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.

November 16, 2026

To All Concerned Parties

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

Notice Regarding Execution of Basic Agreement for Transfer of Shares in Consolidated Subsidiary KYUSYUYA CO., LTD

We hereby announce that, at a meeting of the Board of Directors held on November 16, 2026, we resolved to enter into a basic agreement with Mr. Osamu Shimada (hereinafter referred to as “Mr. Shimada”), a member of the founding family of KYUSYUYA CO., LTD (hereinafter referred to as “KYUSYUYA”), our consolidated subsidiary, and DRC Co., Ltd. (hereinafter referred to as “DRC”), whose Representative Director is Mr. Shimada, with a view to the transfer of shares in KYUSYUYA. We subsequently entered into the basic agreement on November 16, 2026, as described below.

This basic agreement confirms the parties’ current basic understanding regarding the proposed share transfer. The actual share transfer is subject to further discussions, the completion of necessary procedures, the execution of a definitive agreement, and other related matters.

1. Background and Purpose

Guided by our purpose of “Meeting society’s needs with nature’s blessings,” our Group aims to achieve sustainable growth and enhance corporate value by optimizing its business portfolio and improving capital efficiency.

In our Agriculture and Foods business, guided by our social mission to ensure a stable food

supply, food safety and peace of mind, we intend to focus on stabilizing the supply and demand of agricultural products and enhancing their added value by leveraging our networks with producers and customers, our own logistics capabilities, processing capabilities and other resources.

KYUSYUYA operates specialty fruit and vegetable stores in department stores, station buildings, shopping centers and other locations. Through its discerning selection of high-quality fresh produce and attentive customer service, KYUSYUYA has built strong relationships of trust with its customers and the operators of the facilities in which its stores are located. We held a series of discussions with Mr. Shimada regarding the further growth of KYUSYUYA.

As a result, we reached a common understanding that a management structure integrating ownership and management under the founding family, which has an in-depth understanding of KYUSYUYA's business and corporate culture, would enable swift and flexible management decisions on matters such as store expansion strategies and product policies.

We also agreed that such a management structure would further strengthen KYUSYUYA's strengths as a specialty retailer and contribute to its sustainable growth and enhancement of corporate value.

Based on this common understanding, we proceeded with discussions with Mr. Shimada and DRC regarding the proposed share transfer and have now entered into the basic agreement. Going forward, the parties concerned will continue discussions on the terms and conditions of the share transfer and other necessary matters with a view to entering into a definitive agreement.

2. Overview of the Basic Agreement

Target of Transfer	All shares of KYUSYUYA CO., LTD held by Air Water Inc. (shareholding ratio: 61.1%)
Proposed Transferee	Ohsamu Japan Co., Ltd. (a wholly owned subsidiary of DRC)
Date of Execution of the Basic Agreement	November 16, 2026

3. Overview of the Company Subject to the Share Transfer

Company Name	KYUSYUYA CO., LTD
Head Office	24-1 Koshino, Hachioji-shi, Tokyo
Representative	Taku Kobayashi, President and Representative Director
Business Activities	Operation of specialty fruit and vegetable stores in department stores, station buildings, and shopping centers
Capital	277 million yen
Established	1976 (Founded in 1974)
Revenue	20,831 million yen (Fiscal year ended March 31, 2026)
Total Assets	7,753 million yen (Fiscal year ended March 31, 2026)
Affiliated Company	AKENO KYUSYUYA FARM CO., LTD

4. Outlook

If the share transfer is completed, KYUSYUYA is expected to cease to be our consolidated subsidiary. As the terms of the definitive agreement and the timing of the share transfer, among other matters, have not yet been determined, we are currently assessing the impact of this transaction on our consolidated financial results.

We will promptly make an announcement if a definitive agreement is entered into or if any other matters requiring disclosure arise. In addition, the ongoing discussions may not result in the execution of a definitive agreement, in which case we will also promptly make an announcement.

END