Meeting society's needs with nature's blessings.

AIR WATER

Fiscal Year 2026 First-Half
Financial Results Presentation

November 16, 2026

AIR WATER INC.
(Securities Code: 4088)

[Notes]
- The numerical targets and forecasts presented in this document reflect the judgment of the Company based on information currently available and involve potential risks and uncertainties.
- Therefore, please note that actual business performance may differ significantly from the projections made herein due to changes in various factors.

[Notes on This Document]
- Air Water Inc.'s financial statements are prepared in accordance with IFRS (International Financial Reporting Standards).

Agenda

1 FY2026 First-Half Financial Results

2 FY2026 Full-Year Forecast

3 FY2025 Impact of Prior-Year Corrections

4 Appendix

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1. FY2026 First-Half Financial Results

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Financial Results Summary

(Unit: Billion yen)	FY2025 1H Actual (Restated)	FY2026 1H Actual	Change Amount	Change %	FY2026 Forecast (Revised)
Revenue	485.1	**560.5**	+75.4	+15.5%	**1,170.0**
Business profit (1)	33.0	**45.6**	+12.6	+38.3%	**82.7**
Non-recurring factors (2)	-40.5	**-32.2**	+8.3	–	**-48.7**
Operating profit (1)+(2)	-7.5	**13.4**	+20.9	–	**34.0**
Profit attributable to owners of parent	-25.3	**1.7**	+27.0	–	**14.0**
Business profit margin	6.8%	**8.1%**	+1.3%	–	**7.1%**
Operating profit margin	–	**2.4%**	–	–	**2.9%**
Dividend per share	¥37.5	**¥30.0**	-¥7.5	–	**¥75.0**

Key Points

➤ **Business profit** ...P6
Business profit increased by ¥12.6 billion, progressing steadily
However, note that the increase should be analyzed separately by business factors and accounting factors

➤ **Non-recurring factors** ...P7
External support costs increased from the initial assumption
Impairment losses recorded due to higher-than-expected inflation and rising market interest rates

➤ **Business conditions** ...P9
Semiconductor-related businesses performed well overall, driving company-wide results
Progress in price management, including industrial gases, also supported results

➤ **Impact of the Middle East situation** ...P10
Cost increases such as electricity and logistics costs across overall businesses
Helium and other products saw a significant improvement in sales due to tighter market conditions

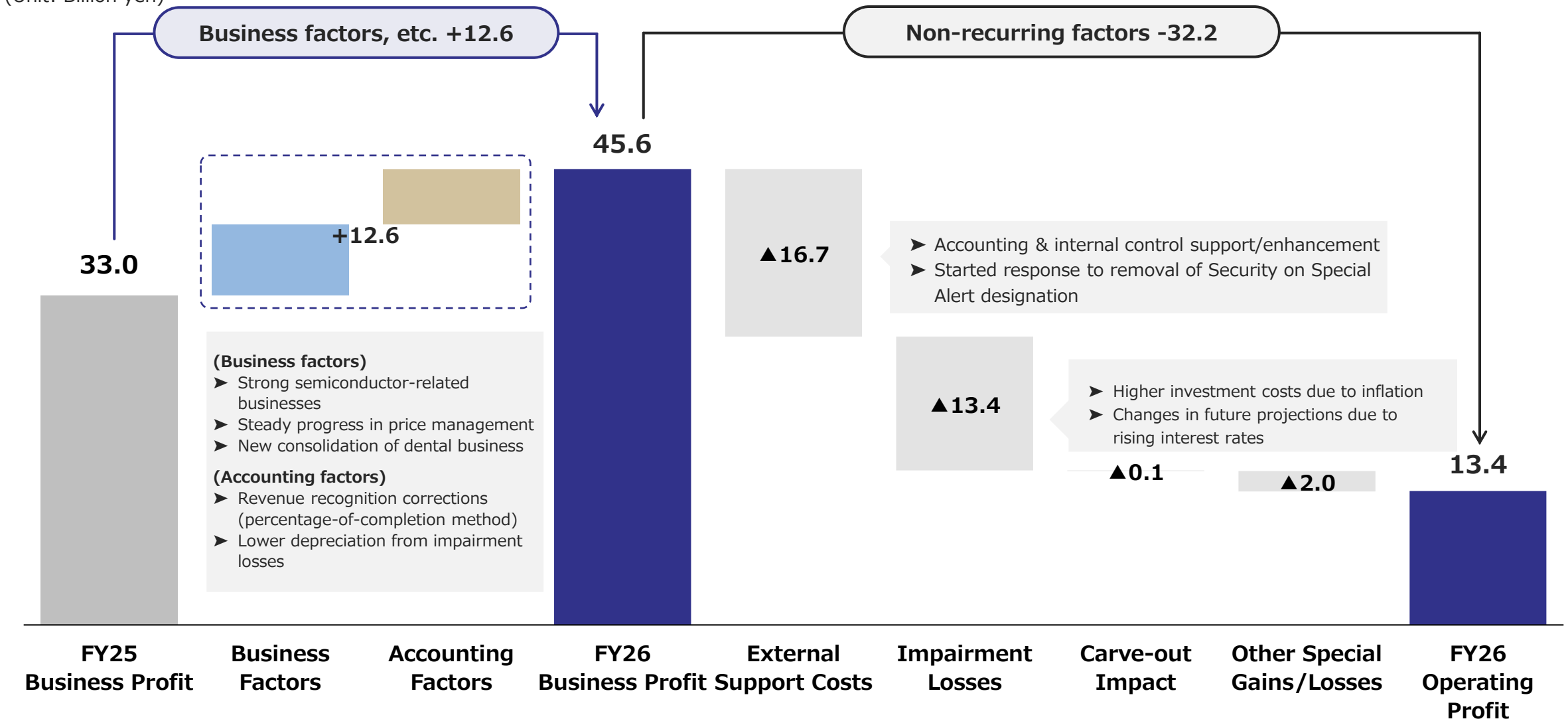
➤ **Shareholder returns** ...P15
Full-year dividend forecast maintained at ¥75 per share (interim dividend: ¥30)
Determined by comprehensively considering interim results, financial position, distributable amount, and other factors

[Formulas for Key Indicators]
• Business profit : Operating profit - Non-recurring factors
• Non-recurring factors : External support costs, impairment losses, carve-out impact, and other special gains/losses

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Factors for Change in Profit

(Unit: Billion yen)

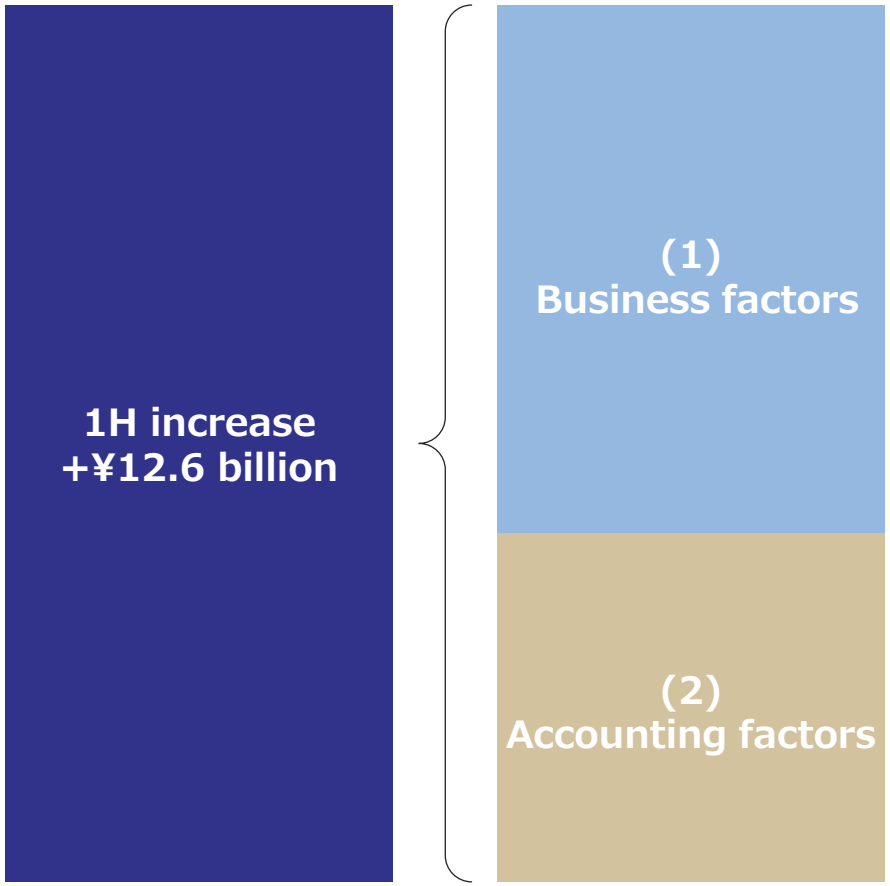


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Factors for Change in Profit (Business Factors)

The increase in business profit consists of two components: (1) business factors and (2) other factors.

Business Profit Increase / Components FY2026 First-Half



(Component Framework)

Underlying impact

- **Changes from business activities**

・Sales: volume, supply expansion/reduction, acquisitions/withdrawals, pricing
・Costs: cost improvement/deterioration, depreciation changes, cost increases

- **Inventory gains from the Middle East situation**

・Rising market prices widened the margin between existing inventory costs and selling prices (LP gas, basic chemicals, etc.).

One-time impact from prior-year adjustments

- **Depreciation changes from prior-year impairments, etc.**

・Positive: lower depreciation from impairment losses on fixed assets
・Negative: higher depreciation from asset retirement obligations

- **Revisions to revenue recognition**

・Percentage-of-completion revenue revised (accounting errors, missing documentation, etc.)
・Prior-year profit/loss recognized as a lump sum this period

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Factors for Change in Profit (Non-recurring Factors)

(Unit: Billion yen)

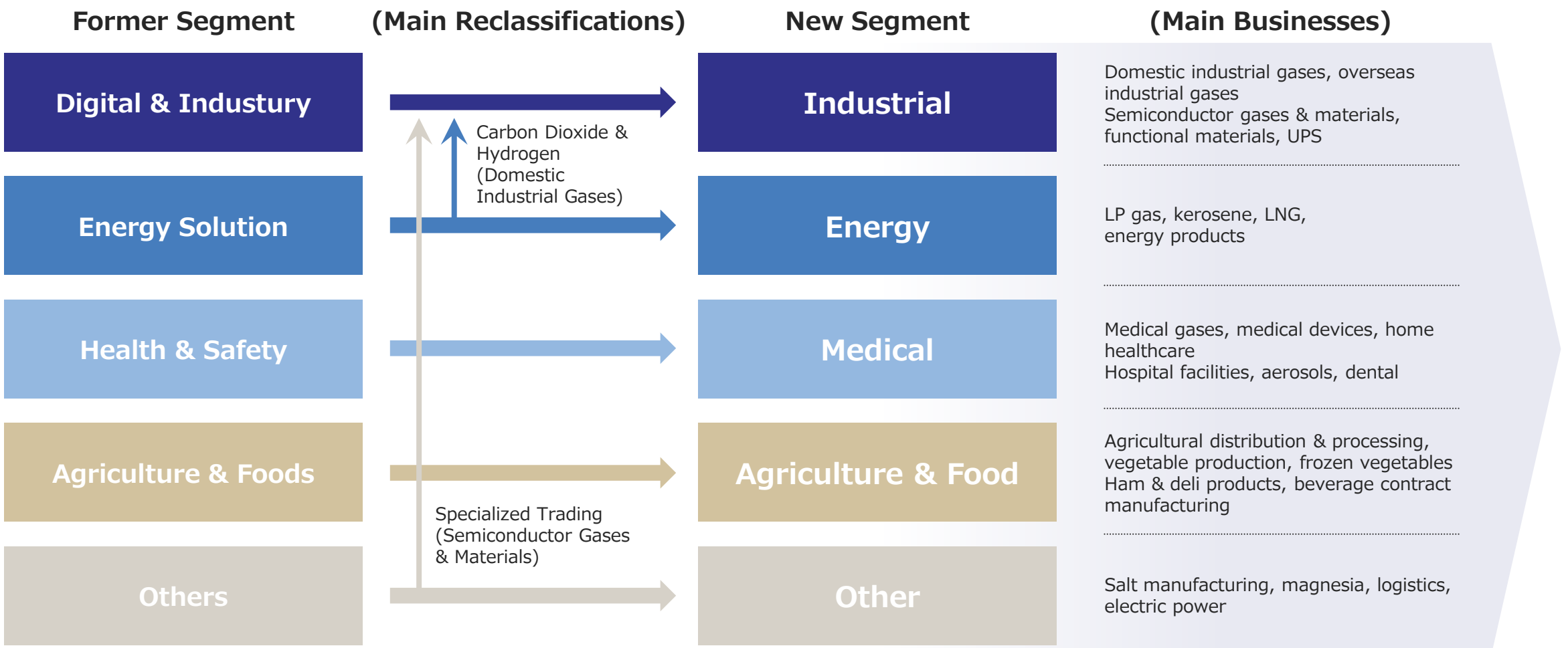
	Description	1H FY2026 Results	Main causes
External support costs	• Response to voluntary accounting inspection • Strengthening of audit response • Response to lifting of Security on Special Alert designation • Operation of the Special Investigation Committee	**-16.7**	Accounting/bookkeeping support and strengthening Internal control support and strengthening Strengthening of audit response Leniency program response Response to lifting of Security on Special Alert designation (started) Operation of the Special Investigating Committee (ended)
Impairment losses	• Impairment of fixed assets and goodwill	**-13.4**	■ **Increase in investment amount** North American industrial gases / fixed assets (-4.3) *Higher construction costs due to soaring market prices ■ **Rise in market interest rates** Dental-related / goodwill (-4.3), overseas medical equipment / goodwill, etc. (-1.7), logistics-related / goodwill (-0.9) Overseas frozen vegetables / fixed assets (-0.5), others / goodwill, etc. (-1.8) *each under ¥0.5 billion
Carve-out impact	• P/L impact of carved-out businesses	**-0.1**	Overseas cryogenic equipment Sweets business
Other special gains/losses	• Gains/losses on sale and disposal of fixed assets • Other	**-2.0**	Impact of transition to a defined contribution pension plan, etc.
		-32.2	

* **Voluntary review-related external support costs**
Part of the voluntary review work is expected to shift to in-house personnel costs going forward (plan to add approx. 100 employees)

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Reorganization of Segments

Segment names changed and certain businesses reclassified from Q2 of the current fiscal year in line with the new organizational structure



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Results by Segment

(Unit: Billion yen)

	Business Profit Trend (■ FY2026 / ■ FY2025)	Increase	YoY	Main factors for change
Industrial	20.6 (45%) / 16.8 (51%)	**+3.8**	+22.3%	[+] Firm semiconductor gases/materials/equipment; price management effects [−] Helium shortage in N. America; delays in new emergency generator orders
Energy	2.1 (5%) / 1.2 (4%)	**+0.9**	+68.4%	[+] Inventory gains: margin on existing inventory as CP prices rose amid the Middle East situation [−] Higher LPG/kerosene procurement costs; lower housing equipment sales
Medical	10.4 (23%) / 5.5 (17%)	**+4.9**	+88.6%	[+] Strong orders for gas fire suppression systems; new dental consolidation [−] Lower maintenance, manufacturing, and sales of home oxygen therapy (HOT) equipment; lower sales of hygiene products
Agriculture & Food	4.2 (9%) / 4.7 (14%)	**−0.5**	−10.6%	[+] Ham/deli sales push and price optimization; higher broccoli output/sales [−] Lower contract beverage output, weak farm machinery, soft produce prices
Other	6.7 (15%) / 4.7 (14%)	**+2.0**	+42.7%	[+] Food/medical logistics volume and rate gains; salt price revisions [−] Higher salt/power facility and material costs; higher diesel/labor costs
Adjustments	1.6 (3%) / −0.0 (0%)	**+1.6**	–	
		+12.6	**+38.3%**	

■ **1H FY2026 Results: ¥45.6 billion**
■ 1H FY2025 Results : ¥33.0 billion
*Figures in ( ) are profit composition ratios for the current fiscal year

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Impact of the Middle East Situation

	P/L Impact (1H)	Main impacts in 1H	Impacts and risks requiring attention from 2H
Industrial	**Neutral**	[+] Higher demand and selling prices due to tighter helium supply–demand in Japan [−] Higher electricity costs from soaring crude oil prices; lower sales due to helium procurement shortages in North America	• Japan industrial gases: Higher manufacturing costs from rising electricity rates, etc. • India industrial gases: Customer slowdowns due to LP gas/LNG shortages and supply constraints • North America industrial gases: Slower sales and new customer acquisition due to helium procurement shortages
Energy	**Neutral**	[+] Margin gains on sales of existing inventory amid a sharp rise in CP (contract price) [−] Significant rise in LP gas and kerosene procurement prices, with partial delays in passing costs on to prices	• LP gas: Further rises and volatility in procurement prices • Kerosene: Procurement constraint risk; lower consumer demand due to higher selling prices
Medical	**Positive**	[+] Higher sales from front-loaded demand for dental supplies, aerosol products, etc. [−] None	• Dental/Consumer: Rising and volatile prices of purchased goods and raw materials
Agriculture & Food	**Negative**	[+] None [−] Higher materials and energy costs for production and sales of beverages, processed agricultural products, ham & delicatessen, etc.	• Further rises and volatility in materials and energy costs (cost increases exceeding improvements from price optimization)
Others	**Negative**	[+] None [−] Higher truck diesel costs in logistics and ocean freight costs for procuring power generation fuel	• Further rises and volatility in diesel and ocean freight costs (cost increases in high-weight cost components)

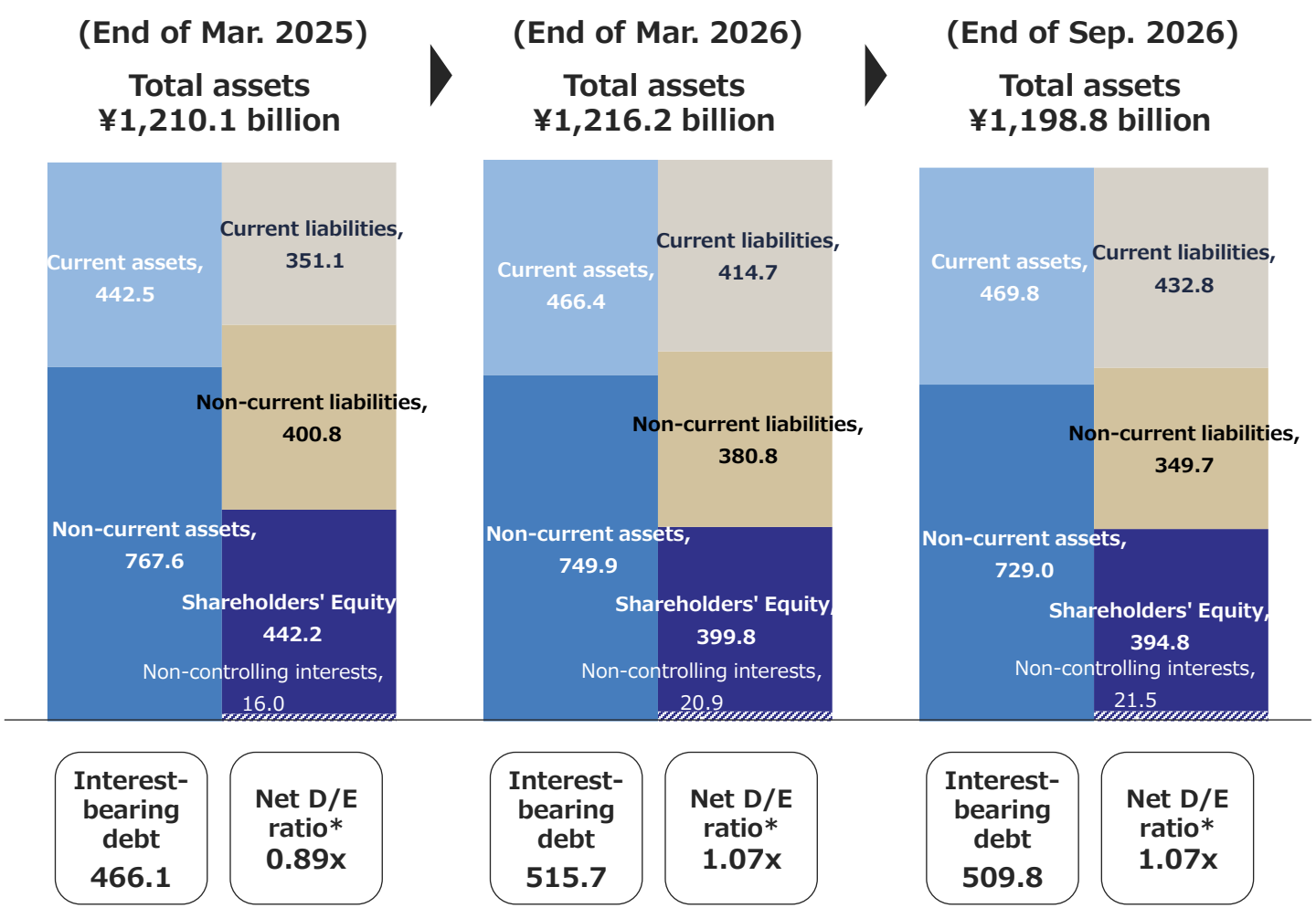
1H: Overall, the negative impact of the Middle East situation on earnings was limited, partly due to temporary tailwinds such as recovering helium sales and front-loaded demand

2H: Close attention is required to the impact of higher electricity rates on manufacturing costs of industrial gases and others, as well as spillover effects inside and outside the Group from shortages and supply constraints of fuel resources such as LP gas

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Consolidated Balance Sheet

(Unit: Billion yen)



	Interest-bearing debt	Net D/E ratio*
End of Mar. 2025	466.1	0.89x
End of Mar. 2026	515.7	1.07x
End of Sep. 2026	509.8	1.07x

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

Main Changes (End of Mar. 2026 → End of Sep. 2026)

➤ **Non-current assets**
Decrease in goodwill/fixed assets (impairment losses)
Decrease from deconsolidation of sweets business

➤ **Current liabilities**
Decrease in trade payables (payment of accrued capital expenditure, audit fees, etc.)
Increase in bonds and borrowings

➤ **Non-current liabilities**
Decrease in bonds and borrowings

➤ **Shareholders' equity**
Dividends of surplus
Profit attributable to owners of parent

➤ **Interest-bearing debt / Net D/E ratio**
Interest-bearing debt increased by ¥14.3 billion (vs. end of Mar. 2026)
Net D/E ratio increased by 0.05 points (same as above)

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Consolidated Cash Flows

(Unit: Billion yen)	FY2025 1H Results	FY2026 1H Results	Change	Main factors for change
(1) Operating cash flows	48.1	**39.1**	-9.0	Profit before tax +28.9, Impairment losses -24.8 Change in trade and other receivables -14.4 Change in trade and other payables +16.3 Change in inventories -8.9, Other -6.1
(2) Investing cash flows	-31.3	**-21.8**	+9.5	Decrease in purchase of property, plant and equipment +13.4 Decrease in proceeds from sale of property, plant and equipment -2.4 Decrease in proceeds from sale of investment securities -2.9 Other +1.4
(3) Financing cash flows	-25.9	**-15.1**	+10.7	Decrease in repayment of long-term borrowings +12.8 Increase in redemption of bonds -10.0 Increase in short-term borrowings +8.1, Other +0.1
(1)+(2) Free cash flow	16.7	**17.3**	+0.6	-
Cash and cash equivalents at end of period	63.8	**88.6**	+24.9	-

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2. FY2026 Full-Year Forecast

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Full-Year Forecast

(Unit: Billion yen)	FY2026 Forecast (Initial)	FY2026 Forecast (Revised)	Change		FY2025 Results (Restated)
			Amount	%	
Revenue	1,140.0	**1,170.0**	+30.0	+2.6%	**1,066.8**
Business profit (1)	76.4	**82.7**	+6.3	+8.2%	**74.3**
Non-recurring factors (2)	-28.4	**-48.7**	-20.3	–	**-111.2**
Operating profit (1)+(2)	48.0	**34.0**	-14.0	-29.2%	**-36.9**
Profit attributable to owners of parent	28.0	**14.0**	-14.0	-50.0%	**-54.0**
Business profit margin	6.7%	**7.1%**	+0.4%	–	**7.0%**
Operating profit margin	4.2%	**2.9%**	-1.3%	–	**–**
Dividend per share	TBD	**¥75.0**	–	–	**¥75.0**

Key Points of Full-Year Forecast

➤ **Business profit**

Driven by semiconductor-related businesses; Middle East situation and other impacts factored in

➤ **Non-recurring factors**

External support costs to exceed initial assumption
Accelerating business portfolio reform initiatives

➤ **Shareholder returns**

Full-year dividend forecast maintained at ¥75/share
Basic policy of stable dividends maintained

➤ **External support costs**

➔ **FY2026 assumption: approx. ¥30.5 billion (+¥5.5 billion vs. initial)**

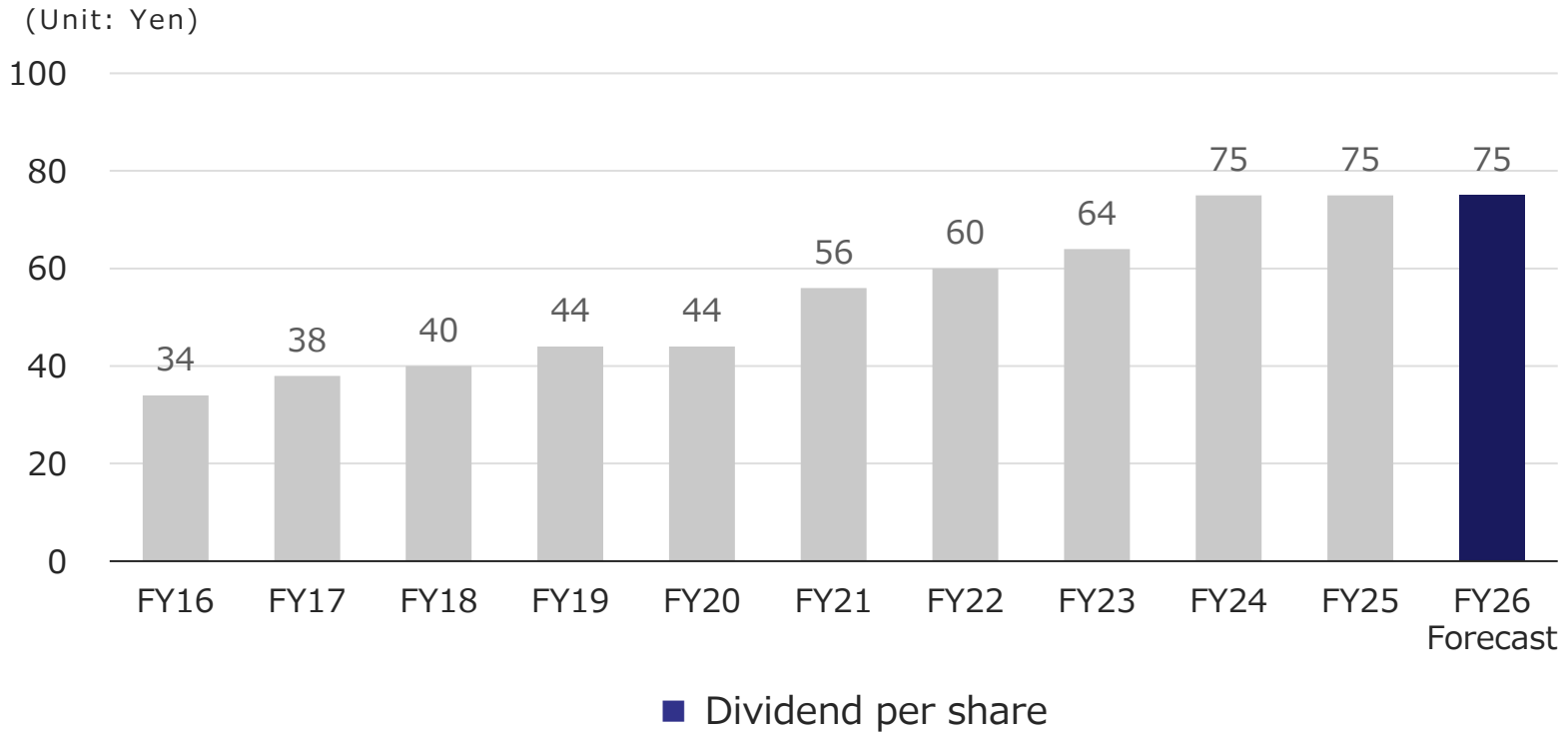
(1) Strengthening finance, accounting, and internal control
(2) Strengthening of audit response
(3) Response toward removal of the Security on Special Alert designation

[Formulas for Key Indicators]
- Business profit : Operating profit - Non-recurring factors
- Non-recurring factors : External support costs, impairment losses, carve-out impact, and other special gains/losses

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Dividend Forecast

FY2026 Dividend Forecast	
Annual Dividend Forecast	**Maintained at ¥75 per share** (Interim ¥30 / Year-end ¥45)
Rationale	Determined by comprehensively considering interim results, financial position, distributable amount, and other factors



Dividend Policy

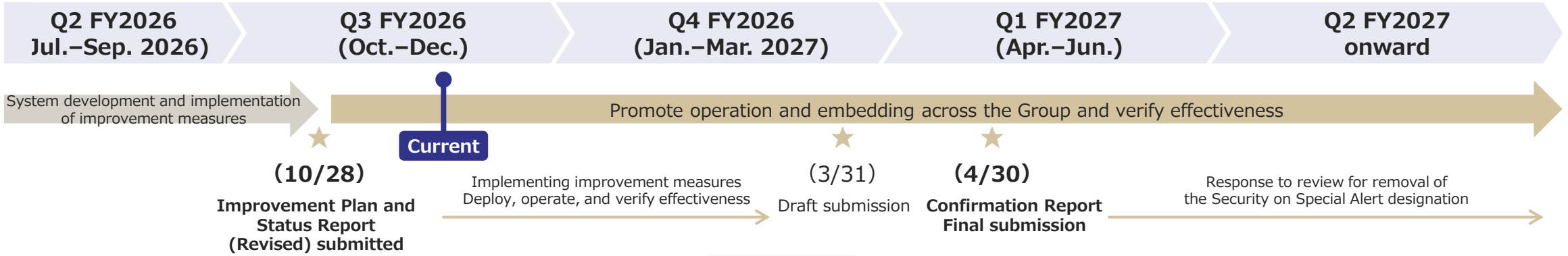
Maintain stable dividends

(Positioned as one of the most important management priorities)

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Progress toward Removal of Security on Special Alert Designation

**Aim to have the Security on Special Alert designation removed during FY2027 /
Strengthen the internal management system through implementation of recurrence prevention measures**



Current Status

・Implementing improvement plan measures in sequence
・Submitted the Improvement Plan and Status Report to the TSE on October 28, 2026

Next Steps

・Deploy and embed the internal management system; verify operation and effectiveness of improvement measures
・After submitting the Confirmation Report, respond to the review for removal of the designation

Recurrence Prevention Measures (Four Pillars)	Main Actions under the Improvement Plan	Specific implementation status
1. Corporate culture reform	・Reform toward a sound and open corporate culture・Elimination of excessive pressure to achieve results・Enhanced ethics and accounting literacy education	・Continuous messaging from top management and town hall meetings held sequentially・Recurrence prevention training based on the case conducted for all officers and employees・Enhanced operation of the internal whistleblowing system and establishment of an external hotline
2. Governance reform	・Strengthening of the Board of Directors and audit functions・Strengthening of the roles of the Nomination and Remuneration Committees	・Nomination and Remuneration Committees now chaired by independent outside directors, with a majority of members being independent outside directors・Transitioned to a company with an Audit and Supervisory Committee (September 22, 2026)・An independent outside director appointed Chair of the Board of Directors
3. Rebuilding of management foundation and internal control	・Strengthening of internal control and group company management, including subsidiaries・Strengthening of management functions and budget management processes, led by the accounting division・Strengthening of internal audits and audits by the Audit and Supervisory Committee	・Appointed an officer in charge of finance and accounting ・Head office accounting division: increased by 14 to 31 staff (40 staff by end of FY2026) Internal audit division: increased by 10 to 25 staff (29 by end of FY2026; 52 by end of FY2028) ・Regularized three-way audit meetings and accumulated external experts' knowledge in-house
4. Review of company-wide strategy and business portfolio	・Shift from "quantity to quality" and management based on core competencies・Comprehensive review of all businesses in terms of strategic fit, financial performance, and governance・Concentration of management resources on businesses that leverage our strengths	・Announced the "Direction of Management Reform" (September 17, 2026)・Positioned industrial gases, medical, and agriculture & foods as core businesses; promoting inter-business synergies and rebuilding "earning power"・Following two fresh produce wholesale market companies and two sweets companies, announced the share transfer of one fresh produce retail company (November 16, 2026)

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3. Impact of Prior-Year Corrections

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FY2025 Full-Year Results: Impact of Corrections

(Unit: Billion yen)	FY2025 Before	FY2025 After	Change
Revenue	+1,066.8	+1,066.8	-
Cost of sales	-826.5	-828.5	-2.0
Gross profit (loss)	+240.3	+238.3	-2.0
Selling, general and administrative expenses	-201.5	-207.3	-5.8
Other income/expenses	-75.9	-67.9	+8.1
Operating profit (loss)	-37.2	-36.9	+0.2
Finance income/costs	-14.3	-14.3	-
Profit (loss) before tax	-51.4	-51.2	+0.2
Income tax expense	-14.8	-4.9	+9.9
Profit (loss)	-66.3	-56.2	+10.1
Profit (loss) attributable to owners of parent	-63.9	-54.0	+9.9

(Unit: Billion yen)	FY2025 Before	FY2025 After	Change
Current assets	466.6	466.4	-0.3
Non-current assets	749.7	749.9	+0.2
Total assets	1,216.3	1,216.2	-0.1
Current liabilities	424.6	414.7	-9.9
Non-current liabilities	380.7	380.8	+0.1
Total liabilities	805.3	795.5	-9.8
Shareholders' equity	390.2	399.8	+9.6
Non-controlling interests	20.7	20.9	+0.2
Total equity	411.0	420.7	+9.8
Total liabilities and equity	1,216.3	1,216.2	-0.1

Interest-bearing debt	515.7	515.7	-

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4. Supplementary Materials

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Segment Details

Industrial

Segment Policies & Strategies

1. Strengthen semiconductor & electronics businesses
2. Expand overseas industrial gases (India, N. America)
3. Thorough price management; timely cost pass-through

FY2026 Business Environment

- ➤ Robust demand for advanced semiconductors for generative AI
- ➤ Other industries: market trends vary by sector
- ➤ India & N. America: affected by Middle East situation, but mid- to long-term growth expected

Results

*"Carbon Dioxide & Hydrogen" transferred from Energy segment
"Specialized Trading" transferred from Others segment

(Unit: Billion yen)	FY2025 1H Results (Restated)	FY2026 1H Results	Change	
			Amount	%
Revenue	194.2	**211.0**	+16.7	+8.6%
Business profit (1)	16.8	**20.6**	+3.8	+22.3%
Business profit margin	8.7%	**9.8%**	+1.1%	–
Impairment losses	-29.4	**-5.0**	+24.4	–
Carve-out impact	-1.3	**-0.1**	+1.2	–
Other special gains/losses	-1.0	**-0.8**	+0.2	–
Non-recurring factors (2)	-31.7	**-5.9**	+25.8	–
Operating profit (1)+(2)	-14.9	**14.6**	+29.5	–
Operating profit margin	–	**6.9%**	–	–

Factors for Change

● Industrial gases ■ Electronics ★ Overseas

	Business Profit (1): Main Factors/Impacts		
Business factors	[+]	■ Thermal control equipment	: Higher sales for semiconductor production equipment
		■ O-rings	: Higher sales for semiconductor production equipment
		● Industrial gases	: Progress and effect of price management
		■ Semiconductor gases	: Expanded supply of gases, chemicals & materials for advanced semiconductors
		★ Industrial gases (India)	: Higher external sales volume of liquefied gases
	[−]	★ Industrial gases (North America)	: Helium supply shortage; fewer new engineering orders
		★ UPS	: Strong DRUPS orders, but fewer emergency generator orders
		● Industrial gases	: Higher production costs from soaring electricity rates
Special factors	[+]	■ Basic Chemicals	: Inventory valuation gains (gap between old and new inventory costs)
Accounting factors		○ None	

	Non-recurring Factors (2): Main Factors/Impacts		
Impairment losses	[−]	★ Industrial gases (North America)	: Fixed assets (higher capex for in-house plants under construction)
		★ Industrial gases (North America)	: Goodwill (rising market interest rates)
Carve-out impact	[+]	★ Industrial gases (North America)	: Downsizing/consolidation of cryogenic equipment business

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Segment Details

Energy

Segment Policies & Strategies

1. Promote fuel conversion to LP gas; expand supply by acquiring commercial rights
2. Thorough price management and stable procurement
3. Expand low-carbon and carbon-neutral initiatives

FY2026 Business Environment

- ➤ Uncertain energy outlook amid the Middle East situation
- ➤ Hokkaido: continued population decline and fewer housing starts
- ➤ Growing opportunities for renewable energy adoption

Results

*"Carbon Dioxide & Hydrogen" transferred to Industrial segment

(Unit: Billion yen)	FY2025 1H Results (Restated)	FY2026 1H Results	Change	
			Amount	%
Revenue	30.5	**33.0**	+2.5	+8.2%
Business profit (1)	1.2	**2.1**	+0.9	+68.4%
Business profit margin	4.1%	**6.4%**	+2.3%	–
Impairment losses	-2.3	**-0.4**	+1.9	–
Carve-out impact	0.0	**0.0**	–	–
Other special gains/losses	-0.0	**-0.6**	-0.5	–
Non-recurring factors (2)	-2.3	**-0.9**	+1.4	–
Operating profit (1)+(2)	-1.1	**1.1**	+2.2	–
Operating profit margin	–	**3.5%**	–	–

Factors for Change

● LP Gas & Kerosene ■ LNG & Others

	Business Profit (1): Main Factors/Impacts		
Business factors	[+] ● LP gas	: Optimization of residential selling prices	
	■ LNG equipment	: Higher sales of LNG tank lorries and equipment	
	● Equipment & installation	: Higher sales of heating equipment, etc.	
	[–] ● LP gas & kerosene	: Sharp rise in procurement prices on the Middle East situation and FX	
	● Housing products	: Lower sales of new exterior and kerosene-related products	
Special factors	[+] ● LP gas	: Gains on sales of existing inventory due to market price fluctuations	
Accounting factors	○ None		

	Non-recurring Factors (2): Main Factors/Impacts		
Impairment losses	[–] ● Overseas LP gas	: Goodwill (impact of rising market interest rates)	
Carve-out impact	○ None		

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Segment Details

Medical

Segment Policies & Strategies

1. Expand growth areas: gas fire extinguishing, dental materials
2. Develop new markets as home-based care demand grows
3. Maintain/expand stable businesses: medical gases, hospital facilities

FY2026 Business Environment

- Hospital management environment still challenging
- Dental market backed by aging and digitalization
- Strong demand from power facilities, data centers

Results

(Unit: Billion yen)	FY2025 1H Results (Restated)	FY2026 1H Results	Change	
			Amount	%
Revenue	102.4	**169.4**	+67.0	+65.4%
Business profit (1)	5.5	**10.4**	+4.9	+88.6%
Business profit margin	5.4%	**6.1%**	+0.8%	–
Impairment losses	-0.8	**-6.0**	-5.1	–
Carve-out impact	0.0	**0.0**	–	–
Other special gains/losses	0.2	**-0.0**	-0.2	–
Non-recurring factors (2)	-0.6	**-6.0**	-5.4	–
Operating profit (1)+(2)	4.9	**4.2**	-0.7	-15.2%
Operating profit margin	4.8%	**2.5%**	-2.3%	–

Factors for Change

● Gases & Equipment ■ Facilities ★ Dental ◆ Consumer & Others

	Business Profit (1): Main Factors/Impacts		
Business factors	[+]	★ Dental mail order	: Effect of new consolidation of Ci Medical Group
		■ Gas fire extinguishing systems	: Strong orders from power facilities and data centers
		■ Hospital facilities	: Firm renewal demand from hospitals
		★ Dental materials	: Higher sales of digital equipment and materials
		◆ Aerosol	: Order recovery; front-loaded demand (Middle East situation)
	[−]	● Home healthcare	: Lower maintenance and sales of home oxygen therapy (HOT) due to intensifying competition
		◆ Hygiene products	: Sluggish sales of masks, etc.
		◆ Injection needles	: Lower production due to factory equipment problems
Special factors		○ None	
Accounting factors	[+]	■ Gas fire extinguishing systems	: Revenue corrected after percentage-of-completion review

	Non-recurring Factors (2): Main Factors/Impacts		
Impairment losses	[−]	★ Dental mail order	: Goodwill (rising market interest rates)
		■ Overseas hospital facilities	: Goodwill, etc. (rising market interest rates)
Carve-out impact		○ None	

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Segment Details

Agriculture & Food

Segment Policies & Strategies

1. Build a high-profit value chain on Hokkaido produce
2. Strengthen stable sourcing, logistics & processing
3. Optimize prices for rising costs & consumer trends

FY2026 Business Environment

- Bumper harvest expected; climate change risks remain
- Ham & deli: rising material, packaging & logistics costs
- Higher prices may dampen beverage consumer sentiment

Results

(Unit: Billion yen)	FY2025 1H Results (Restated)	FY2026 1H Results	Change	
			Amount	%
Revenue	77.4	**68.6**	-8.8	-11.4%
Business profit (1)	4.7	**4.2**	-0.5	-10.6%
Business profit margin	6.1%	**6.2%**	+0.1%	–
Impairment losses	-3.1	**-0.6**	+2.5	–
Carve-out impact	0.1	**0.0**	-0.0	-60.6%
Other special gains/losses	-0.0	**0.2**	+0.3	–
Non-recurring factors (2)	-3.1	**-0.4**	+2.7	–
Operating profit (1)+(2)	1.6	**3.9**	+2.2	+137.3%
Operating profit margin	2.1%	**5.6%**	+3.5%	–

Factors for Change

● Agriculture ■ Food ★ Beverages & Others

	Business Profit (1): Main Factors/Impacts		
Business factors	[+]	■ Ham & deli	: Stronger high value-added sales; price revisions
		■ Overseas vegetables	: Higher broccoli output; cost improvements
	[−]	★ Contract beverages	: Weak vegetable/fruit drink demand in cool summer
		● Farm machinery	: Weak purchase demand on lower farm output
		● Domestic vegetables	: Poor harvests (unseasonable weather, CO2 shortage for forcing)
		● Produce distribution	: Bumper potato/carrot crops; oversupply cut market prices
Special factors	○ None		
Accounting factors	○ None		

	Non-recurring Factors (2): Main Factors/Impacts		
Impairment losses	[−]	■ Overseas frozen vegetables	: Fixed assets (rising market interest rates)
Carve-out impact	[−]	■ Foods	: Exit from sweets business

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Segment Details

Other

Segment Policies & Strategies

1. Strengthen profitability via salt and magnesia pricing
2. Timely optimization of logistics contract fees
3. Stable power plant operations; thorough control of costs and procurement

FY2026 Business Environment

- Fiercer salt/magnesia competition in Japan and overseas
- Logistics: rising labor costs and driver shortages persist
- Higher power plant fuel procurement risk from FX, etc.

Results

*"Specialized Trading" transferred to Industrial segment

(Unit: Billion yen)	FY2025 1H Results (Restated)	FY2026 1H Results	Change	
			Amount	%
Revenue	80.4	**78.5**	-1.9	-2.4%
Business profit (1)	4.7	**6.7**	+2.0	+42.7%
Business profit margin	5.8%	**8.5%**	+2.7%	–
Impairment losses	-2.7	**-1.2**	+1.5	–
Carve-out impact	0.0	**0.0**	–	–
Other special gains/losses	-0.8	**0.0**	+0.8	–
Non-recurring factors (2)	-3.5	**-1.2**	+2.3	–
Operating profit (1)+(2)	1.2	**5.5**	+4.3	+345.4%
Operating profit margin	1.5%	**7.0%**	+5.5%	–

Factors for Change

● Salt ■ Magnesia ★ Logistics ◆ Electric Power & Others

	Business Profit (1): Main Factors/Impacts	
Business factors	[+] ★ Food Logistics	: Higher volume; contract fee optimization
	★ Medical Logistics	: Optimization of contract fees
	● Salt for business use	: Progress and effect of price management
	■ Electrofused Mg	: Higher sales for semiconductor applications
	[−] ◆ Biomass power generation	: Higher wood pellet costs (weak yen, etc.)
	◆ Biomass power generation	: Output curtailment; more unplanned outages
	■ Mg for elec. steel sheets	: Lower sales to blast furnace steelmakers
Special factors	○ None	
Accounting factors	○ None	

	Non-recurring Factors (2): Main Factors/Impacts	
Impairment losses	[−] ★ Logistics-related	: Goodwill (rising market interest rates)
Carve-out impact	○ None	

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Corporate Profile and Business Overview

(As of September 30, 2026)

Company name	**AIR WATER INC.**
Established	September 24, 1929
Representative	Yoshihiro Chitose, Representative Director, President and CEO
Head office	Grand Green Osaka South Building Park Tower 13F, 5-54 Ofukacho, Kita-ku, Osaka
Share capital	¥55,855 million
Revenue (FY2025)	Consolidated: ¥1,066.8 billion Non-consolidated: ¥143.4 billion
Employees (End of Mar. 2026)	Consolidated: 21,824 Non-consolidated: 685
Group companies (End of Mar. 2026)	249 (196 consolidated subsidiaries)
Business segments (FY2026 disclosure)	■ Industrial (Former Digital & Industry (D&I)) ■ Energy (Former Energy Solution (ES)) ■ Medical (Former Health & Safety (H&S)) ■ Agriculture & Food (Former Agriculture & Foods (A&F)) ■ Other (Former Other Businesses)

Securities code	4088
Stock listings	Tokyo Stock Exchange (Prime Market), Sapporo Securities Exchange
Total shares issued	229,755,057 shares
Shareholders	34,947
Fiscal year	April 1 to March 31 of the following year

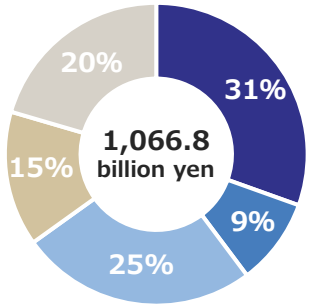
Purpose / Management Philosophy

Meeting society's needs with nature's blessings.

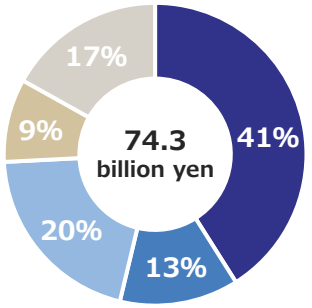
Backed by an entrepreneurial spirit,
we dedicate ourselves and our resources to
the creation and development of businesses linking
air, water and the earth.

(Reference) FY2025 Consolidated Results (Former Segments)

Revenue



Business Profit



■ Former D&I ■ Former ES ■ Former H&S ■ Former A&F ■ Others

Consolidated Results Summary (Billion yen)

Revenue	+1,066.8
Business profit	+74.3
Business profit margin	7.0%
Operating profit	-36.9
Operating profit margin	–
Profit attributable to owners of parent	-54.0
EPS	–

*Business profit: Operating profit - Non-recurring factors

*Percentages in the charts represent the profit composition ratio of the business segments

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Number of Consolidated Companies

	End of Mar. 2026	End of Sep. 2026	Change
Consolidated subsidiaries*	206	**196**	-10
Equity-method affiliates	53	**53**	No change
Total	259	**249**	-10

[Main Changes in Q2 FY2026]

There were no major newly consolidated companies during the first six months of the fiscal year.

The number of consolidated subsidiaries decreased due to the following share transfers, absorption-type mergers, etc.

(1) Share transfer of sweets business companies, including Precia and Yonezawa Seika

(2) Absorption-type mergers and share transfers of certain regional business companies

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Business Description by Segment (Q2 FY2026 Disclosure Basis)

	Business Category	Main Businesses
Industrial	**Industrial gases**	Industrial gases (tank lorry/cylinder/SOG/on-site for steel), equipment, apparatus, and installation
	Electronics	Gases for semiconductors and electronics, specialty gases, specialty chemicals, equipment, apparatus, and installation, electronic materials wholesale, functional materials
	Overseas	Industrial gases (India, North America, Asia), high-power UPS (uninterruptible power supplies, emergency generators)
Energy	**LP Gas & Kerosene**	LP gas and kerosene, LP gas-related equipment and installation, housing and energy-related products
	LNG & Others	LNG, LNG-related equipment and installation, liquefied biomethane, low-carbon and decarbonization-related
Medical	**Gases & Equipment**	Medical gases, medical devices, home healthcare
	Facilities	Hospital facilities, gas fire extinguishing systems, respiratory products
	Dental	Dental materials, dental equipment, dental mail order
	Consumer & Others	Aerosols & cosmetics (OEM/ODM contract manufacturing), injection needles, hygiene products, SPD, contract sterilization, cardiovascular products wholesale
Agriculture & Food	**Agriculture**	Agricultural product distribution & processing, domestic vegetable production, agricultural tools & machinery
	Food	Ham & deli products, overseas vegetable production
	Beverages & Others	Vegetable and fruit beverages (OEM contract manufacturing), fresh produce retail
Other	**Seawater**	Salt, environmental products, woody biomass power generation (Ako, Hyogo; Kanda, Fukuoka), magnesia
	Logistics	General logistics, food logistics, medical & environmental logistics, vehicle body manufacturing
	Electric Power & Others	Woody biomass power generation (Iwaki, Fukushima)

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Seasonal Factors by Segment (Q2 FY2026 Disclosure Basis)

	Business Category	[+] High-demand products/periods	[-] Low-demand products/periods
Industrial	**Industrial gases**	Carbon dioxide/dry ice: peak demand in summer (Q2)	–
	Electronics	–	–
	Overseas	–	–
Energy	**LP Gas & Kerosene**	LP gas/kerosene: peak demand in winter (Q3–Q4)	LP gas/kerosene: consumption drops sharply in summer (Q2)
	LNG & Others	–	–
Medical	**Gases & Equipment**	Medical oxygen: demand tends to rise in winter (Q3–Q4)	–
	Facilities	Construction work: deliveries concentrated at fiscal year-end (Q4)	–
	Dental	–	–
	Consumer & Others	Hygiene products: higher demand for masks, etc. in winter and pollen season (Q3–Q4)	–
Agriculture & Food	**Agriculture**	Agricultural products: harvesting, sorting, and shipping concentrated in busy farming season (Q2–Q3)	Agricultural products: lower supply in off-season (Q4) as shipments shift to stored products
	Food	Ham & deli products: peak demand in gift seasons (Q2–Q3)	–
	Beverages & Others	Beverages: peak demand in summer (Q2)	Beverages: lower consumption in winter (Q4)
Other	**Seawater**	Salt for business use: higher demand for road de-icing salt in winter (Q3–Q4)	–
	Logistics	General logistics: higher transport volume in busy farming season (Q2–Q3)	Logistics overall: lower operating efficiency due to snowfall in winter (Q4)
	Electric Power & Others	–	–

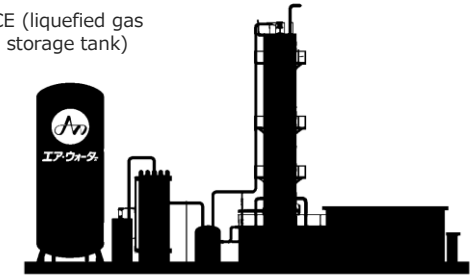
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Industrial Gas Supply Model

Air Separation Gases

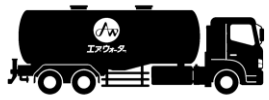
Air separation unit

CE (liquefied gas storage tank)



On-site gas / SOG plant

Gas for external sales



Liquefied gas tank lorry

Gas for external sales



Filling station



Truck

On-site supply (Gas)

Tank lorry supply (Liquid)

Cylinder supply (Liquid/Gas)

Main Customers

On-site (large volume)

- Steel (Blast/ Electric furnace)
- Semiconductors / Electronics
- Chemicals
- Paper

Tank lorry (medium volume)
Cylinder (small volume)

- Steel (Electric furnace)
- Semiconductors / Electronics
- Chemicals
- Non-ferrous metals
- Automotive
- Shipbuilding
- Construction & industrial machinery
- Medical Home healthcare

Tank lorry supply (Liquid)

Cylinder supply (Liquid/Gas)

Carbon dioxide, hydrogen, etc.

Customer plant (source of raw gas)

Liquefied gas tank



Carbon dioxide / hydrogen plant

Gas for external sales



Liquefied gas tank lorry

Gas for external sales



Truck / Gas Trailer



Filling station

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Consolidated Results for the Past Five Years (Restated)

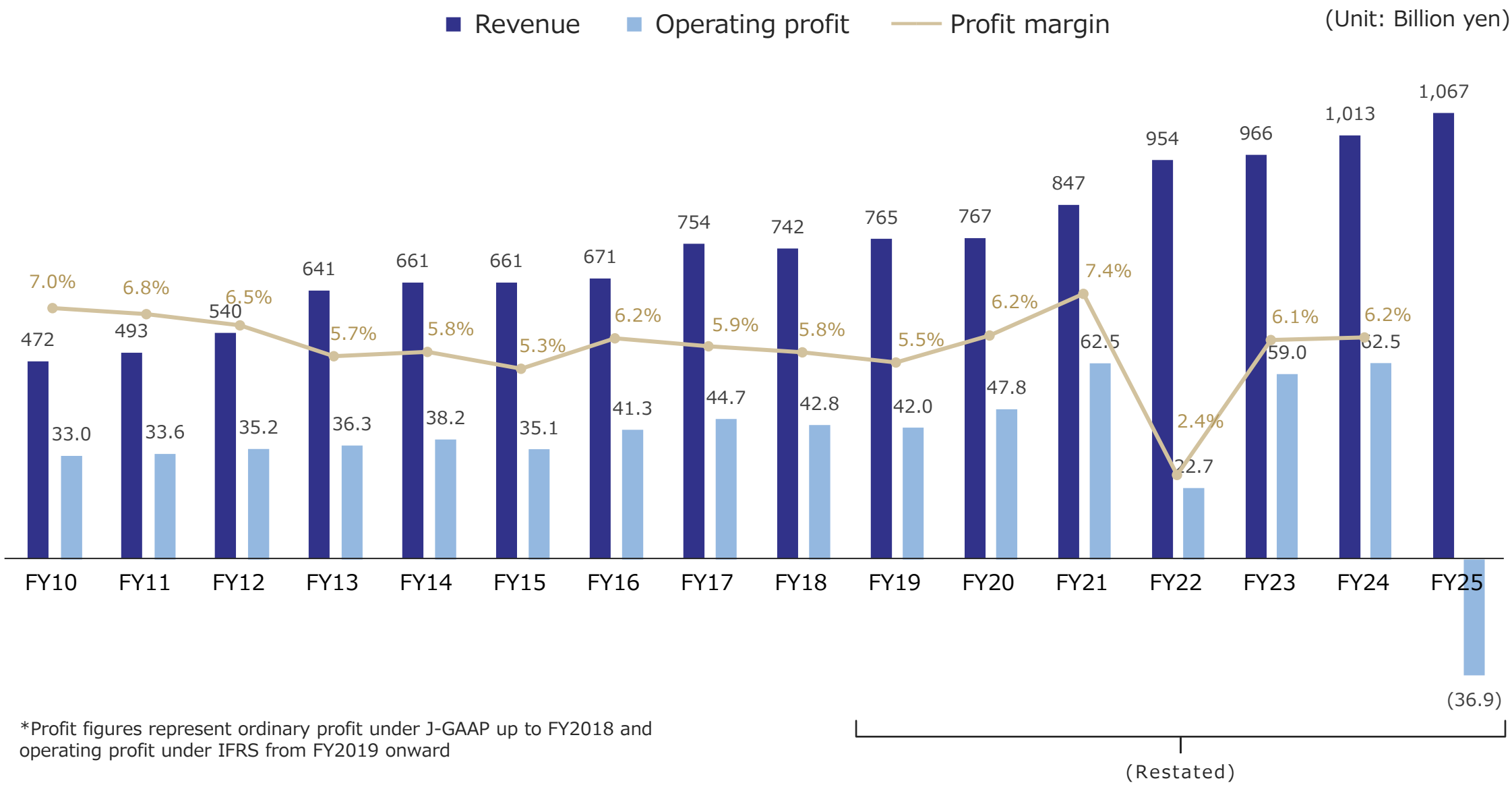
(Unit: Billion yen)

	FY2021 Results (Restated)	FY2022 Results (Restated)	FY2023 Results (Restated)	FY2024 Results (Restated)	FY2025 Results (Restated)
Revenue	+846.8	+954.0	+966.4	+1,013.1	+1,066.8
Operating profit	+62.5	+22.7	+59.0	+62.5	-36.9
Profit attributable to owners of parent	+41.7	+9.3	+36.6	+39.9	-54.0
Operating profit margin	7.4%	2.4%	6.1%	6.2%	–
Operating cash flows (1)	+75.5	+58.7	+78.7	+92.7	+107.6
Investing cash flows (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 flows	-6.8	+22.3	+12.7	-28.3	-5.7
Cash & equivalents at end of period	+62.7	+70.7	+67.4	+73.2	+87.1

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Revenue and Operating Profit (Restated)

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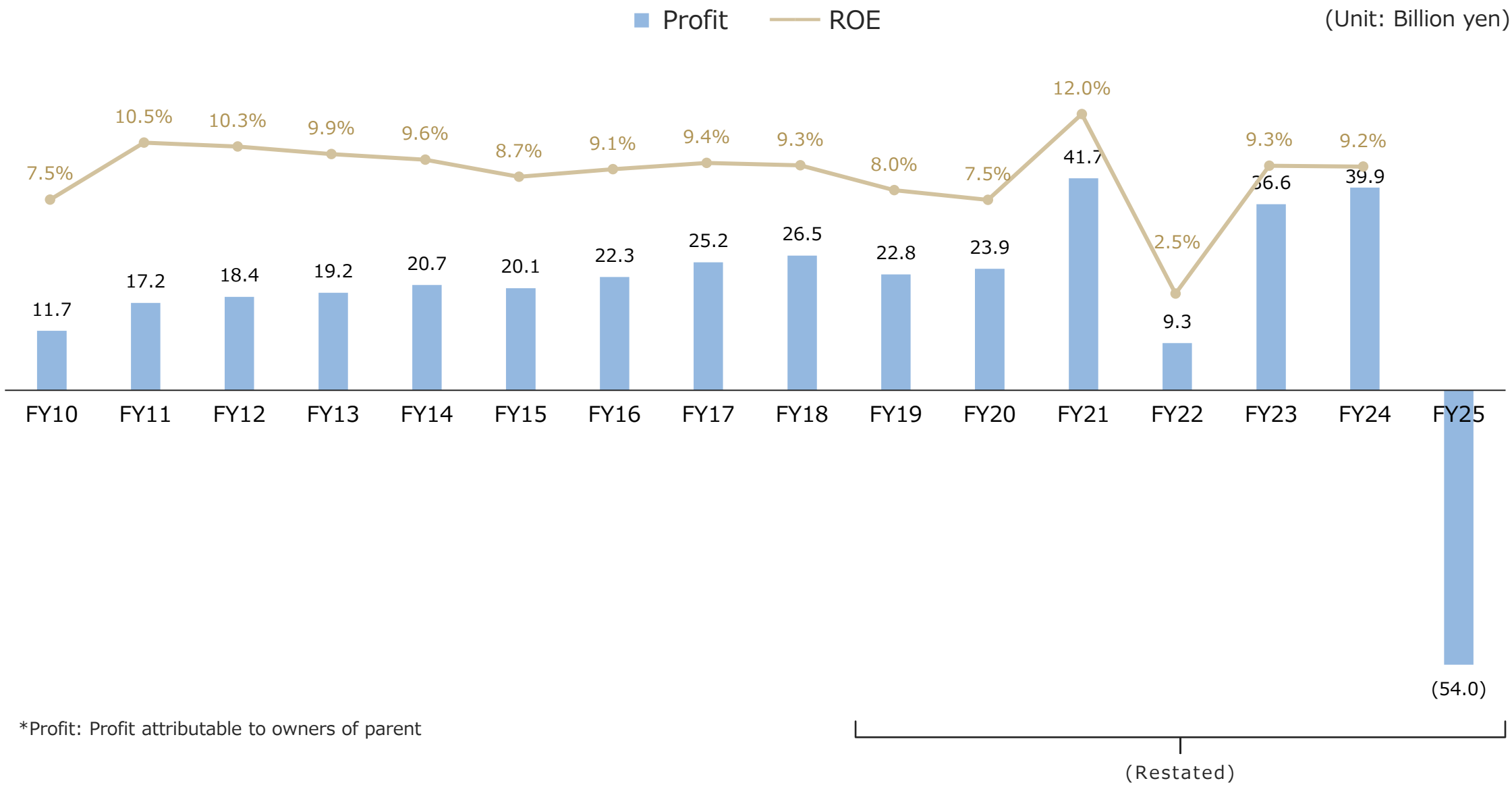


*Profit figures represent ordinary profit under J-GAAP up to FY2018 and operating profit under IFRS from FY2019 onward

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Profit and ROE (Restated)

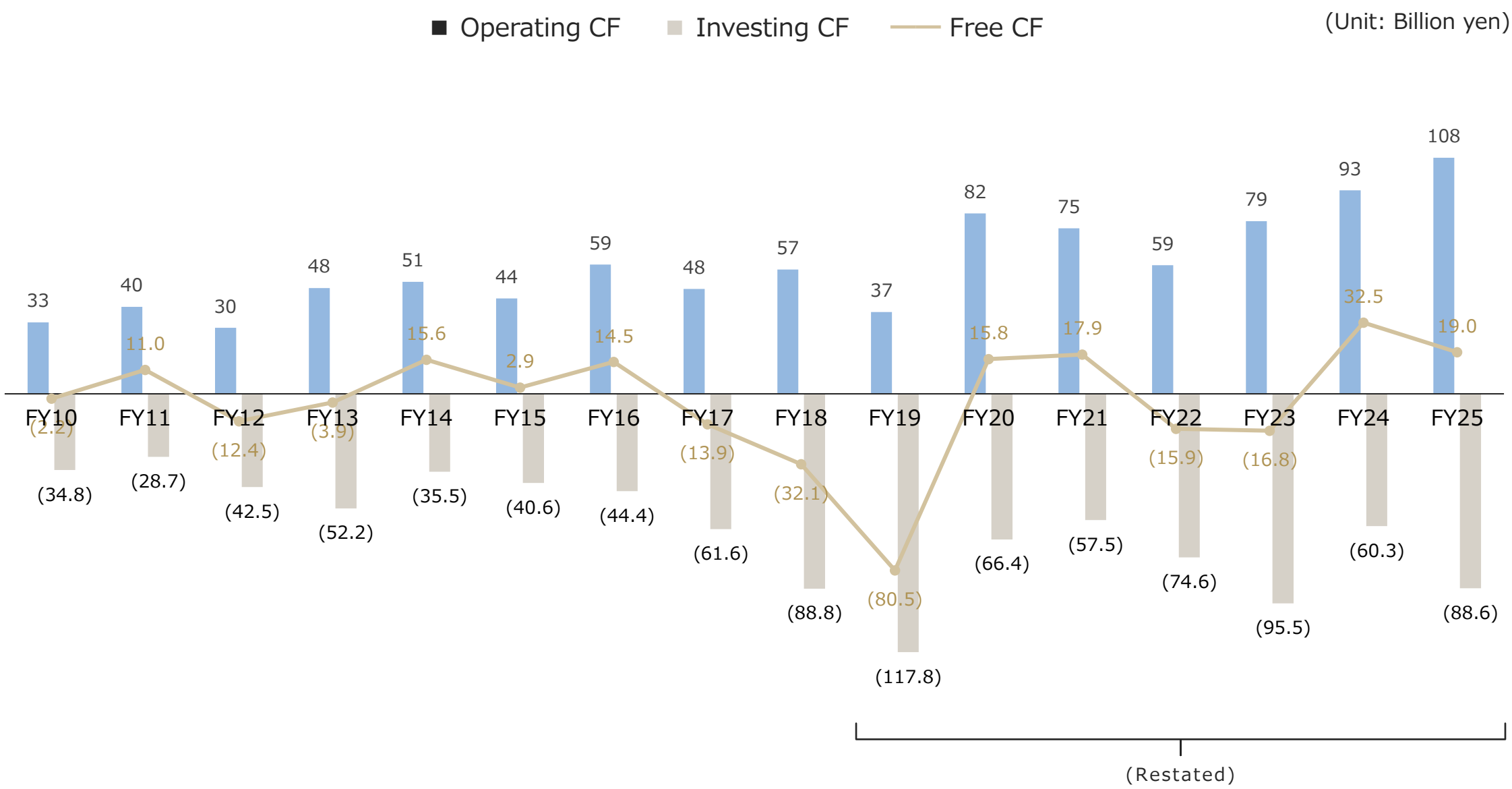
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*Profit: Profit attributable to owners of parent

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Cash Flows (Restated)



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Notes

- 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.
- 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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