

FY2024 First Quarter Consolidated Financial Results [Japan GAAP] (April 1, 2024 through June 30, 2024)

August 9, 2024

Company Name	: ANEST IWATA Corporation
Stock Exchanges on Which the Shares Are Listed	: Tokyo Stock Exchange in Japan
Code Number	: 6381
URL	: https://www.anestiwata-corp.com
Representative	: Shinichi Fukase, President, Representative Director and Chief Executive Officer
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Scheduled Payment Date of Cash Dividends	: -
Supplemental Materials Prepared for Financial Results	: Yes
Holding of Financial Results Meeting	: None

(Amounts are rounded to the nearest million yen)

1. Consolidated Results for FY2024 1st Quarter (April 1, 2024 through June 30, 2024)

(1) Consolidated Financial Results (% figures represent year-on-year increase or decrease)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2024 1st Quarter	12,484	2.5	1,017	(19.9)	1,704	(14.8)	1,052	(23.5)
FY2023 1st Quarter	12,175	21.8	1,269	54.7	2,001	54.9	1,376	70.2

(Note) Comprehensive Income: FY2024 1st Quarter 2,534 million yen (up 25.1%), FY2023 1st Quarter 2,026 million yen (down 5.7%)

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
FY2024 1st Quarter	26.52	—
FY2023 1st Quarter	34.01	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million Yen	Million Yen	%
As of June 30, 2024	65,815	50,974	68.2
As of March 31, 2024	66,144	50,074	66.8

(Reference) Equity Capital: As of June 30, 2024 44,905 million yen, As of March 31, 2024 44,159 million yen

2. Cash Dividends

	Annual Cash Dividends per Share				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2023	—	22.00	—	27.00	49.00
FY2024	—				
FY2024 (forecast)		22.00	—	28.00	50.00

(Note) Revisions to the forecast of cash dividends since latest announcement: None

3. Forecast of Consolidated Results for FY2024 (April 1, 2024 through March 31, 2025)

(% figures represent year-on-year increase or decrease)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Basic Earnings per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
FY2024 Half Year (total)	28,800	11.2	3,120	8.9	3,630	(8.1)	2,270	(13.5)	56.82
FY2024	58,000	8.6	6,800	10.1	7,800	(2.3)	4,950	0.4	123.91

(Note) Revisions to the forecast of consolidated results since latest announcement: None

* Notes

- (1) Significant changes in the scope of consolidation during the current consolidated cumulative first quarter: Yes
 New: — (Company name:) Excluded: One company (Company name: ANEST IWATA Italia S.r.l.)
 (Note) For details, refer to "Changes in the scope of consolidation or application of the equity method" on page10 of Attachment.

(2) Application of account processing specific to the creation of quarterly consolidated financial statements: None

- (3) Change in accounting policy, change in accounting estimates and restatements
- (i) Change in accounting policy due to the revision of accounting standards, etc. : None
 - (ii) Change in accounting policy for other reasons : None
 - (iii) Change in accounting estimates : None
 - (iv) Restatements : None

(4) Number of shares issued (common share)

(i) Number of shares issued (including treasury shares) at the period-end	As of June 30, 2024	41,745,505 shares	As of March 31, 2024	41,745,505 shares
(ii) Number of treasury shares at the period-end	As of June 30, 2024	2,125,939 shares	As of March 31, 2024	1,949,752 shares
(iii) Average number of shares outstanding in the period (quarterly total)	FY2024 1st Quarter	39,682,219 shares	FY2023 1st Quarter	40,466,913 shares

(Note) We have introduced the performance-based stock compensation plan, "Board Benefit Trust (BBT)," since FY2019. Accordingly, in the calculation of the basic earnings per share, 154,200 shares of the Company shares owned by the Trust are included in the treasury shares, which are deducted in the calculation of the number of treasury shares at the period-end and the average number of shares outstanding in the period.

* Review of the attached quarterly consolidated financial statements by a certified public accountant or an audit corporation: Yes (Optional)

* Explanation of the appropriate use of the expected results of operations, other special notes (Descriptions about the future)

Forecasts for operations and other descriptions about the future that are contained in this document are based on the information acquired at the time of publication, as well as certain premises that we judge reasonable. The actual results of operations and so on may change greatly as a result of various factors. For information about the conditions acting as the premise for the expected results of operations and notes on the use of the expected results of operations, see "(2) Explanation for the information on future prospects including the expected consolidated results of operations" on page 5 of Attachment.

Note: This document has been translated from the original document in Japanese. In the event of any discrepancy between this English translation and the original document in Japanese, the original document in Japanese shall prevail.

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1. Qualitative information for financial results of the current quarter

(1) Explanation for results of operations and financial condition

Matters related to the future appearing in this text have been judged by our Group as of the last day of the current consolidated fiscal first quarter.

(i) Overview and results of operations

During the first quarter of the current consolidated cumulative period, the global economy remained uncertain due to continued inflation despite signs of change in the monetary policies in Europe and the United States, and concerns about geopolitical risks, including conflicts in various regions. In the Japanese economy, while consumption trends continued to expand due to inbound demand and wage increases, the capital investment trends were not strong, and business sentiment was stagnant, with few exceptions.

Under these circumstances, our business performance for the current consolidated cumulative first quarter is as follows: net sales standing at 12,484 million yen (up 2.5% from the same consolidated cumulative quarter of the previous fiscal year), operating profit at 1,017 million yen (down 19.9%), ordinary profit at 1,704 million yen (down 14.8%) and profit attributable to owners of parent at 1,052 million yen (down 23.5%).

(Reference values) Results of each division

(Amount: million yen)

Division	(Product category)	Three months ended June 30, 2024			
		Consolidated net sales	Change from the corresponding period of the previous fiscal year	Consolidated operating profit	Change from the corresponding period of the previous fiscal year
Air Energy Division		7,611	0.9%	577	(7.9)%
	Air Compressors	6,862	1.0%		
	Vacuum Equipment	748	0.5%		
Coating Division		4,872	5.2%	440	(31.5)%
	Coating Equipment	4,348	8.2%		
	Coating Systems	524	(14.7)%		
Total		12,484	2.5%	1,017	(19.9)%

(Notes) 1. The consolidated operating profit of each division is calculated with our Group's unique standard.

2. Product category has been changed from the first quarter of the current consolidated accounting period. Previously, environmental equipment that improves the working environment during coating was classified as "coating equipment," but from the perspective of the nature of the product and sales system, etc., it has been reclassified as "coating systems" from the first quarter of the current consolidated accounting period. For comparative information by product category, the comparison has been done by reclassifying the figures for the first quarter of the previous consolidated cumulative period into the new product categories.

(ii) Results of operations by segment

In the first quarter of this consolidated cumulative period, there are no major changes in the business activities of our Group (our Company and our affiliated companies). The changes in the affiliated companies are as follows.

ANEST IWATA Italia S.r.l., an Italian consolidated subsidiary, was excluded from the scope of consolidation as it was dissolved on January 1, 2024 through a merger with ANEST IWATA STRATEGIC CENTER S.r.l., a consolidated subsidiary, as the surviving company. As a result, as of June 30, 2024, the Group consists of our Company, 29 consolidated subsidiaries, and two affiliates.

Results of operations by regional segment, which our Group adopts, are as described below. For details, refer to (Segment information, etc.) in "2. Quarterly consolidated financial statements and main notes - (3) Notes on quarterly consolidated financial statements."

Japan

Net sales stood at 5,559 million yen (down 10.9% from the same consolidated cumulative quarter of the previous fiscal year), and segment profit stood at 552 million yen (down 28.4%). The decrease in profit is due to additional selling, general and administrative expenses which mainly include labor costs.

In the air compressor field, sales of general-purpose air compressors decreased due to factors such as the slack in profitability of small and medium-sized enterprises caused by rising labor costs among other reasons.

In the vacuum equipment field, sales for semiconductor manufacturing equipment-related products remained strong, but sales of vacuum pumps for general industries decreased.

In the coating equipment field, the demand for spray guns for the car repair market remained strong, but sales in general decreased due to the lingering impact of the discontinuation of sales of some models in the previous consolidated fiscal year.

In the coating system field, sales of environmental equipment and coating systems for car parts decreased due to a continued cautious attitude toward capital investment.

Europe

Net sales stood at 2,611 million yen (up 11.1% from the same consolidated cumulative quarter of the previous fiscal year) and segment profit stood at 279 million yen (down 13.7%). The decrease in profit was mainly due to the decreased sales of oil-free air compressors which have a high profit margin.

In the air compressor field, sales of oil-free air compressors decreased because of changes in demand trends from OEM customers.

In the coating equipment field, sales of airbrushes progressed favorably in addition to coating units for the car repair and woodworking markets.

Americas

Net sales stood at 1,900 million yen (up 16.6% from the same consolidated cumulative quarter of the previous fiscal year), and segment profit stood at 248 million yen (up 56.1%). The increase in profit was mainly due to the effect of price rise and increased sales of oil-free air compressors and coating equipment, which have a high profit margin.

In the air compressor field, sales of compressors for medical equipment, in-vehicle mounting and general markets increased in the United States.

In the vacuum equipment field, sales of vacuum pumps for semiconductor manufacturing-related equipment and for equipment manufacturers increased.

In the coating equipment field, sales of coating units for the woodworking market increased in addition to successful sales of spray guns for the car repair market, which were well-received in Europe.

China

Net sales stood at 2,975 million yen (up 2.4% from the same consolidated cumulative quarter of the previous fiscal year), and segment profit stood at 166 million yen (up 23.1%).

In the air compressor field, export sales by Shanghai Screw Compressor Co., Ltd. continued to progress favorably.

In vacuum equipment, total sales decreased due to the lack of spot demand for vacuum pumps for equipment manufacturers experienced in the previous fiscal year.

In the coating equipment field, sales declined because of continuously shrinking domestic sales in China due to the slowdown of the Chinese economy.

In the coating system field, the order backlog was on an increasing trend compared to the previous consolidated fiscal year, and sales for coating systems for Industrial machinery parts increased.

Others

Net sales stood at 2,149 million yen (down 1.1% from the same consolidated cumulative quarter of the previous fiscal year), and segment profit stood at 240 million yen (down 24.4%). The decrease in profit was mainly due to the decreased sales mainly in Taiwan.

In the air compressor field, while demand in India is expanding, sales of general-purpose air compressors in Southeast Asia, including Thailand, and Australia, where domestic demand recovery is slow, decreased.

In the coating equipment field, the sales of spray guns decreased in Taiwan.

In the coating system field, sales for coating systems for car parts increased in India.

(iii) Analysis of financial condition

For assets, our current assets stood at 40,053 million yen (down 1.3% from the previous consolidated fiscal year). This was mainly due to a decrease of 702 million yen in "Cash and deposits." Our non-current assets stood at 25,761 million yen (up 0.7%). This was mainly because of an increase of 186 million yen in "Construction in progress" included in "Other, net" with the construction of medium-sized air compressor assembly plants and headquarters prototype buildings in India. As a result, our total assets stood at 65,815 million yen (down 0.5%).

For liabilities, our current liabilities stood at 11,593 million yen (down 9.4%). This was mainly due to a decrease of 702 million yen in "Income taxes payable." Our non-current liabilities stood at 3,247 million yen (down 1.0%). This was mainly due to a decrease of 59 million yen in lease liabilities included in "Other." As a result, our total liabilities stood at 14,841 million yen (down 7.6%).

Our net assets stood at 50,974 million yen (up 1.8%). This was mainly due to an increase of 981 million yen in "Foreign currency translation adjustment." Our equity capital, which is calculated by subtracting the non-controlling interests from the net assets, stood at 44,905 million yen, increasing our equity ratio by 1.4 percentage points to 68.2%, from 66.8% at the end of the previous consolidated fiscal year.

(iv) Production results

(Amount: million yen)

Reporting segment	Japan	Europe	Americas	China	Others	Total
Three months ended June 30, 2024	4,597	1,223	246	1,813	1,332	9,213
Three months ended June 30, 2023	5,071	745	350	1,769	1,514	9,452

(Note) The increase recorded in Europe was mainly due to the increase in production of coating equipment and air compressors.

(v) Orders received and order backlog

(Amount: million yen)

Reporting segment	Japan	Europe	Americas	China	Others	Total
Orders received in the current consolidated cumulative first quarter	313	—	—	73	48	436
Order backlog in the current consolidated cumulative first quarter	181	—	—	131	145	458
Orders received in the previous consolidated cumulative first quarter	246	—	3	60	86	396
Order backlog in the previous consolidated cumulative first quarter	814	—	14	74	352	1,256

(Notes) 1. These orders received and order backlog are for coating system products. Orders received and order backlog are not subject to management because of the short time from order to sale, except for coating system products.

2. The decrease in order backlog in Japan was mainly due to the completion of deliveries of large projects.

3. The decrease in order backlog in Others was mainly due to the completion of deliveries of large projects in Indonesia.

(vi) Basic policy regarding persons who control decisions on financial and business policies

Our Company has made major changes in the basic policies regarding persons who control decisions on financial and business policies in the first quarter of the current consolidated accounting period. Details of this are as follows.

As a listed company, we uphold the free trade of our Company shares. The Board of Directors does not flatly deny so-called "hostile takeovers" carried out without its consent, as long as this benefits corporate value and common interests of shareholders. We believe the shareholders who own the Company's shares ultimately decide whether or not to sell their shares in response to a large-scale purchase by a specific person.

However, there are some types of large-scale share purchasers that do not contribute to the improving of corporate value of the target company and the common interests of its shareholders, such as those which

i) could significantly damage corporate value and the common interests of shareholders when judged from their purpose;

ii) may effectively compel shareholders to sell their shares;

iii) do not provide sufficient time or information to the Board of Directors of the target company or shareholders to consider the details of the large-scale purchase of shares or for the Board of Directors of the target company to make an alternative proposal;

iv) require the target company to negotiate with the buyer in order to provide conditions more favorable than those originally offered by the buyer. For this reason, at the Board of Directors meeting held on May 15, 2007, rules regarding large-scale purchase actions (hereinafter referred to as the "Policy") were introduced with the aim of protecting corporate value and the common interests of shareholders and ensuring that shareholders have the time and information to make an appropriate decision on whether or not to accept a purchase offer, and the continuation of the Policy was resolved at the 77th Ordinary General Shareholders' Meeting held on June 23, 2023. Since the introduction of the Policy, we have been working to build relationships of trust with the various stakeholders who support us, increase our corporate value, and ensure and improve the common interests of our shareholders.

In this environment, we have reviewed our capital policy, setting EPS (earnings per share) as a new management indicator, and have also taken into consideration the latest trends in discussions around the Corporate Governance Code and judicial decisions regarding large-scale purchase actions. As a result, it is concluded that the need for takeover defense measures has decreased compared to when the Policy was first introduced.

Therefore, our Board of Directors has unanimously decided to discontinue (abolish) the Policy with the conclusion of the 78th Ordinary General Shareholders' Meeting.

Even after the expiration of the Policy, we will continue to work to improve our corporate value and secure and improve the common interests of shareholders by promoting business activities aimed at further improvement of our

performance and the achievement of sustainable growth.

- (2) Explanation for the information on future prospects including the expected consolidated results of operations

At present, the expected consolidated results of operations and the expected dividend for the full year announced on May 9, 2024 remain unchanged.

2. Quarterly consolidated financial statements and main notes

(1) Quarterly consolidated balance sheet

(Amount: million yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	16,931	16,229
Notes and accounts receivable-trade	9,795	9,492
Merchandise and finished goods	7,004	6,719
Work in process	967	1,224
Raw materials and supplies	4,178	4,520
Other	2,062	2,258
Allowance for doubtful accounts	(368)	(391)
Total current assets	40,571	40,053
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,978	5,994
Other, net	7,737	8,038
Total property, plant and equipment	13,715	14,033
Intangible assets		
Goodwill	733	719
Other	2,532	2,629
Total intangible assets	3,266	3,348
Investments and other assets		
Investment securities	6,269	5,999
Other	2,331	2,391
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	8,590	8,379
Total non-current assets	25,573	25,761
Total assets	66,144	65,815

(Amount: million yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,686	5,560
Short-term borrowings	1,146	1,087
Income taxes payable	1,195	492
Provision for bonuses	841	456
Other provisions	445	392
Other	3,474	3,603
Total current liabilities	12,789	11,593
Non-current liabilities		
Retirement benefit liability	1,170	1,191
Provision for share awards for directors (and other officers)	202	214
Other	1,907	1,841
Total non-current liabilities	3,280	3,247
Total liabilities	16,069	14,841
Net assets		
Shareholders' equity		
Share capital	3,354	3,354
Capital surplus	1,008	1,007
Retained earnings	37,425	37,399
Treasury shares	(2,051)	(2,284)
Total shareholders' equity	39,737	39,476
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	999	1,034
Foreign currency translation adjustment	3,208	4,189
Remeasurements of defined benefit plans	212	203
Total accumulated other comprehensive income	4,421	5,428
Non-controlling interests	5,915	6,069
Total net assets	50,074	50,974
Total liabilities and net assets	66,144	65,815

(2) Quarterly consolidated statement of income and comprehensive income
Quarterly consolidated statement of income
Consolidated cumulative first quarter

(Amount: million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	12,175	12,484
Cost of sales	6,621	6,778
Gross profit	5,554	5,706
Selling, general and administrative expenses	4,284	4,688
Operating profit	1,269	1,017
Non-operating income		
Interest and dividend income	60	82
Foreign exchange gains	463	344
Share of profit of entities accounted for using equity method	188	260
Other	41	41
Total non-operating income	753	728
Non-operating expenses		
Interest expenses	12	27
Other	9	14
Total non-operating expenses	22	42
Ordinary profit	2,001	1,704
Extraordinary income		
Gain on sale of non-current assets	2	2
Total extraordinary income	2	2
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	2
Total extraordinary losses	0	2
Profit before income taxes	2,003	1,703
Income taxes - current	398	447
Income taxes - deferred	45	6
Total income taxes	444	453
Profit	1,559	1,249
Profit attributable to non-controlling interests	183	197
Profit attributable to owners of parent	1,376	1,052

Quarterly consolidated statement of comprehensive income
 Consolidated cumulative first quarter

(Amount: million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	1,559	1,249
Other comprehensive income		
Valuation difference on available-for-sale securities	140	35
Foreign currency translation adjustment	293	1,008
Remeasurements of defined benefit plans, net of tax	2	(9)
Share of other comprehensive income of entities accounted for using equity method	30	250
Total other comprehensive income	467	1,285
Comprehensive income	2,026	2,534
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,705	2,059
Comprehensive income attributable to non-controlling interests	321	475

(3) Notes on quarterly consolidated financial statements

(Notes on the premise of a going concern)

There are no relevant matters.

(Notes relating to cases in which there are significant changes in the amount of shareholders' equity)

There are no relevant matters.

(Changes in the scope of consolidation or application of the equity method)

Effective from the first quarter of the current consolidated fiscal year, ANEST IWATA Italia S.r.l., which was a consolidated subsidiary, was dissolved through an absorption-type merger on January 1, 2024, with ANEST IWATA STRATEGIC CENTER S.r.l. as the surviving company.

(Additional information)

(Performance-based stock compensation plan for directors and corporate officers)

In accordance with a resolution at the 73rd ordinary general shareholders' meeting, held on June 25, 2019, we have introduced a performance-based stock compensation plan, "Board Benefit Trust (BBT)" (referred to as "this plan" in the remainder of this document), targeted at our directors (excluding audit and supervisory committee members and independent directors) and corporate officers who do not concurrently serve as directors (referred to collectively as "directors and others"), for the purposes of improving mid- to long-term results of operations, increasing our corporate value, and promoting management awareness that puts shareholders first.

(1) Overview of this plan

This plan is a performance-based stock compensation plan whereby the trust established by us (the trust established in accordance with this plan is referred to as "this trust" in the remainder of this document) acquires Company shares by using the money contributed by us as a fund and through this trust, Company shares and money equivalent to the amount of money resulting from translating Company shares at market value (referred to collectively as "Company shares, etc." in the remainder of this document) to directors and others according to the rules for granting shares. The time at which directors and others can be granted Company shares, etc. is, in principle, the time at which the directors and others retire.

(2) Company shares that remain in the trust

Company shares that remain in the trust are recorded as treasury shares in Net assets at the book value (excluding the amount of money of incidental costs) in the trust. At the end of the previous consolidated fiscal year, the book price of the treasury shares is 153 million yen, and the number of shares is 154,200. At the end of the current consolidated fiscal first quarter, the book price of the treasury shares is 153 million yen, and the number of shares is 154,200.

(Related to quarterly consolidated balance sheet)

Notes receivable endorsed

	As of March 31, 2024	As of June 30, 2024
	1,075 million yen	1,105 million yen

(Notes on quarterly statement of cash flows)

Quarterly consolidated statement of cash flows for the current consolidated cumulative first quarter has not been prepared. Depreciation (includes amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first quarter consolidated cumulative period are as follows.

	Three months ended June 30, 2023	Three months ended June 30, 2024
Depreciation	463 million yen	540 million yen
Amortization of goodwill	57 million yen	46 million yen

(Related to shareholders' equity, etc.)

Three months ended June 30, 2023

1. Dividends paid

Resolution	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date	Source of dividend
June 23, 2023 Ordinary general shareholders' meeting	Common shares	894	22.0	March 31, 2023	June 26, 2023	Retained earnings

(Note) The total amount of dividends includes the dividend of 3 million yen for the Company shares owned by the "Board Benefit Trust (BBT)."

2. Of the dividends whose record date belongs to the three months ended June 30, 2023, the effective date of the dividend is after June 30, 2023

There are no relevant matters.

Three months ended June 30, 2024

1. Dividends paid

Resolution	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date	Source of dividend
June 25, 2024 Ordinary general shareholders' meeting	Common shares	1,078	27.0	March 31, 2024	June 26, 2024	Retained earnings

(Note) The total amount of dividends includes the dividend of 4 million yen for the Company shares owned by the "Board Benefit Trust (BBT)."

2. Of the dividends whose record date belongs to the three months ended June 30, 2024, the effective date of the dividend is after June 30, 2024

There are no relevant matters.

(Segment information, etc.)

[Segment information]

I Three months ended June 30, 2023

1. Information about the amounts of net sales and profit in each reporting segment and information about the disaggregation of revenue

(Amount: million yen)

	Reporting segment					Total
	Japan	Europe	Americas	China	Others (Note)	
Net sales						
Revenue from contracts with customers	4,146	2,131	1,554	2,610	1,733	12,175
Sales to external customers	4,146	2,131	1,554	2,610	1,733	12,175
Internal sales or transfers between segments	2,095	219	75	296	440	3,127
Total	6,241	2,350	1,629	2,907	2,174	15,303
Segment profit	770	324	159	135	317	1,707

(Note) The "Others" category addresses the business activities of local subsidiaries in Taiwan, India, Thailand, South Korea, Vietnam, Indonesia, Australia and South Africa.

2. Difference between the total amounts of profit of the reporting segments and the amount reported in the quarterly consolidated statement of income, as well as the main items of the difference (matters related to difference adjustment)

(Amount: million yen)

Profit	Amount
Reporting segment total	1,707
Company-wide expenses (Note)	(280)
Inter-segment transactions erased	(156)
Operating profit in the quarterly consolidated statement of income	1,269

(Note) Company-wide expenses are mainly selling, general and administrative expenses that cannot be attributed to the reporting segments.

3. Information about the impairment losses, goodwill, etc. in non-current assets in each reporting segment (Important fluctuations in the amount of goodwill)

In the "Americas" segment, ANEST IWATA Americas, Inc., a consolidated subsidiary in the United States, acquired part of a business of selling vacuum equipment products in the consolidated fiscal first quarter. The increase in goodwill due to this event is 165 million yen.

II Three months ended June 30, 2024

1. Information about the amounts of net sales and profit in each reporting segment and information about the disaggregation of revenue

(Amount: million yen)

	Reporting segment					Total
	Japan	Europe	Americas	China	Others (Note)	
Net sales						
Revenue from contracts with customers	3,858	2,365	1,802	2,652	1,805	12,484
Sales to external customers	3,858	2,365	1,802	2,652	1,805	12,484
Internal sales or transfers between segments	1,701	246	97	322	344	2,712
Total	5,559	2,611	1,900	2,975	2,149	15,196
Segment profit	552	279	248	166	240	1,487

(Note) The "Others" category addresses the business activities of local subsidiaries in Taiwan, India, Thailand, South Korea, Vietnam, Indonesia, Australia and South Africa.

2. Difference between the total amounts of profit of the reporting segments and the amount reported in the quarterly consolidated statement of income, as well as the main items of the difference (matters related to difference adjustment)

(Amount: million yen)

Profit	Amount
Reporting segment total	1,487
Company-wide expenses (Note)	(254)
Inter-segment transactions erased	(215)
Operating profit in the quarterly consolidated statement of income	1,017

(Note) Company-wide expenses are mainly selling, general and administrative expenses that cannot be attributed to the reporting segments.

(Related to revenue recognition)

Information that breaks down revenue from contracts with customers is presented in "Notes (Segment information, etc.)."

(Per share information)

Basic earnings per share and calculation basis are as follows.

Item	Three months ended June 30, 2023	Three months ended June 30, 2024
Basic earnings per share	34.01 yen	26.52 yen
(Basis for calculation)		
Profit attributable to owners of parent (million yen)	1,376	1,052
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common shares (million yen)	1,376	1,052
Average number of common shares outstanding in the period (shares)	40,466,913	39,682,219

(Notes) 1. Diluted earnings per share is not stated because there are no diluted shares.

2. The shares of the Company remaining in the "Board Benefit Trust (BBT)," which are recorded as treasury shares in shareholders' equity, are included in the treasury shares deducted when calculating the average number of shares outstanding in the period for the calculation of basic earnings per share (174,200 shares in the previous consolidated cumulative first quarter, 154,200 shares in the current consolidated cumulative first quarter).

(Important subsequent events)

There are no relevant matters.

(4) Others

There are no relevant matters.

(English Translation)

Independent Auditor's Interim Review Report on Quarterly Consolidated Financial Statements

August 9, 2024

To the Board of Directors of
ANEST IWATA Corporation

Fujimi Audit Corporation
Tokyo Office

Designated and Engagement Partner
Certified Public Accountant: Miho Toriumi

Designated and Engagement Partner
Certified Public Accountant: Masao Bessho

Auditor's Conclusion

We conducted an interim review of the quarterly consolidated financial statements of ANEST IWATA Corporation ("the Company") for the first quarter of the consolidated accounting period (April 1, 2024 to June 30, 2024) and the first quarter of the consolidated cumulative period (April 1, 2024 to June 30, 2024) of the consolidated fiscal year from April 1, 2024 to March 31, 2025, which are listed in the "Attachment" of the quarterly financial results summary, i.e., the quarterly consolidated balance sheet, quarterly consolidated statement of income, quarterly consolidated statement of comprehensive income, and notes.

In the interim review conducted by our audit firm, we found no matters that would lead one to believe that the above quarterly consolidated financial statements were not prepared in any material respect in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange, Inc.'s standards for preparation of quarterly financial statements, etc. and accounting standards for quarterly financial statements generally accepted in Japan (however, the omissions of statements set forth in Article 4, Paragraph 2 of the standards for preparation of quarterly financial statements, etc. are applied).

Basis of Auditors' Conclusions

We conducted our interim review in accordance with the interim review standards generally accepted in Japan. Our responsibilities under the interim review standards are described in "Responsibility of the Auditor in the Interim Review of the Quarterly Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries and have fulfilled our other ethical responsibilities as auditors in accordance with the rules of professional ethics in Japan. We believe that the evidence we have obtained provides a basis for our conclusions.

Responsibility of Management and the Audit and Supervisory Committee for Quarterly Consolidated Financial Statements

The responsibility of management is to prepare the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange, Inc.'s standards for preparation of quarterly financial statements, etc. and accounting standards for quarterly financial statements generally accepted in Japan (however, the omissions of statements set forth in Article 4, Paragraph 2 of the standards for preparation of quarterly financial statements, etc. are applied). This includes establishing and operating such internal control deemed necessary by management to enable the preparation and fair presentation of the quarterly consolidated financial statements that are free from hypocritical representations due to fraud or error.

When preparing quarterly consolidated financial statements, the management is responsible for evaluating whether it is appropriate to prepare quarterly consolidated financial statements based on the premise of a going concern, and disclosing matters related to the going concern if necessary based on Article 4, Paragraph 1 of the Tokyo Stock Exchange, Inc. standards for preparation of quarterly financial statements, etc. and accounting standards for quarterly financial statements generally accepted in Japan (however, the omissions of statements set forth in Article 4, Paragraph 2 of the standards for preparation of quarterly financial statements, etc. are applied).

The responsibility of the Audit and Supervisory Committee is to monitor the execution of duties by directors in the development and operation of the financial reporting process.

Responsibility of the Auditor in the Interim Review of the Quarterly Consolidated Financial Statements

The responsibility of the auditor is to express a conclusion on the quarterly consolidated financial statements from an independent standpoint in the interim review report based on the interim review conducted by the auditor.

The auditor shall exercise professional judgment and maintain professional skepticism when implementing the following throughout the course of the interim review in accordance with the interim review standards generally accepted in Japan.

- The auditor shall primarily conduct interviews with the management and the persons responsible for the matters concerning finance and accounting, etc., analytical procedures and other interim review procedures. The interim review procedure is more limited than the annual financial statement audit conducted in accordance with auditing standards generally accepted in Japan.
- If it is determined that there is significant uncertainty regarding events or circumstances that may cast significant doubt on matters related to the premise of a going concern, a conclusion is made based on the evidence obtained as to whether there are any matters that would lead one to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange, Inc. standards for preparation of quarterly financial statements, etc. and accounting standards for quarterly financial statements generally accepted in Japan (however, the omission of statements set forth in Article 4, Paragraph 2 of the standards for preparation of quarterly financial statements, etc. is applied). In addition, in cases where significant uncertainty regarding the premise of a going concern is found, the interim review report shall draw attention towards the notes in the quarterly consolidated financial statements, and in cases where the notes in the quarterly consolidated financial statements regarding significant uncertainty are not appropriate, the quarterly consolidated financial statements are required to express a qualified conclusion or a negative conclusion. Although the auditor's conclusions are based on evidence available up to the date of the interim review report, future events or circumstances may prevent the entity to cease to exist as a going concern.
- The auditor shall evaluate whether there are any matters that would lead one to believe that the presentation of the quarterly consolidated financial statements and notes have not been prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange, Inc.'s standards for preparation of quarterly financial statements, etc. and the accounting standards for quarterly financial statements that are generally accepted in Japan (however, the omissions of statements set forth in Article 4, Paragraph 2 of the standards for preparation of quarterly financial statements, etc. are applied).
- The auditor shall obtain evidence concerning the financial information of the Company and its consolidated subsidiaries in order to express a conclusion on the quarterly consolidated financial statements. The auditor is responsible for directing, supervising, and performing the interim review of the quarterly consolidated financial statements. The auditor is solely responsible for the auditor's conclusions.

The auditor shall report to the Audit and Supervisory Committee on the scope of the planned interim review, the timing of its implementation, and important findings of the interim review.

The auditor shall report to the Audit and Supervisory Committee that the auditor has complied with Japan's code of professional ethics regarding independence as well as on matters reasonably believed to affect the independence of the auditor and any measures taken to eliminate disincentives or safeguards applied to reduce disincentives to an acceptable level.

Conflict of Interests

There is no interest that should be noted pursuant to the provisions of the Certified Public Accountant Act between the Company or its consolidated subsidiaries and our audit firm or between the Company or its consolidated subsidiaries and the engagement partners.

Regards

(Notes) 1. The original of the above interim review report is kept separately by the Company (the company disclosing quarterly financial results summary).

2. XBRL data and HTML data are not included in the scope of the interim review.