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.

September 17, 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）	

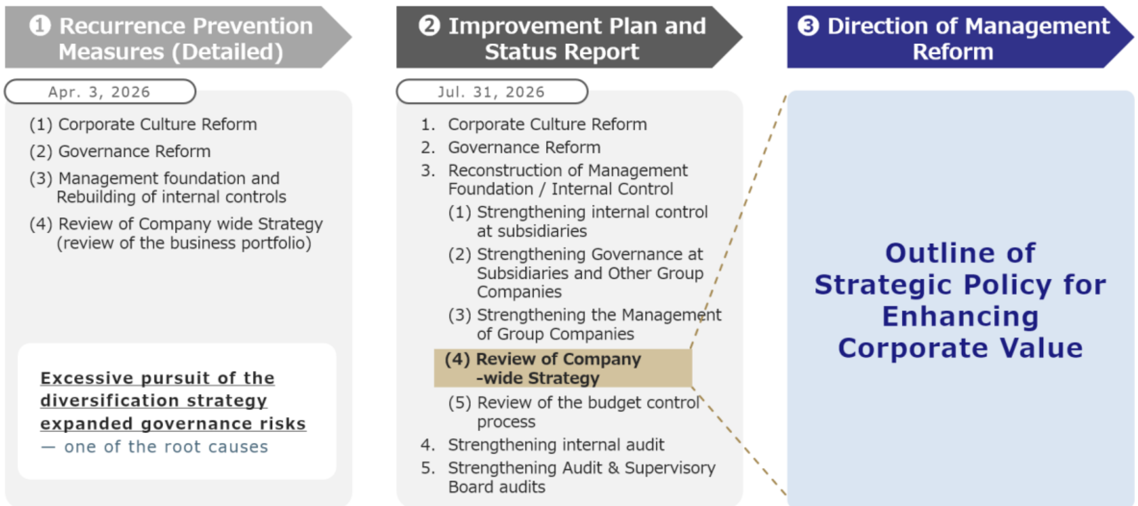
Notice Regarding the Direction of Management Reform

We hereby announce that we have formulated the “Direction of Management Reform” as a strategic policy aimed at enhancing corporate value. This policy gives concrete form to the “Review of Company-wide Strategy” set forth in the recurrence prevention measures and improvement plan developed in response to the inappropriate accounting practices.

1. Background of the Management Reform

In response to the inappropriate accounting practices, we have formulated and are implementing recurrence prevention measures and an improvement plan centered on “Corporate Culture Reform,” “Governance Reform,” “Management Foundation and Rebuilding of Internal Controls,” and “Review of Company-wide Strategy.”

The “Direction of Management Reform” announced herein gives concrete form to the “Review of Company-wide Strategy” and sets out our future management approach and medium- to long-term growth direction in order to steadily implement the recurrence prevention measures while restoring trust and enhancing corporate value.



2. Direction of Management Reform

We will undertake management reform by fundamentally reassessing the way management should be conducted, based on four core principles: "Pursuing Sustainable Growth through a Shift from Quantity to Quality," "Rebuilding a Unique Business Model Based on Our Core Competencies," "Strengthening Control and Governance," and "Creating Synergies through Focused Resource Allocation."

By reaffirming the strengths we have cultivated over many years, including our proprietary technologies and know-how, supply networks, and customer base, as sources of competitive advantage, we will concentrate management resources in areas where these strengths can be fully leveraged and strive to achieve sustainable enhancement of corporate value.

	Until Now	Going Forward
Management Policy	Expansion of business scale (Vision of a 1 trillion yen company)	**Pursuing sustainable growth by shifting from quantity to quality**
Growth Strategy	Diversification through across-the-board M&A	**Rebuilding a unique model based on our core competence**
Business Operations	Decentralized / distributed management Resources skewed toward M&A	**Thorough internal control / governance** **Synergies through resource concentration**

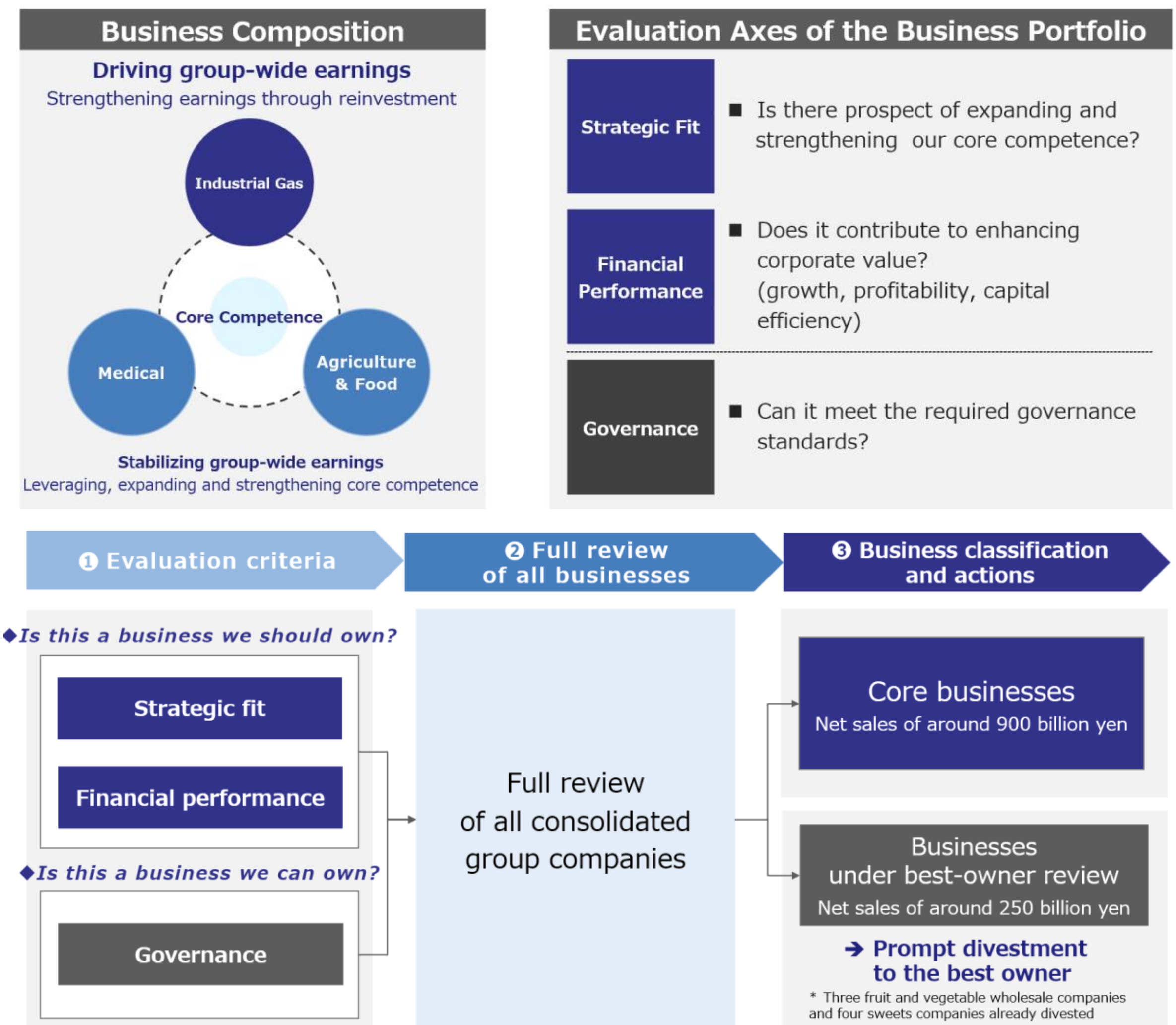
3. Business Portfolio Reform

In reviewing our business portfolio, we conducted a comprehensive assessment of all consolidated group companies from three perspectives: "Strategic Alignment," "Financial

Performance," and "Governance." Based on this assessment, we evaluated whether each business is one that we should own and one that we can own. As a result, businesses that contribute to the sustainable enhancement of corporate value while leveraging, expanding, and strengthening our core competencies will be positioned as our Core Business Group, and management resources will be allocated on a priority basis to these businesses.

Industrial gases, as the core business driving the growth of the Air Water Group, will be reinvested in, particularly in semiconductor-related businesses and overseas operations, with the aim of expanding overall Group earnings. Medical and Agriculture & Food will stabilize overall Group earnings by focusing their business portfolios on areas where they can fulfill their social missions and leverage the strengths of the Air Water Group, while demonstrating, expanding, and strengthening their core competencies.

On the other hand, businesses that are deemed more likely to grow under a best owner will be divested promptly through transfers or other measures. Through these business portfolio reforms, we will create synergies among businesses and rebuild our "Earning Power."



4. Medium- to Long-Term Growth Strategy

From fiscal 2026 to fiscal 2028, we will carry out Business Portfolio Reform and rebuild our "Earning Power" through "Selection and Concentration". From fiscal 2028 to fiscal 2030, we will accelerate the growth of our core businesses, particularly domestic Industrial Gases (including semiconductors), Overseas Industrial Gases (India and North America), Medical, and Agriculture & Food, while steadily recovering investments and enhancing profitability. From fiscal 2030 onward, we will achieve sustainable growth through the creation of new value originating from customer challenges.

<Medium- to Long-Term Growth Roadmap>

Until now	FY2026-FY2028	FY2028-FY2030	FY2030 onward
	Executing structural reform Rebuilding "Earning Power" through Selection and Concentration	**Accelerating the growth of our core businesses** steadily recovering investments and enhancing profitability	**Evolving toward sustainable growth** creation of new value
Domestic Industrial Gas (incl. semiconductors)	Expanding gas supply to semiconductor plants	Continuing and expanding in line with the semiconductor cycle	Creating new gas applications
Overseas Industrial Gas (India, North America)	Shifting to strategies based on regional characteristics	Full-scale earnings contribution from investments	Maximizing earnings and expanding the demand base
Medical, Agriculture & Food	Focusing on areas where our strengths apply	Expanding priority businesses and strengthening the earnings base	Creating new businesses from customer issues
Businesses under best-owner review	Portfolio reform to focus Management Resources on growth areas	(Divested)	(Divested)

5. Target Management Indicators

Rather than emphasizing the scale of revenue, we place importance on improving profitability and financial soundness while balancing shareholder returns. As our target for fiscal 2030, we have established the following key KPIs.

	FY2025 (Actual)	FY2026 (Forecast)	FY2030 (Target image)
Profitability			
Operating profit margin	– (7.0%) *4	4.2% (6.7%)	**Over 8.0%**
ROE*1	–	7.0%	**Over 10.0%**
ROIC*2	– (5.6%)	3.6% (5.7%)	**Over 6.5%**
Financial soundness			
Net D/E ratio	1.1	1.1	**0.8-1.0**
Reference			
Revenue	1,066.8 bn yen	1,140.0 bn yen	Around **1,100.0 bn yen**
Operating profit	▲37.2 bn yen	48.0 bn yen	Around **80.0 bn yen**
Business profit*3	74.5 bn yen	76.4 bn yen	

*1: Profit attributable to owners of parent / Equity attributable to owners of parent (average of beginning and end of period)
*2: Profit attributable to owners of parent / Invested capital (shareholders' equity + interest-bearing debt)
*3: Business profit = operating profit excluding non-recurring items
*4: Figures in parentheses are margins on business profit

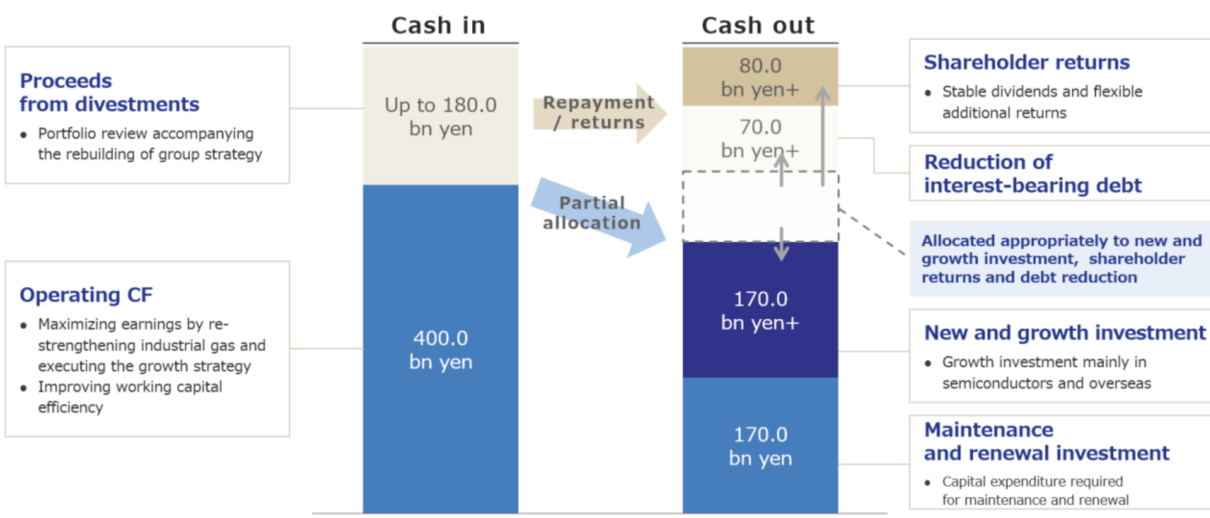
6. Capital Policy and Shareholder Return Policy

Under our Capital Allocation Policy, operating cash flow will be allocated to maintenance and renewal investments, new and growth investments, and ordinary dividends.

With respect to shareholder returns, our basic policy is to maintain stable and continuous returns while securing growth investments and financial soundness.

In addition, cash proceeds generated through business restructuring, divestitures, and other measures will be utilized to provide flexible additional shareholder returns, taking into account the balance between growth investments and financial soundness. Through this approach, we will pursue both the enhancement of corporate value and the expansion of shareholder returns.

<Capital Allocation Policy (Cumulative Total for Fiscal 2026–2030)>



7. Toward Restoring Trust and Enhancing Corporate Value

We position this management reform as a corporate transformation initiative undertaken in response to the inappropriate accounting practices. Guided by the principles of “Prioritizing Doing the Right Thing, the Right Way,” “Returning to Our Strengths,” and “Creating Sustainable Value,” we will pursue both the thorough implementation of recurrence prevention measures and the enhancement of corporate value, with the aim of becoming a company that is chosen for its trustworthiness.

For further details, please refer to the following. “Direction of Management Reform”: https://www.awi.co.jp/en/ir/management/Direction_of_Management_Reform.html

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