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August 7, 2025

To All Concerned Parties

Company Name	Air Water Inc.
Representative	Chairman and Representative Director Kikuo Toyoda (Code Number 4088 Tokyo Stock Exchange Prime Market, Sapporo Stock Exchange Market)
Contact	General Manager of Corporate Communications & Investor Relations Office Aya Uesugi (TEL 06-6252-3966)

(Summary) Notice Regarding the Commencement of a Tender Offer for Common Shares of Ci Medical Co., Ltd. (Securities Code : 3540)

Air Water Inc. (hereinafter referred to as the "**Tender Offeror**") has resolved at its board of directors meeting held today to commence a tender offer for shares of Ci Medical Co., Ltd. (hereinafter referred to as the "**Target Company**" (Securities Code: 3540, listed on the Standard Market of the Tokyo Stock Exchange, Inc., through a public tender offer (hereinafter referred to as the "**Tender Offer**") pursuant to the Financial Instruments and Exchange Act (Law No. 25 of 1948, as amended, hereinafter referred to as the "**Act**").

1. Purpose of the Tender Offer

(1) Overview of the Tender Offer

The Tender Offeror resolved at the board of directors meeting held on August 7, 2025, to implement the Tender Offer as part of a transaction (hereinafter referred to as the "**Transaction**") to acquire all of the shares of the Target Company (excluding the shares of the

Target Company already held by the Tender Offeror, treasury shares held by the Target Company, and the Non-Tendered Shares (as defined below); same hereinafter.) and to privatize the Target Company's shares. As of today, the Tender Offeror holds 19,146,900 shares of the Target Company (ownership ratio: 38.29%) and treats the Target Company as an equity-method affiliate.

In connection with the implementation of the Tender Offer, the Tender Offeror entered into a tender offer agreement dated August 7, 2025 (hereinafter referred to as the "**Tender Agreement**"), with Mr. Kiyoto Shimizu, the President and Representative Director of the Target Company and its largest shareholder (holding 23,364,200 shares, ownership ratio: 46.73%). Under the Tender Agreement, Mr. Shimizu has agreed to tender 18,364,294 of his shares (ownership ratio: 36.73%) in the Tender Offer, while retaining the remaining 4,999,906 shares (ownership ratio: 10.00%; hereinafter referred to as the "**Non-Tendered Shares**") after the Tender Offer concludes. Furthermore, the Tender Offeror and Mr. Shimizu have agreed that if the Tender Offer is successful, they will be the only shareholders of the Target Company (with ownership ratios of 90.00% and 10.00%, respectively), and that both parties will exercise their voting rights in favor of the resolution to approve the implementation of the share consolidation as part of the squeeze-out procedures (hereinafter referred to as the "**Squeeze-Out Procedures**") at the extraordinary general meeting of shareholders.

Since the Tender Offeror aims to acquire all of the shares of the Target Company and privatize the Target Company's shares through this Tender Offer, no maximum number has been set for the number of shares to be purchased. Furthermore, the Tender Offeror has not set a minimum number of shares to be purchased and will acquire all of the tendered shares (hereinafter referred to as the "**Tendered Shares**").

If the Tender Offeror is unable to acquire all of the shares of the Target Company through this Tender Offer, it plans to implement the Squeeze-Out Procedures after the completion of the Tender Offer to privatize the Target Company's shares.

According to the press release issued by the Target Company on August 7, 2025, titled "Notice of Expression of Support and Recommendation to Tender in the Tender Offer for Our Shares by Air Water Inc., an Affiliated Company," (hereinafter referred to as the "**Target Company Press Release**"), the Target Company resolved at its board of directors meeting held on August 7, 2025, to express its support for the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

(2) Background and purpose of the Tender Offer etc.

① Background and Purpose

Since its founding, the Tender Offeror has been engaged in the industrial gas business and related operations. Today, in addition to industrial gases and related businesses, it utilizes global resources such as air and water, combining technologies, business models, and know-how to create essential products, services, and solutions for daily life and industry. As of the date of this document, the Tender Offeror Group consists of a total of 261 companies, including the Tender Offeror itself, 178 consolidated subsidiaries, equity-method affiliates, and other related companies (hereinafter referred to as the "**Tender Offeror Group**"). Under the purpose of "Meeting society's needs with nature's

blessings,” the group is committed to solving social issues and contributing to the realization of a prosperous society.

On the other hand, according to the Target Company Press Release, the Target Company Group (collectively referring to the Target Company, its subsidiaries, and affiliated companies; same hereinafter) consists of the Target Company, 13 consolidated subsidiaries, and 1 equity-method affiliate as of the date of this document. The group’s main business is mail-order sales of dental-related products, apparel, interior goods, and other items. Guided by its management philosophy—“We want to bring happiness and satisfaction to doctors and their patients. Furthermore, we aim to be a company that brings happiness and satisfaction to our employees and business partners.”—the Target Company Group is engaged in a variety of businesses centered on the planning and sales of dental care products.

The Tender Offeror believes that the business environment surrounding the Target Company is becoming increasingly challenging. Specifically, in the dental industry, the number of dental clinics has been declining since 2017 due to the aging of dentists and the incorporation of dental clinics into medical corporations. Additionally, labor shortages and long working hours at dental laboratories have become issues for society as a whole. In the consumer-facing business, rapidly changing customer needs and intensifying competition have led to shorter product and service life cycles. Furthermore, the Target Company Group outsources most of its product deliveries to major logistics companies, and with labor reforms in the logistics industry driving up logistics costs, it is anticipated that a more efficient and stable supply system will be required.

Under such circumstances, the Target Company entered into a capital and business alliance with the Tender Offeror in October 2016 and joined the Tender Offeror Group. Since then, the Target Company has leveraged its ability to identify customer needs and make tailored proposals in its mail-order business, expanding its operations beyond dental clinics and dental laboratories to include general hospitals, animal hospitals, and nursing and welfare facilities. It has also broadened its business scope to include operations targeting dispensing pharmacies and women’s apparel.

On the other hand, the expansion of the medical business in the BtoC domain that was expected at the time the Target Company joined the Tender Offeror Group was not sufficiently realized. This was due to the Tender Offeror’s respect for the Target Company’s independent management, aimed at maintaining its autonomy as a listed company. As a result, collaboration with the Tender Offeror Group has not progressed adequately. Moreover, in order to effectively and promptly promote the expansion of digital solution services to address labor shortages at dental clinics and laboratories, as well as further growth in the consumer-facing business, the Tender Offeror Group recognizes the need to make strategic investments.

As noted above, while the Tender Offeror Group acknowledges the necessity of deepening collaboration with the Target Company going forward, the current capital relationship poses limitations. Since the Target Company is listed on the Tokyo Stock

Exchange Standard Market, it must consider the interests of general shareholders. Even if there are initiatives that should be pursued from a medium- to long-term perspective—such as research and development for promoting digital transformation (DX) in the dental and dental laboratory fields, system investments, and strengthening logistics functions—these may temporarily impact the Target Company's earnings. This could lead to misalignment with shareholder expectations and pose risks of stock price volatility due to insufficient short-term market evaluation. Consequently, it has been difficult to fully promote unified initiatives between the two companies.

Under these circumstances, the Tender Offeror has come to the conclusion that it is necessary to deepen its involvement in the management and business operations of the Target Company in order to realize group synergies more quickly and reliably. Through this Transaction, the Tender Offeror intends to privatize the shares of the Target Company and strengthen collaboration, aiming to achieve the following synergies:

(a) Advancement of the Dental-Related Business

Currently, the Tender Offeror Group is engaged in the production of dental materials. Going forward, by integrating the production planning of dental materials sold by the Target Company, the Tender Offeror Group expects to increase production volume, reduce unit costs, and improve productivity.

(b) Transformation of the Consumer-Facing Business

By introducing products targeted at nursing care facilities and dispensing pharmacies—already handled by the Tender Offeror Group—into the Target Company's sales channels, the Target Company can begin handling new products such as nursing care goods and medical/hygiene materials that it has not previously dealt with, thereby strengthening its consumer-facing business.

(c) Utilization of Resources and Creation of New Businesses

By linking the nationwide logistics capabilities of the Tender Offeror Group with the logistics functions and supply chain management know-how of the Target Company, it is expected that a supply system can be established that is more efficient and stable than ever before.

② Post-Tender Offer Management Policy

With regard to the management structure of the Target Company following the Transaction, including the composition of its board of directors, the Tender Offeror plans to make adjustments to transition the Target Company to a structure aligned with the governance and management systems of other companies within the Tender Offeror Group. This may include the appointment of directors from the Tender Offeror Group. However, no specific decisions have been made at this time.

(3) Prospect of delisting and reasons therefor

As of the date of this document, the shares of the Target Company are listed on the Tokyo

Stock Exchange Standard Market. However, since the Tender Offeror has not set an upper limit on the number of shares to be purchased in this Tender Offer, depending on the outcome, the shares of the Target Company may be delisted through the prescribed procedures in accordance with the delisting criteria set by the Tokyo Stock Exchange. Even if the delisting criteria are not met at the time the Tender Offer is completed, if the Squeeze-Out Procedures are implemented thereafter, the shares of the Target Company will meet the delisting criteria and be delisted through the prescribed procedures.

After delisting, the shares of the Target Company will no longer be tradable on the Tokyo Stock Exchange Standard Market.

2. Outline of Purchase

(1) Overview of the Target Company

① N a m e	Ci Medical Co., Ltd.	
② L o c a t i o n	Ni-152 Fukushima-town, Nomi-city, Ishikawa-pref, 929-0112 Japan	
③ R e p r e s e n t a t i v e	President & CEO Kiyoto Shimizu	
④ B u s i n e s s	Mail order and wholesale of comprehensive dental care products etc.	
⑤ C a p i t a l	10 million Japanese Yen (as of June 30, 2025)	
⑥ Date of Establishment	January 5, 2000	
⑦ Major shareholders and shareholding ratios (As of December 31, 2024)	Kiyoto Shimizu	46.73%
	Air Water Inc.	38.29%
	Toshiya Imura	4.74%
	BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUPPORT FOLIO) (Permanent Representative MUFG Bank, Ltd.)	0.95%
	Custody Bank of Japan, Ltd.	0.67%
	JPMorgan Securities Japan Co., Ltd.	0.47%
	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	0.33%
	Takashi Kawamura	0.28%
	Yusuke Nakamura	0.28%
	BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM F E (Permanent Representative MUFG Bank, Ltd.)	0.27%
⑧ Relationship between the Target Company and the Tender Offeror		
Capital relationship		As of today, the Tender Offeror directly holds 19,146,900 shares of the Target Company,

		representing an ownership ratio of 38.29%.
	Personal relationship	As of today, one director, one statutory auditor and one employee have been seconded from the Tender Offeror to the Target Company.
	Business relationship	The Tender Offeror Group engages in transactions with the Target Company, including the sale of products and the procurement of goods.
	Relevant statuses of the related parties	The Target Company is an equity-method affiliate of the Tender Offeror and is considered a related party.

(2) Schedule, etc.

① Schedule

Board of Directors Resolution Date	August 7, 2025 (Thursday)
Public Notice Date	August 8, 2025 (Friday) An electronic notice will be posted, and the details will be published in the Nikkei Newspaper. (Electronic Notice Address: https://disclosure2.edinet-fsa.go.jp/)
Date of Submission of Tender Offer Statement	August 8, 2025 (Friday)

② Initial Period for the Tender Offer

From August 8 (Friday) to September 24 (Wednesday) of 2025 (31 business days).

③ Possibility of extension based on the Target Company's request

Not applicable.

(3) Purchase price

JPY 1,500 per share of common stock.

(4) Number of shares to be purchased

Number of shares to be purchased	Minimum number of shares to be purchased	Upper limit of the number of shares to be purchased
25,852,253 shares	—	—

Note 1:

In this Tender Offer, no upper or lower limit has been set for the number of shares to be purchased. Therefore, all Tendered Shares will be acquired.

Note 2:

Since no upper limit has been set for the number of shares to be purchased in this Tender Offer, the number of shares to be purchased is stated as the maximum number of shares that the Tender Offeror may acquire through the

Tender Offer (25,852,253 shares). This maximum number is calculated by subtracting the number of treasury shares held by the Target Company as of June 30, 2025 (941 shares), the number of shares currently held by the Tender Offeror (19,146,900 shares), and the Non-Tendered Shares (4,999,906 shares) from the total number of issued shares of the Target Company as stated in its Q2 financial results (50,000,000 shares).

Note 3:

Shares less than one trading unit are also subject to this Tender Offer. However, if shareholders exercise their right to request the purchase of shares less than one trading unit in accordance with the Companies Act, the Target Company may purchase its shares during the Tender Offer period in accordance with legal procedures.

Note 4:

The Tender Offeror does not intend to acquire any treasury shares held by the Target Company through this Tender Offer.

(5) Method of settlement etc.

- ① Name and principal office of the financial instruments exchange operator, bank, or other institution handling the settlement procedures for the purchase, etc.

SMBC Nikko Securities Inc. 3-3-1, Marunouchi, Chiyoda-ku, Tokyo, Japan

- ② Settlement commencement date

October 1, 2025 (Wednesday)

- ③ Settlement method

Following the expiration of the public tender offer period, the Tender Offeror will promptly mail a notice of purchase under the Tender Offer to the addresses of the subscribing shareholders (or their authorized agents in the case of foreign shareholders). For applications submitted via online trading (<https://trade.smbcnikko.co.jp/>), documents will be delivered electronically.

The purchase will be made in cash. The proceeds from the sale of the tendered shares will be remitted without delay by the tender offer agent to the location designated by the tendering shareholder (or, in the case of foreign shareholders, their standing proxy) after the commencement date of settlement, in accordance with the instructions of the tendering shareholder (or their standing proxy).

(6) Other conditions and methods of purchase, etc.

- ① Conditions for withdrawal of the Tender Offer

The Tender Offer may be withdrawn in accordance with the Order for Enforcement of the Act. Among other things, in relation to the prior notification to the Japan Fair Trade Commission by the Tender Offeror under Article 10, Paragraph 2 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, if the waiting period has not expired by the day before the end of the Tender Offer period (including any extension),

then the Tender Offer may be withdrawn.

② Others

This Tender Offer is not being made, directly or indirectly, in or toward the United States, nor is it being conducted using the United States postal service or any means or instruments of interstate or international commerce (including, but not limited to, telephone, telex, facsimile, email, or internet communication), nor through any facilities of a securities exchange in the United States. Applications for this Tender Offer may not be made using any of the aforementioned methods or facilities, or from within the United States.

Furthermore, the Tender Offer Notification and related documents pertaining to this Tender Offer will not be sent or distributed in or toward the United States, or from within the United States, by mail or any other means. Any application for this Tender Offer that directly or indirectly violates these restrictions will not be accepted.

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