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August 7, 2025

To Whom It May Concern,

Company name:	Air Water Inc.
Name of representative:	Kikuo Toyoda, Chairman and Representative Director (Securities code: 4088; Prime Market of Tokyo Stock Exchange /Sapporo Securities Exchange)
Inquiries:	Aya Uesugi, General Manager of Corporate Communications & Investor Relations Office (Telephone: +81-6-6252-3966)

**Notice of Execution of Agreement Regarding Company Split
(Simplified Absorption-Type Split) with Company Air Water Gas Products Inc.**

At a meeting of the Board of Directors held today, we announced that, effective October 1, 2025, a portion of the industrial gas business within our Digital & Industry Group Gas Products Unit will be succeeded to by our wholly-owned subsidiary, Air Water Gas Products Inc. (hereinafter referred to as "AW Gas Products") through a company split (hereinafter referred to as "the Company Split"), and that we have entered into an absorption-type company split agreement on this date.

As this company split is a simplified absorption-type split in which our wholly owned subsidiary becomes the successor company, some of the disclosure items and details have been omitted from the disclosure.

1. Purpose of the Company Split

Our industrial gases business in the digital & industry segment supports the manufacturing industry in a variety of industries by providing a stable supply of industrial gases through manufacturing, supply, and transportation bases established throughout Japan.

In the business environment surrounding the domestic industrial gas business, demand for industrial gas in materials fields such as steel and chemicals is on a downward trend. Demand for gas in the electronics-related sector is expanding against the backdrop of the construction of new semiconductor manufacturing plants.

In light of these changes in the industrial structure, our group have built a more stable supply system for various industrial gases. At the same time, we have taken measures to strengthen earnings, including thorough price management and improved productivity. In addition, as a future growth area, we are focusing on expanding our global industrial gas business, particularly in India and North America.

AW Gas Products was established in April 2021 as an industrial gases manufacturer. AW Gas Products is responsible for the operation, maintenance, and cost-management of our various gas production plants in an integrated manner and is working to upgrade and streamline our gas production functions in response to changes in the business environment. AW Gas Products is also developing human resources to expand our production bases outside Japan.

In the past, we owned industrial gases production plants, and AW Gas Products was entrusted with the operation and control of the plants. By consolidating our industrial gas business, centered on-site gas supplying plants for steelmaking, into AW Gas Products, we will establish an integrated system for manufacturing, sales, distribution, and maintenance of various industrial gases.

This company split is part of the restructuring of our industrial gas manufacturing business, through which a portion of the industrial gas business within our Digital & Industry Group Gas Products Unit will be transferred to AW Gas Products.

2. Summary of the Company Split

(1) Schedule of Company Split

Board of Directors Approved by Absorption-type Company Split Agreement	2025 August 7
Date of the absorption-type demerger agreement	2025 August 7
Effective date of the Company Split	2025 October 1 (scheduled)

(Note) This company split constitutes a simplified absorption-type split as defined in Article 784, Paragraph 2 of the Companies Act for our company, and a short-form absorption-type split as defined in Article 796, Paragraph 1 of the Companies Act for AW Gas Products. Accordingly, neither company will hold a shareholders' meeting to approve the absorption-type split agreement.

(2) Method of Company Split

This will be done through an absorption-type company split in which we will be the absorption-type company split and AW Gas Products will be the succeeding company.

(3) Details of Allotment Pertaining to Company Split

No share or other consideration shall be issued upon the Company Split.

(4) Stock acquisition rights and bonds with stock acquisition rights in connection with the company split

None

(5) Increase or decrease in capital due to the company split

There will be no change in capital due to the company split.

(6) Rights and Obligations to be Succeeded by the Successor Company

AW Gas Products shall succeed to the assets, liabilities, and rights and duties based on its contractual status relating to the Industrial Gas Business as of the effective date of the Company Split, which are set forth in the Absorption-type Company Split Agreement.

(7) Prospects of paying debt obligations

We have determined that there are no concerns regarding the prospects of fulfilling the debt obligations that we and AW Gas Products will bear after the effective date of the Company Split.

3. Outline of the company involved in the company split

	Spin-off company (As of March 31, 2025)	Succeeding Company (As of March 31, 2025)
(1) Name	Air Water Inc. (the Company)	Air Water Gas Products Inc.
(2) Address	2-12-8 Minami Semba, Chuo-ku, Osaka 542-0081, Japan	2-12-8 Minami Semba, Chuo-ku, Osaka 542-0081, Japan
(3) Job title / Name of representative	Chairman and Representative Director / Kikuo Toyoda	President Masaaki Sakamoto

(4) Description of Businesses		Development, manufacture and sale of industrial gases, chemicals, medical, energy, agricultural and food-related products	Business related to the manufacture and sale of industrial gas, design, manufacture, and maintenance of industrial gas-related facilities and equipment, repair, modification, and inspection of machinery, fire-fighting equipment, air-conditioning equipment, water supply equipment, monitoring equipment, boilers, etc.
(5) Common stock		55,855 Millions of yen	100 Millions of yen
(6) Date of Establishment		1929 September 24	2021 April 1
(7) Number of shares outstanding		229,755,057 Shares	2,000 Shares
(8) Fiscal year end		3 March 31	3 March 31
(9) Major shareholders and percentage of shares		The Master Trust Bank of Japan, Ltd. (trust account) 12.60%	Air water Inc. 100.00%
		Custody Bank of Japan, Ltd. (trust account) 5.95%	—
		Sumitomo Mitsui Trust Bank, Limited 3.46%	—
		NIPPON STEEL CORPORATION 3.01%	—
		STATE STREET BANK AND TRUST COMPANY 505001 2.81%	—
		Sumitomo Mitsui Banking Corporation 2.73%	—
		Air Water Customers' Stockholding 2.62%	—
		National Mutual Insurance Federation of Agricultural Cooperatives 2.16%	—
		Air Water Group Stockholding 2.09%	—
		North Pacific Bank, Ltd. 2.00%	—
(10) Results of operations and financial position for the immediately preceding fiscal year		2025 Year ended March 31 (Consolidated, IFRS)	2025 Year ended March 31 (Japanese GAAP)
	Total equity attributable to owners of parent/Net assets	517,139 Millions of yen	1,747 Millions of yen
	Total assets	1,250,149 Millions of yen	8,984 Millions of yen
	Net Assets per Share Attributable to Owners of the Parent/Net assets per share	2,256.72 Yen	873,699 Yen
	Revenue/Net Sales	1,075,929 Millions of yen	40,474 Millions of yen
	Operating Profit	75,246 Millions of yen	833 Millions of yen
	Ordinary Profit	—	958 Millions of yen
	Profit before tax/Profit	73,975 Millions of yen	957 Millions of yen

	before income taxes		
	Profit attributable to Owners of parent/Net income attributable to shareholders of parent	49,074 Millions of yen	700 Millions of yen
	Basic earnings per share/Net income per share	214.57 yen	350,094 yen

(Note1) The shareholding ratio of our major shareholders is calculated after deducting treasury stock (599,400 shares).

(Note2) We have adopted the International Financial Reporting Standards (IFRS) for our consolidated financial results, and as there are no items that fall under the category of "ordinary income," we have omitted the description.

4. Outline of the business division to be split

(1) Business description of the division to be divided

Part of the industrial gas business within the Gas Products unit

(2) Operating results of the divisions to be split

Revenue (Year ended March 31, 2025)

(Millions of yen)

Revenue of the business to be split (A)	Revenue of Spin-off Companies (Consolidated) (B)	Ratio (A / B)
36,131	1,075,929	3.36%

(3) Items and amounts of assets and liabilities to be split (as of June 30, 2025)

(Millions of yen)

Assets		Liabilities	
Current assets	494	Current liabilities	47
Non-current assets	17,949	Non-current liabilities	4,129
Total	18,443	Total	4,176

(Note) The amounts shown for assets and liabilities to be split are based on our balance sheet as of June 30, 2025 and other calculations as of that date. The amount may change from the above because it is determined on the effective date after adding or subtracting the increase or decrease of assets and liabilities to be split up to the previous day.

5. Outline of the Succeeding Companies after the Company Split

	Relation to absorption-type demerger
(1) Name	Air Water Gas Products Inc.
(2) Address	2-12-8 Minami Semba, Chuo-ku, Osaka 542-0081, Japan
(3) Job title/name of representative	Masaaki Sakamoto, President
(4) Description of Businesses	<ul style="list-style-type: none"> Industrial gas production and sales Design, manufacture, and maintenance of facilities and equipment related to industrial gas Machinery, fire-fighting equipment, air-conditioning equipment, water supply equipment, monitoring equipment, work related to repair, alteration and inspection of boilers, etc.
(5) Common stock	100 million yen
(6) Fiscal year end	3 March 31

6. Our situation after the Company split

There will be no change in our name, location, title and name of the representative, business description, capital, or fi fiscal year-end after the company split.

7. Future Outlook

The impact of this company split on our consolidated results is immaterial, as our wholly owned subsidiary will be the successor company.

(Reference) Consolidated earnings forecast for the current fiscal year (announced on May 13, 2025) and consolidated earnings for the previous fiscal year

(Millions of yen)

	Revenue	Operating Profit	Net profit attributable to owners of parent
Forecast for the current fiscal year (Year ended March 31, 2026)	1,150,000	84,000	53,000
Results for the previous fiscal year (Year ended March 31, 2025)	1,075,929	75,246	49,074

End