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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 Filing of Amendment Report to the Internal Control Report for the Fiscal Year Ended March 31, 2026

We hereby announce that, pursuant to Article 24-4-5, Paragraph 1 of the Financial Instruments and Exchange Act, we today filed an amendment report to the Internal Control Report for the fiscal year ended March 31, 2026 with the Kanto Local Finance Bureau, as described below.

Following the identification of errors in accounting treatments related to tax calculations under the Group Tax Sharing System in connection with the financial closing for the fiscal year ended March 31, 2026, we reassessed our internal control over financial reporting. As a result, we determined that an additional material weakness that should be disclosed needed to be described in the Internal Control Report. We are therefore filing another amendment report. The Internal Control Report for the fiscal year ended March 31, 2026 was initially filed on July 31, 2026, and an amendment report was subsequently filed on August 31, 2026 following the identification of errors in certain information contained therein.

We sincerely apologize to our shareholders, investors, and all other stakeholders for the significant inconvenience and concern this situation has caused.

1. Background and Reasons for the Correction

In the course of the financial closing process for the first quarter of the fiscal year ending March 31, 2027, through our voluntary inspection procedures and the interim review procedures performed by the accounting auditor, we identified errors in accounting treatments related to the calculation of taxes under the Group Tax Sharing System in the Annual Securities Report for the fiscal year ended March 31, 2026, which was filed on July 31, 2026.

In light of these errors, we reassessed our internal control over financial reporting as of March 31, 2026. As a result, we determined that a deficiency in internal control over business processes related to financial closing and financial reporting constituted a material weakness that should be disclosed and needed to be additionally described in the Internal Control Report.

Accordingly, we have decided to file an amendment report to the Internal Control Report for the fiscal year ended March 31, 2026.

2. Internal Control Report Subject to Correction

The 26th Internal Control Report
(from April 1, 2025, to March 31, 2026)

3. Details of the Correction

We have corrected Section 3, [Matters Related to Evaluation Results], of the Internal Control Report for the fiscal year ended March 31, 2026, as follows. The corrected portions are indicated by underlining.

3 [Matters Related to Evaluation Results]
(Before Correction)

(2) Inappropriate Accounting Treatment Cases

As a result of the entity-level control deficiencies at the Company described above, internal controls relating to various business processes failed to function effectively, giving rise to multiple cases of inappropriate accounting treatment.
The relationship between the inappropriate accounting treatment cases and the identified deficiencies in internal control is shown in the table below.

＜Matrix of Inappropriate Accounting Treatment Cases and Material Weaknesses that Should Be Disclosed＞

	*1	CLC			Subsidiary CLC		FRCLC		Subsidiary FRCLC
	*2	Control Environment	Risk Assessment and Response	Monitoring	Control Environment	Information and Communication	Accounting Policies	Personnel Assignment and Competence	Closing Journal Entries
(2)①	Failure to Record Inventory Valuation Losses	●	●	●					
	Overstatement of Inventories at Ecoroca	●	●	●	●	●			
	Deferral of Valuation Losses on Slow-Moving Inventories at AWMX	●	●	●	●	●			
	Overstatement of Inventories at Nippon Helium	●	●	●	●	●			
	Overstatement of Inventories at AW Safety Service	●	●	●	●	●			
(2)②	Gross Recognition of Revenue from Agency Transactions, Transactions Involving Materials Supplied for Consideration, etc.	●	●	●			●	●	
	Overstatement of Sales through Double Transaction Flows, Premature Recognition of Sales, etc.	●	●	●					
	Overstatement of Sales at Ecoroca	●	●	●	●	●			
	Premature Recognition of Revenue under Percentage-of-Completion and Construction Revenue at AW Safety Service	●	●	●	●	●			
	Premature Recognition of Sales at AWMX	●	●	●	●	●			
(2)③	Determination of the Scope of Consolidation						●	●	
(2)④	Failure to Recognize Asset Retirement Obligations						●	●	
(2)⑤	Capitalization of Expenditures That Did Not Meet the Requirements for Asset Recognition at the Company	●	●	●			●	●	
	Capitalization of Expenditures That Did Not Meet the Requirements for Asset Recognition at NIHON KAISUI	●	●	●	●	●	●	●	●
(2)⑥	Failure to Recognize Impairment Losses on Fixed Assets	●	●	●	●				

	*1	Subsidiary CLC		FRPLC		Subsidiary FRCLC	PLC		
	*2	Accounting Policies	Personnel Assignment and Competence	PKG Approval	Consolidation Worksheet Approval	Fixed Asset Impairment	Sales	Purchasing	Inventories
(2)①	Failure to Record Inventory Valuation Losses			●	●				
	Overstatement of Inventories at Ecoroca			●	●				
	Deferral of Valuation Losses on Slow-Moving Inventories at AWMX			●	●				
	Overstatement of Inventories at Nippon			●	●				●
	Overstatement of Inventories at AW Safety Service			●	●			●	●
(2)②	Gross Recognition of Revenue in Agency Transactions, Transactions Involving Materials Supplied for Consideration, etc.	●	●	●	●				
	Overstatement of Sales through Double Transaction Flows, Premature Recognition of Sales, etc.			●	●				
	Overstatement of Sales at Ecoroca			●	●				
	Premature Recognition of Sales under Percentage-of-Completion Contracts and Construction Revenue at AW Safety Service			●	●		●	●	
	Premature Recognition of Sales at AWMX			●	●		●		
(2)③	Determination of the Scope of Consolidation								
(2)④	Failure to Recognize Asset Retirement Obligations								
(2)⑤	Capitalization of Expenditures That Did Not Meet the Requirements for Asset Recognition at the Company								
	Capitalization of Expenditures That Did Not Meet the Requirements for Asset Recognition at NIHON KAISUI			●	●				
(2)⑥	Failure to Recognize Impairment Losses on Fixed Assets		●	●	●	●			

*1
CLC: Entity-level controls at the Company
Subsidiary CLC: Entity-level controls at subsidiaries
FRCLC: Company-wide controls over financial closing and financial reporting processes at the Company
Subsidiary FRCLC: Company-wide controls over financial closing and financial reporting processes at subsidiaries
FRPLC: Internal controls over business processes relating to financial closing and financial reporting at the Company
Subsidiary FRPLC: Internal controls over business processes relating to financial closing and financial reporting at

subsidiaries
PLC: Internal controls over business processes at the Company or subsidiaries

*2
Accounting Policies: Selection and application of accounting policies
Closing Journal Entries: Review and approval of closing journal entries by supervisors
PKG Approval: Approval of subsidiary consolidation packages by supervisors in the Company's Accounting Department
Consolidation Worksheet Approval: Approval of consolidation worksheets by supervisors in the Company's Accounting Department

(Omitted)

(After Correction)

(2) Inappropriate Accounting Treatment Cases

As a result of the entity-level control deficiencies at the Company described above, internal controls relating to various business processes failed to function effectively, giving rise to multiple cases of inappropriate accounting treatment.
The relationship between the inappropriate accounting treatment cases and the identified deficiencies in internal control is shown in the table below.

<Matrix of Inappropriate Accounting Treatment Cases and Material Weaknesses that Should Be Disclosed>

	*1 / *2	CLC			Subsidiary CLC		FRCLC		Subsidiary FRCLC
		Control Environment	Risk Assessment and Response	Monitoring	Control Environment	Information and Communication	Accounting Policies	Personnel Assignment and Competence	Closing Journal Entries
(2)①	Failure to Record Inventory Valuation Losses	●	●	●					
	Overstatement of Inventories at Ecoroca	●	●	●	●	●			
	Deferral of Valuation Losses on Slow-Moving Inventories at AWMX	●	●	●	●	●			
	Overstatement of Inventories at Nippon Helium	●	●	●	●	●			
	Overstatement of Inventories at AW Safety Service	●	●	●	●	●			
(2)②	Gross Recognition of Revenue from Agency Transactions, Transactions Involving Materials Supplied for Consideration, etc.	●	●	●			●	●	
	Overstatement of Sales through Double Transaction Flows, Premature Recognition of Sales, etc.	●	●	●					
	Overstatement of Sales at Ecoroca	●	●	●	●	●			
	Premature Recognition of Revenue under Percentage-of-Completion and Construction Revenue at AW Safety Service	●	●	●	●	●			
	Premature Recognition of Sales at AWMX	●	●	●	●	●			
(2)③	Determination of the Scope of Consolidation						●	●	
(2)④	Failure to Recognize Asset Retirement Obligations						●	●	
(2)⑤	Capitalization of Expenditures That Did Not Meet the Requirements for Asset Recognition at the Company	●	●	●			●	●	
	Capitalization of Expenditures That Did Not Meet the Requirements for Asset Recognition at NIHON KAISUI	●	●	●	●	●	●	●	●
(2)⑥	Failure to Recognize Impairment Losses on Fixed Assets	●	●	●	●				
(2)⑦	Errors in Tax Calculations under the Group Tax Sharing System								

	*1	Subsidiary CLC		FRPLC			Subsidiary FRCLC	PLC		
	*2	Accounting Policies	Personnel Assignment and Competence	PKG Approval	Consolidation Worksheet Approval	Group Tax Sharing System	Fixed Asset Impairment	Sales	Purchasing	Inventories
(2)①	Failure to Record Inventory Valuation Losses			●	●					
	Overstatement of Inventories at Ecoroca			●	●					
	Deferral of Valuation Losses on Slow-Moving Inventories at AWMX			●	●					
	Overstatement of Inventories at Nippon			●	●					●
	Overstatement of Inventories at AW Safety Service			●	●				●	●
(2)②	Gross Recognition of Revenue in Agency Transactions, Transactions Involving Materials Supplied for Consideration, etc.	●	●	●	●					
	Overstatement of Sales through Double Transaction Flows, Premature Recognition of Sales, etc.			●	●					
	Overstatement of Sales at Ecoroca			●	●					
	Premature Recognition of Sales under Percentage-of-Completion Contracts and Construction Revenue at AW Safety Service			●	●			●	●	
	Premature Recognition of Sales at AWMX			●	●			●		
(2)③	Determination of the Scope of Consolidation									
(2)④	Failure to Recognize Asset Retirement Obligations									
(2)⑤	Capitalization of Expenditures That Did Not Meet the Requirements for Asset Recognition at the Company									
	Capitalization of Expenditures That Did Not Meet the Requirements for Asset Recognition at NIHON KAISUI			●	●					
(2)⑥	Failure to Recognize Impairment Losses on Fixed Assets		●	●	●		●			
(2)⑦	Errors in Tax Calculations under the Group Tax Sharing System				●	●				

*1
CLC: Entity-level controls at the Company
Subsidiary CLC: Entity-level controls at subsidiaries
FRCLC: Company-wide controls over financial closing and financial reporting processes at the Company
Subsidiary FRCLC: Company-wide controls over financial closing and financial reporting processes at subsidiaries
FRPLC: Internal controls over business processes relating to financial closing and financial reporting at the Company
Subsidiary FRPLC: Internal controls over business processes relating to financial closing and financial reporting at subsidiaries
PLC: Internal controls over business processes at the Company or subsidiaries

*2
Accounting Policies: Selection and application of accounting policies
Closing Journal Entries: Review and approval of closing journal entries by supervisors
PKG Approval: Approval of subsidiary consolidation packages by supervisors in the Company's Accounting Department
Consolidation Worksheet Approval: Approval of consolidation worksheets by supervisors in the Company's Accounting Department

(Omitted)

⑦ Errors in Tax Calculations under the Group Tax Sharing System

Air Water Group applies the Group Tax Sharing System and outsources the related tax calculations to external experts. During the fiscal year under review, due to the financial closing schedule and other factors, the Accounting Department was unable to perform a sufficiently thorough review of the tax calculation results prepared by the external experts. As a result, income tax expense and income taxes payable were overstated. We assessed that the Accounting Department had failed to appropriately approve the tax calculation results under the Group Tax Sharing System and verify the appropriateness of the consolidated financial statements, and had also failed to conduct a sufficiently thorough review. We therefore determined that these failures constituted a deficiency in internal control over business processes related to financial closing and financial reporting.

(Omitted)

Inappropriate Incidents or Cases	Recurrence Prevention Measures
(Omitted)	(Omitted)
(2)⑦ Errors in Tax Calculations under the Group Tax Sharing System	We will compare and analyze the tax calculation results under the Group Tax Sharing System and the consolidated financial statements against the results for the previous fiscal year and the previous quarter. With respect to tax-related journal entries, we will review the entire process, including how data is compiled from system-generated materials and other source materials into summary materials. At the same time, we will conduct analyses of tax-related accounts and tax rate variances on both a consolidated and an individual-company basis. Following an in-depth review, the Accounting Department will approve the consolidated financial statements, thereby ensuring that the consolidated financial statements are appropriately prepared.

(Omitted)

For details of the corrections, please refer to the amendment report to the Internal Control Report for the fiscal year ended March 31, 2026 filed today. The current correction adds a description of a deficiency in internal control over business processes related to financial closing and financial reporting. There is no change to our previous conclusion that our internal control over financial reporting was not effective as of March 31, 2026.

4. Details of the Material Weakness That Should Be Disclosed

For details of the material weakness that should be disclosed, please refer to “3. Details of the Correction” above.

5. Measures to Remediate the Material Weakness That Should Be Disclosed

Going forward, we plan to establish and implement the recurrence prevention measures described in “3. Details of the Correction” to address the material weakness that should be disclosed, and to develop and operate appropriate internal controls.

6. Impact on the Consolidated Financial Statements

For the impact of the correction on the consolidated financial statements for the fiscal year ended March 31, 2026, please refer to the amendment report to the Annual Securities Report for the fiscal year ended March 31, 2026 filed today and the “Notice Regarding Submission of Correction Report for Annual Securities Report and Amendment to Financial Results Summary for FY Ended March 31, 2026” disclosed today.

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