-End Closing（Voluntary Review)</th></tr>
<tr><td>Purpose</td><td>• Clarify the full scope of the improper accounting
• Check comprehensively for the same or similar cases
• Analyze causes and consider recurrence prevention</td><td>• Conduct expanded voluntary reviews replacing internal controls to ensure reliable financial reporting</td></tr>
<tr><td>Structure</td><td>Formed a review team for early fact-finding
Commissioned an independent investigation

</td><td>Provide advice and checks for the voluntary reviews to ensure reliable financial reporting

</td></tr>
</table>

Overview of Voluntary Reviews at Fiscal Year-End Closing

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Scope: all consolidated companies (211 companies, excluding those in liquidation, etc.)

- Balance confirmation (accounts receivable)
- Verification of aged receivables

- Physical inventory count

- Physical inspection of fixed assets
- Check of fixed-asset retirement transactions
- Check of capitalized repair and research costs
- Recognition of asset retirement obligations
- Impairment of fixed assets

(Below: certain companies)
- Cost-transfer check for job-order costing projects
- Gross-margin analysis for job-order costing projects

- Monthly trend analysis of each expense
- Check of unrecorded liabilities
- Confirmation of non-recurring events
- Confirmation of basis for estimated expenses

Balance Sheet

Cash and deposits	XXX	Trade payables	XXX
Trade receivables	XXX	Bonds and borrowings	XXX
Inventories	XXX	Other financial liabilities	XXX
Other financial assets	XXX	Income taxes payable	XXX
Other current liabilities	XXX	Provisions	XXX
Assets held for sale	XXX	Other current liabilities	XXX
Property, plant and	XXX	Retirement benefit	XXX
equipment	XXX	liabilities	XXX
Goodwill	XXX	Deferred tax liabilities	
Intangible assets	XXX	Share capital	XXX
Equity-method	XXX	Capital surplus	XXX
investments	XXX	Treasury shares	XXX
Deferred tax assets		Retained earnings	XXX
Other non-current assets		Other components of	XXX
		equity	XXX
		Non-controlling interests	

Income Statement

Cost of sales	XXX	Revenue	XXX
SG&A expenses	XXX	Other income	XXX
Other expenses	XXX	Share of profit of	XXX
Finance costs	XXX	equity-method	XXX
Income tax expense	XXX	investments	
Discontinued	XXX	Finance income	
operations			

- Verification of inter-segment reallocations (certain companies)
- Financial analysis (companies above a certain size)

- Review of bonus provisions
- Recognition of asset retirement obligations

- Negative sales data
- Monthly trend analysis of sales and gross profit
- Revenue recognition questionnaire
- Verification of sales details

(Below: certain companies)
- Percentage-of-completion method (application to standards)
- Monthly analysis of construction budgets
- Consistency of raw-material issue data for construction projects
- Progress-rate analysis of construction projects
- Aging check of construction in progress

Results of self-inspection

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[Self-inspection procedures / findings]

*Performed for selected companies, e.g. those above a certain business scale

	Area	Procedures performed	Findings (prior-year total)
Inventories & fixed assets	Physical inventory count 1 (observation)	• Sept 25 closing bal. of 1 hundred million yen or more: 128 locations (78 companies, 94% coverage) subject to inventory count observation	• At some locations, potential errors and irregularities in the inventory count arose but were appropriately reflected in the books. Alternative procedures identified no material errors.
	Physical inventory count 2 (alternative procedures)	• For the 71 companies where inventory observation was not performed, alternative procedures (questionnaire) were conducted	
	Fixed asset physical inspection	• Excluding companies with no fixed assets, 172 companies subject to physical inspection of fixed assets balances as of end of March	• 45 companies / impact amount 12.4 hundred million yen (AW Life Solution, AW East Japan, etc.)
	Fixed asset retirement transaction check	• For all companies, verified whether March-period fixed asset retirement transactions were processed at the appropriate time based on supporting documentation	• 10 companies / impact amount 9.9 hundred million yen (Nihon Kaisui, Rimohab, etc.)
	Capitalization of repair and research costs	• Reviewed fixed asset recognition of expenditures lacking asset value • Extracted target line items and confirmed asset value and reversal processing	• 13 companies / impact amount 62.0 hundred million yen (Nihon Kaisui, AW West Japan, etc.)
	Impairment of fixed assets	• For all companies, confirmed presence of impairment indicators and whether impairment recognition was required	• 61 companies / impact amount 1586.9 hundred million yen (Nihon Kaisui, AW India, etc.)

Results of Self-Inspection

[Self-Inspection Procedures / Findings]

*Performed on selected companies, such as those above a certain business scale

	Procedure Category	Procedures Performed	Findings (Prior-Year Total)
Receivables / Sales	Balance Confirmation (Accounts Receivable)	•Performed March month-end balance confirmation across all companies •Alternative procedures for uncollected accounts and receivables excluded from confirmation dispatch (of total 6.5%) performed	• Total adjusting entries: 1.0 hundred million yen (net)
	Verification of Aged Receivables	•Performed March month-end balance confirmation across all companies • Verified the reasonableness of collection-delay reasons for aged receivables and the validity of related sales transactions	• 2 companies / impact amount 0.1 hundred million yen (Hitec Holding, etc.)
	Negative Sales Data (sales reversal entries) check	• Extracted transactions with repeated sales recognition and reversal processing • Verified the supporting evidence for the original recognition and the validity of the reversal processing	• None applicable
	Sales / Gross Profit Monthly Trend Analysis	• Analyzed sales and gross profit trends on a monthly basis • Verified the validity of the causes of abnormal increases and decreases	• None applicable
	Revenue Recognition Questionnaire	• All companies: confirmed distribution flow and sales recognition • Additional investigation of double-counted sales for high-risk parties •Identified issues (principal vs. agent, double-counted sales, etc.) re-checked for compliance	•Agent transactions: 24 companies / impact amount 1729.7 hundred million yen (AW Mediach, AW Mach, etc.) •Paid-material supply: 8 companies / impact amount 1180.3 hundred million yen (Gold Pack, etc.) •Double-counted sales transactions: 18 companies / impact amount 226.2 hundred million yen (AWI, AW West Japan, etc.) •Bill-and-hold sales: 17 companies / impact amount 13.7 hundred million yen (AW Material, M1 Engineering, etc.)
	Verification of Sales Line Items	•All companies: 3 sales verified •10 hundred million yen or more: supporting evidence collected and organized •Including alternative procedures, sales of 96.3% covered	• 3 companies / impact amount 31.9 hundred million yen (AWMX, AW Agriculture & Food, etc.)

Results of self-inspection

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[Self-inspection procedures / findings]

*Performed for selected companies, such as those above a certain business scale

	Item	Procedures performed	Findings (total for prior years)
Construction projects	Percentage-of-completion method (Application to accounting standards)*	•Verified across 19 target companies •Confirmed applicability on a project-by-project basis	• 3 companies / Impact amount 22.3 hundred million yen (AW Industries medical gases, AW West Japan, etc.)
	Monthly analysis of construction budget*	Analyzed monthly trends of the execution budget Verified revisions based on reasonable grounds	
	Construction projects Purchasing and raw materials Issuance data consistency*	Confirmed consistency with purchasing and inventory receipt/issuance data •Performed variance analysis and voucher verification for inconsistencies	
	Construction projects Progress rate analysis*	•Analyzed monthly trends of construction progress rates Verified significant changes and negative progress	
	Construction in progress (costs) Aging check*	•Reviewed long-term aged construction in progress (costs) •Verified the causes and appropriateness of asset recognition	• 1 company / impact amount 3.6 hundred million yen (AW West Japan)
	Job-order costing applied Projects Cost transfer check*	Confirmed cost transfers performed between projects •Verified the appropriateness of construction and job-order costing projects	• None

Self-inspection results

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[Self-inspection procedures / detected results]

*Applied to certain companies, such as those above a certain business size

	Category	Procedures performed	Detected results (cumulative prior years)
Expenses and other	individual expenses Monthly trend analysis	•Analyzed monthly trends of expenses across all companies •Analyzed reasonableness of expense recognition timing	• 5 companies / Impact amount 0.5 hundred million yen (AW Green Design, Minami-Kyushu Gas Center, etc.)
	Unrecorded liabilities check	• April 2026 journal entries and invoices • Verified expenses that should be recognized in the current period were not omitted to the next period	• 28 companies / Impact amount 0.5 hundred million yen (PTX, Ecofroz S.A etc.)
	Non-recurring events confirmation	• Confirmed whether means exist to gather information on non-recurring transactions across all consolidated companies • Verified assessment of whether accounting treatment was required	• 1 company / Impact amount 0.5 hundred million yen (AW West Japan)
	Estimated / accrued expenses basis confirmation	• March 2026 estimated / accrued expenses • Verified validity of recognized amount and timing	• 7 companies / Impact amount 0.1 hundred million yen (M1 Engineering, Pacific Petro, etc.)
	Verification of inter-segment reallocation*	•Based on the self-inspection results in the Q2 financial results, performed additional verification of segment reallocation risk •Confirmed recognition errors and validity of period adjustments for sales, expenses, bonus provisions, etc. •Verified 15 companies including AWI (standalone) for FY March 2020 through FY March 2026	•7 companies / 14.8 hundred million yen (AW East Japan, AW Hokkaido, AW West Japan, etc.)
	Financial analysis*	• For the 79 companies with large business size, B/S / P/L trend analysis performed • For key KPI, performed year-over-year and quarter-over-quarter variance analysis	• 13 companies / 40.9 hundred million yen (Nihon Kaisui, AW India, etc.)

Notes

- The numerical targets and forecasts presented in this document reflect the judgment of our company based on information currently available and involve potential risks and uncertainties. Therefore, the reader should note that actual business performance may differ significantly from the projections made herein due to changes in various factors.
- **Air Water Inc.'s financial statements are prepared in accordance with "IFRS"(International Financial Reporting Standards).**

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