

FY2024 Full-Year Consolidated Financial Results [Japan GAAP] (April 1, 2024 through March 31, 2025)

May 9, 2025

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	: Eisuke Miyoshi, President, Representative Director and Chief Executive Officer
Contact Person	: Hitoshi Iwata, Managing Executive Officer, Chief Operating Officer of Business Admin. Div. Tel. +81-(0)45-591-9344
Scheduled Date of Ordinary General Shareholders' Meeting	: June 25, 2025
Scheduled Payment Date of Cash Dividends	: June 26, 2025
Scheduled Filing Date of Annual Securities Report	: June 24, 2025
Supplemental Materials Prepared for Financial Results	: Yes
Holding of Financial Results Meeting	: Yes (for analysts and institutional investors)

(Amounts are rounded to the nearest million yen)

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

(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	54,411	1.8	5,903	(4.4)	7,139	(10.6)	4,276	(13.3)
FY2023	53,425	10.1	6,176	5.8	7,986	13.4	4,931	12.5

(Note) Comprehensive Income: FY2024 6,627 million yen (down 18.9%), FY2023 8,169 million yen (up 15.6%)

	Basic Earnings per Share	Diluted Earnings per Share	Return of Equity	Return of Asset	Operating Profit on Sales
	Yen	Yen	%	%	%
FY2024	108.21	—	9.4	10.5	10.8
FY2023	122.13	—	11.7	12.6	11.6

(Reference) Equity in Income of Affiliates: FY2024 936 million yen, FY2023 768 million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million Yen	Million Yen	%	Yen
As of March 31, 2025	69,202	53,561	67.7	1,190.89
As of March 31, 2024	66,144	50,074	66.8	1,109.65

(Reference) Equity Capital: As of March 31, 2025 46,853 million yen, As of March 31, 2024 44,159 million yen

(3) Consolidated Cash Flow

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
	Million Yen	Million Yen	Million Yen	Million Yen
FY2024	9,746	(3,225)	(3,932)	17,686
FY2023	6,770	(1,260)	(3,584)	14,608

2. Cash Dividends

	Annual Cash Dividends per Share					Total Amount of Cash Dividends	Dividends Payout Ratio (Consolidated)	Dividends on Equity (Consolidated)
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
FY2023	—	22.00	—	27.00	49.00	1,972	40.1	4.7
FY2024	—	22.00	—	23.00	45.00	1,784	41.6	3.9
FY2025 (forecast)	—	41.00	—	42.00	83.00		79.2	

3. Forecast of Consolidated Results for FY2025 (April 1, 2025 through March 31, 2026)

(% 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
Half-Year	28,330	4.7	2,620	(11.5)	3,220	(7.0)	2,020	(8.0)	51.02
Full-Year	58,000	6.6	5,550	(6.0)	6,710	(6.0)	4,150	(3.0)	104.83

* Notes

- (1) Significant changes in the scope of consolidation during the period under review: Yes
 New: One company (Company name: ANEST IWATA A.I.R., ANEST IWATA A.I.R. Philippines Inc.)
 Excluded: One company (Company name: ANEST IWATA Italia S.r.l.)

- (2) 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

- (3) Number of shares issued (common share)

(i) Number of shares issued (including treasury shares) at the period-end	As of March 31, 2025	41,745,505 shares	As of March 31, 2024	41,745,505 shares
(ii) Number of treasury shares at the period-end	As of March 31, 2025	2,401,889 shares	As of March 31, 2024	1,949,752 shares
(iii) Average number of shares outstanding in the period	FY2024	39,524,077 shares	FY2023	40,375,671 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, 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.

(Reference) Non-consolidated financial results

Non-consolidated results in FY2024 (April 1, 2024 through March 31, 2025)

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

	Net Sales		Operating Profit		Ordinary Profit		Profit	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2024	24,203	(6.6)	1,755	(27.4)	6,160	25.9	5,437	47.4
FY2023	25,715	3.8	2,417	(8.5)	4,891	14.1	3,689	9.9

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
FY2024	137.58	—
FY2023	91.37	—

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million Yen	Million Yen	%	Yen
As of March 31, 2025	42,938	35,061	81.7	891.17
As of March 31, 2024	40,676	32,700	80.4	821.71

(Reference) Equity Capital: As of March 31, 2025 35,061 million yen, As of March 31, 2024 32,700 million yen

* These financial results are not subject to audits by certified public accountants or audit corporations.

* 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 (1) Explanation for results of operations and financial condition" on page 2 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. Analysis of results of operations and financial condition

(1) Explanation for results of operations and financial condition

(i) Overview and results of operations

During the current consolidated fiscal year, the global economy showed favorable employment and personal consumption, particularly in the United States, while recovery in Europe and China differed by area due to high interest rates and a sluggish real estate market. Overall, the global economy continued to recover gradually as a result of the ongoing impact of monetary tightening and geopolitical risks, as well as stagnant capital investment. In Japan, the spread of pay increases and a sense of relief from rising prices aided the recovery of personal spending, but due to the global economic slump, exports and capital investment failed to expand. Corporate performance and employment environment generally remained strong; however, uncertainty about the future persisted due to the influence of the Bank of Japan's monetary policy trends and exchange rate fluctuations. In spite of this, modest recovery trend was maintained overall.

Under such circumstances, our business performance for the current consolidated fiscal year is as follows: sales stood at 54,411 million yen (up 1.8% from the previous consolidated fiscal year), operating profit at 5,903 million yen (down 4.4%), ordinary profit at 7,139 million yen (down 10.6%), and profit attributable to owners of parent at 4,276 million yen (down 13.3%). From these results, the ROE in the current consolidated fiscal year stood at 9.4% (down 2.3 points), and the equity ratio increased by 0.9 points to 67.7%.

(Reference values) Results of each division

(Amount: million yen)

Business category	(Product category)	Fiscal year ended March 31, 2025			
		Consolidated net sales	(Change from the previous fiscal year)	Consolidated operating profit	(Change from the previous fiscal year)
Air energy business		33,609	1.3%	3,388	2.8%
	Air compressors	30,787	2.0%		
	Vacuum equipment	2,822	(5.4)%		
Coating business		20,679	2.7%	2,608	(7.5)%
	Coating equipment	17,943	6.6%		
	Coating systems	2,736	(17.1)%		
Others		123	10.2%	(94)	(253.1)%
Total		54,411	1.8%	5,903	(4.4)%

(Notes) 1. Consolidated operating profit by business category is calculated with our Group's unique standard.

2. Product category has been changed from the current consolidated fiscal year. 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." Furthermore, revenues from consumer business, including EC site sales, which were formerly classified as "air energy business" and "coating business," have been reclassified as "others" to ease comparability in terms of business strategy importance. Note that the figures in the comparative information by product category for the previous consolidated fiscal year have been reclassified to reflect the new business and product categories for comparison.

3. "Others" includes revenues from the consumer business, mobility after-sales services, etc.

(ii) Results of operations by segment

Results of operations by regional segment, which our group adopts, are as described below. For details of the results of our operations by segment, refer to (Segment information, etc.) in "(5) Notes on consolidated financial statements" in "5. Consolidated financial statements and main notes".

Japan

Net sales stood at 24,847 million yen (down 5.6% from the previous consolidated fiscal year), and segment profit stood at 2,620 million yen (down 23.6%). The main reason for the decrease in profit was due to lower sales of products in general, primarily high-profit ratio products such as vacuum equipment.

In the air compressor field, although the overall shipment volume of small compressors in the industry stagnated, sales increased due to the penetration of price revisions and the effectiveness of promotional campaigns.

In the vacuum equipment field, sales of vacuum pumps for semiconductor manufacturing-related equipment to domestic equipment manufacturers declined as a result of a drop in demand in the Chinese market, where these items are ultimately sold.

In the coating equipment field, while sales of hand spray guns remained stable, sales of coating material feeding equipment and equipment for applying liquids other than paint increased, leading to overall sales growth.

In the coating systems field, we were unable to cover the low initial order backlog for coating systems, mainly in automotive production with orders received during the period, resulting in a decrease in sales.

Europe

Net sales stood at 10,137 million yen (up 8.1% from the previous consolidated fiscal year), and segment profit stood at 828 million yen (down 0.1%). The main reason for the decline in profit was a decrease in sales of high-profit ratio oil-free air compressors.

In the air compressor field, sales of oil-free air compressors decreased due to changes in demand trends from OEM customers. Additionally, we have begun rebuilding the sales systems across Europe and our subsidiaries to improve this situation.

In the coating equipment field, sales increased throughout Europe due to continued firm sales of spray guns for the car repair market, coating units for the woodwork market, and favorable sales of airbrushes at our German subsidiaries.

Americas

Net sales stood at 7,446 million yen (up 2.6% from the previous consolidated fiscal year), and segment profit stood at 898 million yen (down 3.2%). The main reason for the decline in profit was a decrease in sales of high-profit ratio oil-free air compressors in South America.

In the air compressor field, sales of oil-free scroll air compressors for the medical market increased mainly in the United States.

In the vacuum equipment sector, sales decreased due to the lack of spot demand in the United States seen in the previous fiscal year. At the same time, we are focusing on developing new sales channels.

In the coating equipment field, sales increased due to steady sales of painting units for the woodwork market in the United States and strong sales of hand spray guns in Brazil.

China

Net sales stood at 12,567 million yen (up 1.3% from the previous consolidated fiscal year), and segment profit stood at 882 million yen (up 9.1%).

In the air compressor field, while export sales by local subsidiaries remained steady, a slowdown was observed towards the end of the fiscal year. Additionally, domestic sales continued to be in a difficult state, and overall sales decreased.

In the vacuum equipment field, sales of vacuum pumps for lithium-ion battery manufacturing-related equipment supported business performance. However, demand decreased toward the end of the fiscal year.

In the coating equipment field, sales declined as a result of the Chinese economy's continued slowdown.

In the coating systems field, sales increased due to completed deliveries of coating systems related to the production of machine parts and resin products in particular.

Others

Net sales stood at 9,948 million yen (down 1.2% from the previous consolidated fiscal year), and segment profit stood at 1,546 million yen (down 3.4%).

In the air compressor field, while sales of medium-sized air compressors in the general market in India fell short of the previous year's figures, sales of small-sized compressors increased. In East Asia, the demand for small air compressors for the general market expanded, leading the overall growth.

In the coating equipment field, sales of hand spray guns for the car repair market and the industrial coating market in India and Australia increased.

In the coating systems field, not only the initial backlog of orders but also the acquisition of orders during the period remained challenging in Southeast Asia. In India as well, inquiries did not lead to sales during the period, resulting in a decrease in sales.

(iii) Analysis of financial condition

For assets, our current assets stood at 45,229 million yen (up 11.5% from the previous consolidated fiscal year). This was mainly due to an increase of 4,404 million yen in "Cash and deposits." Our non-current assets stood at 23,973 million yen (down 6.2%). This was mainly due to a decrease of 3,096 million yen in "Investment securities." As a result, our total assets stood at 69,202 million yen (up 4.6%).

For liabilities, our current liabilities stood at 12,161 million yen (down 4.9%). This was mainly due to a decrease of 845 million yen in "Income taxes payable." Our non-current liabilities stood at 3,479 million yen (up 6.1%). This was mainly due to increases of 89 million yen in "Long-term borrowings" and 50 million yen in "Retirement benefit liability." As a result, our total liabilities stood at 15,641 million yen (down 2.7%).

Our net assets stood at 53,561 million yen (up 7.0%). This was mainly due to increases of 2,324 million yen in "Retained earnings" and 1,528 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 46,853 million yen, increasing our equity ratio by 0.9 percentage points to 67.7%, from 66.8% at the end of the previous consolidated fiscal year.

(iv) Cash flow

Cash and cash equivalents (referred to as "funds" in the remainder of this document) for the current consolidated fiscal year increased by 3,077 million yen from the end of the previous consolidated fiscal year, to 17,686 million yen (up 21.1%) at the end of the current consolidated fiscal year. Each cash flow in the current consolidated fiscal year, as well as the causes, are as described below.

1) Cash flows from operating activities

As a result of operating activities, the fund balance shows earnings of 9,746 million yen (up 44.0%), with an increase of 2,976 million yen from the end of the previous consolidated fiscal year, mainly due to a 2,420 million yen increase in equity in earnings of affiliates as a result of dividends received from equity-method affiliates, as well as a 518 million yen increase in cash inflows resulting from changes in inventories.

2) Cash flows from investing activities

As a result of investing activities, the fund balance shows expenses of 3,255 million yen (up 158.2%), with an increase of 1,994 million yen in expenses from the end of the previous consolidated fiscal year, mainly due to an increase of 1,745 million yen in "Payments into time deposits."

3) Cash flows from financing activities

As a result of financing activities, the fund balance shows expenses of 3,932 million yen (up 9.7%), with an increase of 347 million yen in expenses from the end of the previous consolidated fiscal year, mainly due to an increase of 233 million yen in expenses because of fluctuations in "Net increase (decrease) in short-term borrowings."

Trends in the cash flow indexes for corporate groups are as described below.

(Reference) Changes in cash flow related indexes

	March 2022	March 2023	March 2024	March 2025
Equity ratio (%)	63.8	66.6	66.8	67.7
Market-base equity ratio (%)	60.7	67.8	81.8	65.3
Cash flow-to-interest-bearing liabilities ratio (%)	62.1	61.7	43.6	29.5
Interest coverage ratio	67.2	73.7	93.2	91.8

(Notes) 1. To calculate each index, the following formula is used.

Equity ratio: Equity capital/Total assets

Market-base equity ratio: Market capitalization/Total assets

Cash flow-to-interest-bearing liabilities ratio: Interest-bearing liabilities/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest payments

2. Each index is calculated with financial values on a consolidated basis.

3. Market capitalization is calculated as follows: Closing share price at year end x Number of shares issued at year end.

4. As the operating cash flow, the net cash provided by operating activities in the consolidated cash flow statement is used. Interest-bearing liabilities are all interest-bearing liabilities that are posted to the consolidated balance sheet. For interest payments, those in the consolidated cash flow statement are used

(v) Prospects for the upcoming year

In the next consolidated fiscal year, the world economic outlook is still expected to remain uncertain due to factors such as trade policies in various countries, trends in financial markets, and rising geopolitical risks.

Under our new Medium-Term Business Plan, we will continue to focus our business expansion efforts on overseas markets, formulate individual growth strategies suited to the characteristics of each region, and promote optimal allocation of management resources across the Group, even amid growing global uncertainty. Further, we will aim for sustainable growth, strengthen diversified investments that include M&A, and position our 100th anniversary as a major milestone, while also working on the development of long-term plans for further growth.

At present, the expected results of our operations for the full-year fiscal year ending March 31, 2026 are such that sales will stand at 58,000 million yen (up 6.6% from the current consolidated fiscal year), operating profit will be 5,550 million yen (down 6.0%), ordinary profit will be 6,710 million yen (down 6.0%), and profit attributable to owners of parent will be 4,150 million yen (down 3.0%). The assumed exchange rates are 151.50 yen to the dollar, 164.00 yen to the euro, and 21.00 yen to the yuan.

(2) Basic policy for profit allocation and current and next-term dividends

(i) Basic policy

Our Group would like to enhance our corporate value and meet shareholder expectations by actively injecting money into the development of human resources, research and development, production capacity increase, production rationalization, M&A, etc. and improving our consolidated financial results from a mid- and long-term perspective.

The range of "Profit attributable to our shareholders" in consolidated financial results and a consolidated dividend payout ratio of 40% have always served as standards for our dividend policy. However, we will use the dividend on equity (DOE) as a new benchmark beginning with FY2025. During the current medium-term management plan period, except in cases of sudden fluctuations in consolidated performance and financial condition, we will aim for a DOE of 7.0-7.5% and set a minimum annual dividend of 83 yen per share, implementing progressive increases in dividends.

(ii) Current dividend

The common dividend paid at the end of the current term will be 23 yen per share. Combined with the dividend of 22 yen per share at the end of the second quarter, this will translate into an annual dividend per share of 45 yen. The dividend at the end of the current term will be decided at the ordinary general shareholders' meeting of our Company, scheduled for June 25, 2025.

(iii) Dividend for next term

At this point, we plan to set the dividend to be paid at the end of the second quarter to 41 yen per share and the year-end dividend to 42 yen per share, giving an annual dividend per share of 83 yen.

(3) Risks of businesses, etc.

The major risks recognized by the management to have a significant impact on our corporate value, financial condition, results of operations, and cash flow of our Group (referred to collectively as "results of operations, etc." in the remainder of this document) are as described below.

Matters related to the future appearing in this text have been judged as of the last day of the current consolidated fiscal year, and may be influenced by the economic conditions in and out of Japan, and the risks of businesses, etc. are not limited to the ones described below.

(i) Risks related to business

1) Changes in business environment

Since its establishment, our Group has contributed to global manufacturing by providing products such as coating equipment and air compressors, as well as related services, to the market. As a result, with overseas sales accounting for a majority of the Group's total sales, and with the diversification of human resources, products and services, and flow of funds, the Group is even more strongly affected by the rapidly changing business environment.

Therefore, adhering to existing markets, products, and business models may increase risks arising from changes in the market environment, such as structural changes in markets in various countries and declining demand for existing products. This may have a significant impact on the Group's sustainable growth and operating results, etc. In addition, as a result of our global business development, our Group's sales, material procurement, and other transactions involve foreign currency denominated transactions. So there is a risk that our business performance may be affected by unpredictable and sudden fluctuations in exchange rates. Furthermore, we recognize that uncertainties associated with changes in laws and regulations in various countries are also factors that promote changes in the business environment. We are striving to enhance our risk management system and prompt response measures in response to the situation.

To prevent such risks, we will continue to develop products that contribute to solving social issues such as climate change through constant efforts to improve quality in our existing businesses and through manufacturing based on a global perspective, while also proactively developing new businesses and building a business foundation that will serve as a pillar of our Company. For that reason, we will foster a corporate culture that encourages bold challenges without fear of failure, and actively promote business alliances with various partner companies to strengthen and diversify our business base based on business portfolio management. In addition, we will further enhance interaction and information gathering within the Group, strive to accurately grasp market needs, and aim to establish a system and management strategy that responds flexibly and quickly to changes in the business environment, with due consideration given to the characteristics of each country and region. At the same time, we are steadily taking measures to strengthen our supply chain, including the use of multiple purchasing and the restructuring of our logistics network, in order to ensure a stable supply of products even in times of increased demand and rising logistics costs. If we are unable to achieve sustainable growth and our business performance is adversely affected, we will promptly hold discussions among the Board of Directors and other decision-making bodies to restructure our business strategy and implement necessary risk management measures.

2) Product quality

In the event that a product that does not meet quality standards is supplied to the market due to a defect in the development, design, procurement of materials, processing, assembly, or other processes of a product, and if there is damage caused by such a defect, the Group incurs significant costs due to liability for compensation, claims handling, product recall and replacement, and other costs. In addition, there is a risk of significant impact on the Group's business performance due to loss of customer confidence.

For this reason, in order to prevent the occurrence of product defects, the Group thoroughly complies with regulations, rules and standards that set out strict quality standards. In addition, the quality assurance division intervenes from the early stages of product development from an objective standpoint to detect and correct potential problems as early as possible. Furthermore, at our production bases both in Japan and overseas, we are establishing systems to ensure compliance with the market demands and quality standards of each country by obtaining ISO9001 certification or operating quality control systems suited to the local area.

In addition, if an unforeseen incident occurs, it is promptly reported to the Corporate Officer Committee and the Quality Assurance Committee, and the quality assurance division takes the lead in quickly taking necessary measures such as recalls. We are also further strengthening our service system, which is centered on our wholly owned service company in Japan, and our subsidiaries overseas, which handle everything from sales to service.

3) Business expansion with M&As

In order to accelerate the strengthening of its business foundation and ensure sustainable growth, the Group is actively pursuing capital participation in companies it recognizes as necessary and comprehensive business alliances with collaborating partners, including acquisitions.

However, after an M&A is completed, there is a possibility that the trust of customers in the target company's existing sales area may be lost due to insufficient sharing of management policies and strategies during the integration process or inconsistencies in the collaborative structure. In addition, if the initially anticipated effects and profits are not fully realized, the target company's performance may decline, or it may be unable to maintain the expected profitability and its actual value may decline significantly. This could have a significant impact on the Group's business performance and other factors. To address such risks, we clearly define the items to be confirmed in relation to M&A, carefully consider in advance the risks and returns, the target company's financial situation, contractual relationships, and other important matters, and only after due diligence, we proceed with the transaction if we determine that sufficient synergy effects will be obtained. In addition, after the M&A enactment is completed, we properly implement post-merger integration (PMI) plans and establish a close management support system between the management team and the relevant business divisions in order to detect and prevent any risks at an early stage.

If, for some unavoidable reason, any of these risks materialize, we will make appropriate management decisions promptly by determining whether to renew contracts, determining losses, and implementing swift measures appropriate to the circumstances, and will endeavor to prevent larger losses.

(ii) Risks related to human resources

1) Securing human resources

Our Group recognizes that in order to achieve sustainable growth and respond flexibly to rapid changes in the market environment, it is extremely important to secure and develop human resources with diverse personalities and capabilities. For this reason, we conduct recruitment throughout the year in Japan and are working to strengthen the recruitment of mid-career employees in a wide range of positions in addition to new graduates.

However, if the current recruitment strategy, post-recruitment training policy and personnel evaluation system are not sufficiently reviewed and improved in response to changes in the market environment and business strategies, there is a risk that it will be difficult to secure the necessary level of human resources in the future, and this may result in concerns that the measures intended at increasing corporate value will not progress as planned. Furthermore, if working conditions and compensation systems are not sufficiently reviewed, there is a risk of losing personnel.

In order to respond to such risks, we will focus on enhancing our human resources development programs to ensure that we place the right people in the right positions in each department under proper labor management, restructuring our personnel evaluation system to incorporate a global perspective, and strengthening diversity management. In addition, we will further strengthen our system for recruiting multinational personnel, enhance training programs for evaluators, and review employment conditions and compensation systems, while actively promoting the automation and digitization of operations in order to effectively utilize the workforce and improve the efficiency of the entire organization. Furthermore, in order to respond quickly and flexibly to changes in the business environment and market trends, we have established a system where we continuously monitor the relevant risks and fundamentally review our recruitment strategies and human resource development measures as necessary.

2) Enhancing organizational performance through health management

In order to strengthen organizational performance and continuously elevate competitiveness, the Group is proactively implementing various measures under the "Health Management Declaration," with the President, Representative Director and Chief Executive Officer as the person in charge of promoting health management, in order to maintain and promote the health of each employee, who is the foundation of our business activities.

However, if health management measures do not progress as planned and activities stagnate or are scaled down, there are concerns that employee health risks will increase, leading to a deterioration in the working environment and a decline in the performance of the entire organization, which may have an adverse effect on business performance, etc.

To address such risks, the Group regularly evaluates employees' health conditions and monitors the working environment, while also verifying the effectiveness of health management measures and promptly implementing improvement measures as and when necessary. Additionally, we are further strengthening our health management efforts throughout the organization, including training and awareness-raising activities aimed at promoting work-life balance and improving health literacy, as well as strengthening our labor management system, and are establishing a system for rapid response in the event of a risk occurrence.

In the past, our Group has been recognized by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi as an "Outstanding Health and Productivity Management Organization (White 500)" for five consecutive years for its efforts to become the "top White 500 company in the machinery sector." We will continue to enhance the effectiveness of health management by establishing a corporate culture that maximizes creativity and teamwork supported by vitality and technological innovation.

3) Labor issues

A majority of the employees of our Group are foreign nationals working at our overseas sites. In an environment that needs working styles that are suited to the social conditions and working environments of each country, there is a risk that problems may arise between labor unions over working conditions and other matters, both domestic and overseas. If a labor dispute occurs and cannot be settled promptly, it could have a serious negative impact on the stability of business operations and the supply of products, and we may lose the trust of our customers, thereby directly affecting our enterprise value and business performance.

Our Company is working to promote "ANEST IWATA Corporate Philosophy," with our corporate motto, "Makoto no Kokoro" (Trustworthy & Sincere), at the core, and to raise a sense of belonging in accordance with the employment conditions and evaluation system suited for the systems in their respective countries. Overseas, we believe that the Company has established a system in which all of its subsidiaries handle everything from sales to service, thereby contributing to the prevention and early resolution of labor issues in the local area and to the stability of business operations.

(iii) Risks related to IT

1) IT investment

We consider that, for the reinforcement of competitiveness in global expansion, it is vital to reform our business model, develop high-value-added products, and improve business efficiency by introducing IT, in which constant innovations are under way. However, if our Group loses its IT knowledge and expertise accumulated within the Company due to unforeseen circumstances, it could cause the implementation of IT strategies to stagnate, or delay the development of products in line with the latest IT trends, competitiveness and management efficiency may be impaired, thereby adversely affecting business performance. For this reason, our Group formulates mid- to long-term IT strategies based on its management plan and regularly verifies the effects of IT investment on corporate growth.

In the event that a risk becomes apparent, we will implement measures to minimize the impact of the risk by proactively recruiting IT specialists, expanding collaboration with partner companies, and putting in place a system to quickly rebuild our management base by timely amortizing obsolete IT assets.

2) Information security

To promote business activities in a stable and sustainable manner, the importance of maintaining the safety and reliability of information systems is increasing year by year. Our Group exercises strict control over confidential information and personal information related to technology development and sales that is acquired in the course of business activities. However, information leakage, falsification, or a system fault may occur due to a natural disaster, unexpected cyberattack, unauthorized access attributable to a computer virus, etc. or if information is leaked by an employee intentionally or negligently. Furthermore, we recognize that if this information is misused, it may have an adverse effect on our business performance because we need to bear liability for compensation.

In order to respond to this, our Group prepares an appropriate information security system to take necessary and sufficient security measures such as acquiring appropriate backups of important data and, at the same time, provides ongoing education to employees.

In the unlikely event that any of these risk occurs, we will create a system to promptly determine the cause and the details and take appropriate measures and, at the same time, disclose information about the damage, if necessary, thereby endeavoring to minimize secondary damage and restore trust.

(iv) Risks related to laws and regulations, etc.

1) Compliance with laws and regulations related to business activities

Our Group's business activities are conducted in a wide variety of countries and regions, and it is essential to comply with the laws, regulations and standards of each country and region. In recent years, international agreements and the development of domestic systems have further heightened expectations for corporate social responsibility and governance. Specifically, they cover a wide range of fields, including import and export control, product safety, intellectual property rights, working environment and personal information protection, and consideration for human rights and environment throughout the Company's business activities and supply chain. Furthermore, if regulations are newly established or revised, if supervision by administrative authorities is strengthened, or if laws and regulations are tightened at a faster pace or scope that exceeds expectations, our Group may face unexpected cost burdens or require changes to its business plans, which could adversely affect its business and performance.

In order to accurately grasp the trends in these various laws and regulations and the changes in the business environment, our Group has established an information gathering system, centered on its business bases in each region. In particular, we will scrutinize relevant information and flexibly review the direction of business expansion, product development and service provision in preparation for acceleration of reviews specific to regions and target fields.

2) Fraudulent acts by violating laws and regulations, etc.

In recent years, an increasing number of misconduct cases, etc. by companies have been reported. If such incidents as infringement of intellectual property rights, quality fraud, bribery, or harassment occur in our Group, this may have a short-term impact on the results of operations due to compensation liability and other factors. In addition to that, this could result in a significant loss of credibility, which could impede sales and recruitment activities, leading to a decline in corporate value in the long term and, in the worst case, threatening the very existence of the Company.

For this reason, our Group has created systems and structures for ensuring that officers and employees commit no fraudulent acts, and promotes healthy management assistance for Group companies. At the same time, the Group has established a whistle-blowing system including overseas subsidiaries and creates a monitoring system with the Audit and Supervisory Committee and the internal audit division, thereby endeavoring to prevent malpractices of violating laws and regulations, etc.

We have a system in place whereby, if such an incident occurs, this can be promptly reported to our Board of Directors and we can take measures such as researching with third parties, disclosing facts, and punishing the relevant people properly, developing recurrence prevention measures, and promptly disclosing them.

3) Intelligent property

Our Group aims to become a development-oriented company full of energy and novelty that is capable of providing high-performance, high-quality products and services to customers all over the world. In the course of these efforts, we run the risk of having a third party imitate any of the products, technologies, business models, and so on that our Group reserves at present or will develop in the future, or of infringing the intellectual property rights, patent rights or trademark rights of third parties.

If such a situation were to occur, in addition to the need to pay compensation and litigation costs, the Group may be forced to restrict its use of the technology itself or to use it under unfavorable conditions, which could have an adverse effect on the Group's business performance, etc.

Based on this, our Group has been building a global rights network by acquiring design rights, trademark rights and other related rights in Japan and overseas for the designs and names of its technologies and products. In addition, we conduct infringement prevention surveys and periodic surveys of other companies' applications for each development project, and we respect the intellectual property of third parties and prevent unintended infringement. Furthermore, we are working to avoid risks and minimize their impact by strengthening our management system and cooperating with relevant external organizations.

4) International tax affairs

Our Group has subsidiaries in major areas in the world, expanding business activities globally. In inter-Group company transactions, we comply with laws and regulations such as transfer pricing taxation and strive to set fair transaction prices to address international tax risks. However, if differences in opinion arise with the tax authorities and a complaint is filed, additional taxation may be imposed, which could have an adverse effect on the Group's business performance.

In response to this, the Group is closely monitoring international tax trends and working with external specialist institutions to ensure that transactions are based on an accurate legal understanding, thereby putting in place a system to prevent any disagreements with tax authorities.

5) Accounting of impairment loss, etc. of non-current assets

Appropriate accounting of impairment loss, etc. of non-current assets requires a business plan that appropriately estimates a future cash flow. As mentioned in 3) of (1), our Group makes investment in subsidiaries, etc. actively, including M&As. To make the following accounting decisions, in particular, an appropriate business plan for each subsidiary, etc. is necessary.

- Judgment on the impairment loss on shares, etc. of affiliated companies in our non-consolidated financial statements
- Judgment on the impairment loss on non-current assets of subsidiaries, etc., which is used as basic data for consolidated financial statements
- Calculation of the years of depreciation when posting goodwill in consolidated financial statements and judgment on impairment loss

We understand that if the business plan at the points of these judgments is not an appropriate one, we run the risk of losing the trust in us remarkably because that means that inappropriate accounting has been performed as a consequence.

For this reason, in establishing the business plan for each subsidiary, etc., the business division and account division of us, the supervising company, are actively involved. Such business plans are reported to the Board of Directors, of which independent directors, who are knowledgeable about management and accounting, account for a majority, to seek their guidance and supervision. With such transparent procedures, the appropriateness of the business plans is ensured.

(v) Other risks

1) Unexpected events

Our Group expands business operations to various countries in the world. It may be exposed to a variety of geopolitical risks, including unpredictable political and economic fluctuations, war and terrorism, outbreaks of infectious diseases, and large-scale natural disasters. These events could have a significant impact on product supply due to damage to business premises, stronger regulations due to protectionism, and trade friction that could disrupt raw material procurement and logistics, resulting in increased costs. Furthermore, if the risks get prolonged or expand, this could have a significant adverse effect on the Group's business performance through impairment of non-current assets and reduced profitability.

In response, the Group is working to strengthen its supply system and accurately understand the business environment by formulating a BCP, decentralizing production bases, and considering alternative procurement methods among Group companies, thereby making its business activities more resilient.

2. Conditions of the corporate group

Our Group, consisting of our Company, 31 subsidiaries, and 2 affiliates, manufactures and sells air compressors, vacuum equipment, and coating equipment/systems exclusively, and is in a single business configuration because of similarities in product market, product use, and so on. The positioning of our Company, subsidiaries, and affiliates in the business configuration is as shown in the diagram below.

Name Companies with an * are specified subsidiaries.	Description of the main business
Our Company [Japan] ANEST IWATA Corporation	Manufacture and sale of air compressors, vacuum equipment, coating equipment, and coating systems
Consolidated subsidiaries [Japan] A&C Service Corporation ANEST IWATAA.I.R. Corporation [Europe] ANEST IWATA Deutschland GmbH ANEST IWATA Europe GmbH HARDER & STEENBECK GmbH & Co. KG ANEST IWATA Strategic Center S.r.l. ANEST IWATA Italia S.r.l. ANEST IWATA France S.A. ANEST IWATA (U.K.) Ltd. ANEST IWATA Scandinavia AB ANEST IWATA Iberica, S.L.U. ANEST IWATA Polska Sp.z o.o. ANEST IWATA RUS LLC [Americas] ANEST Iwata-Medea, Inc. ANEST IWATA Americas, Inc.* ANEST IWATA Mexico, S. De R.L. De C.V. AIRZAP-ANEST IWATA Industria e Comercio Ltda. [China] ANEST IWATA INDUSTRIAL MACHINERY (JIAXING) Co.,Ltd ANEST IWATA (SHANGHAI) Corporation ANEST IWATA FEELER Corporation* SHANGHAI SCREW COMPRESSOR Co., Ltd.* SHANGHAI GLOBE SCREW TECHNOLOGY Co., Ltd [Others] ANEST IWATA Taiwan Corporation* ANEST IWATA SPARMAX Co., Ltd. ANEST IWATA MOTHERSON Pvt .Ltd.* ANEST IWATA Southeast Asia Co., Ltd. ANEST IWATA KOREA Corporation ANEST IWATA VIETNAM Co., Ltd. PT.ANEST IWATA Indonesia ANEST IWATA Australia Pty. Ltd.* ANEST IWATA South Africa (Pty) Ltd. ANEST IWATAA.I.R. Philippines Inc.	Sale, repair, and incidental work of air compressors, vacuum equipment, coating equipment, and coating systems Sale of consumer products, mobility after-sales service business Sale of coating equipment Manufacture and sale of air compressors and sale of vacuum equipment Manufacture and sale of coating equipment Manufacture and sale of coating equipment Sale of coating equipment Sale of air compressors and coating equipment Sale of coating equipment Sale of coating equipment Sale of coating equipment Sale of coating equipment Sale of coating equipment Sale of coating equipment Manufacture and sale of coating equipment Manufacture and sale of air compressors, vacuum equipment, and coating systems; and sale of coating equipment Sale of air compressors, coating equipment, and coating systems Manufacture and sale of air compressors and sale of vacuum equipment and coating equipment Manufacture and sale of coating equipment and coating systems Sale of coating equipment and coating systems Manufacture and sale of air compressors and sale of vacuum equipment Manufacture and sale of air compressors Manufacture and sale of air compressors Sale of air compressors and vacuum equipment; and manufacture and sale of coating equipment Manufacture and sale of air compressors and coating equipment Manufacture and sale of air compressors, coating equipment and coating systems Manufacture and sale of air compressors and coating equipment; and sale of vacuum equipment and coating systems Manufacture and sale of air compressors and sale of vacuum equipment and coating equipment Sale of air compressors, coating equipment, and coating systems Sale of air compressors, vacuum equipment, coating equipment, and coating Systems Sale of air compressors and coating equipment Sale of coating equipment Mobility after-sales services
Affiliates (equity method applied) ADVANCE RIKEN Inc. Powerex-Iwata Air Technology, Inc.	Manufacture and sale of oxygen, nitrogen, and ozone gas generators Manufacture and sale of air compressors and vacuum equipment

(Notes) (Changes in affiliated companies)

1. ANEST IWATAA.I.R. a Japanese company, was established on July 12, 2024.
2. ANEST IWATA STRATEGIC CENTER S.r.l. in Italy merged with ANEST IWATA Italia S.r.l. on January 1, 2024.
3. ANEST IWATAA.I.R. Philippines Inc. a Philippine company, was established on January 16, 2025.

3. Management policy

(1) Basic policy for corporate management

Part of the mission of our Group is that officers and employees work together as one to sincerely provide attractive products and services that meet customer needs with appropriate levels of quality at appropriate prices with the spirit of founding - "Makoto no Kokoro" (Trustworthy & Sincere), which is part of our corporate motto.

We aim to become a "True World-Class Company" that creates innovative technologies and products by accurately understanding market needs and achieving unexplored solutions.

(2) Targeted management index

We aim to achieve the Return on Equity (ROE) of 11% in order to have a sound financial foundation that permits investment and risk tolerance for the Group's sustainable growth.

(3) Mid- to long-term corporate management strategies

Our Group has established the "Management Vision," described below, toward a "100-year-old company."

- become a development-oriented company full of vigor and novelty that is capable of providing high-performance, high-quality products and services in a sincere manner from the customer's point of view;
- shift from enhancement-based product development focused on cost cutting and internal core technologies to become a flexible company that collaborates with many different businesses based on an accurate understanding of market needs; and
- aim to become a "True World-Class Company" where all employees of the Group work as one in order to maximize customer satisfaction and constantly create innovative technologies and products for achieving the world's No. 1 position.

(4) Issues that the Company should address

In the upcoming consolidated fiscal year, we will establish a powerful management foundation based on the new Medium-Term Business Plan that will not be affected by various uncertainties, including trade policies, financial market trends and geopolitical risks in each country. We will position overseas markets as the main focus of business expansion, formulate individual growth strategies tailored to the characteristics of each region, and promote the effective utilization of management resources throughout the Group, even in the face of increasing global uncertainty.

In such a management environment, our Group will intensify multilateral investments, including M&A, to secure sustainable growth. We will develop new businesses to create new needs and increase human investments and development investments to foster a variety of human resources that can promote global expansion, aiming to become a "true development-oriented company" that can inspire all customers beyond our 100th anniversary.

• Addressing of social issues in business promotion

In air energy business, we will continue to contribute to the reduction of CO₂ emissions by further promoting the oil-free scroll air compressors first developed and launched by our Company to improve energy efficiency and achieve energy savings. In addition, we will increase the sales ratio of oil-free machines, with the aim to reduce the environmental burden of CO₂ emissions released during the production of industrial lubricants.

In coating business, in order to reduce the emissions of volatile organic compounds (VOCs) generated during the coating process, we will continue to pursue coating technologies and focus on developing coating equipment and facilities to suppress the energy costs during coating, drying and transportation, as much as possible. We also plan to promote indium mirror coating system, which is low-cost, environment-friendly and can produce highly precise, uniform thin films. This will be a good alternative to plating, which has a high environmental impact in terms of wastewater treatment, and evaporation, which is expensive to implement.

• Promotion of M&A and new businesses

We are exploring new strategies without relying solely on our conventional business domains to advance to the next stage of growth. Our mid- to long-term plan is to achieve sales of 100 billion yen by FY2035, and we believe that bold M&A activities and new businesses will prove crucial to reaching this target.

We want to efficiently promote M&A activities by strengthening our internal structure to cover the entire process, right from identifying potential target companies to assessing their corporate value and ensuring the smooth execution of integration. Our approach of strategically partnering with or integrating valuable companies will generate synergies and enhance our overall competitiveness.

In our new business venture, we are exploring potential in new markets through collaboration with various partners, while steadily accumulating practical knowledge to achieve tangible results. These efforts will support our plan to establish new sources of revenue and support the overall growth of the Company.

Such initiatives will encourage us to take on new challenges with a resilient corporate structure that is flexible enough to adapt to changes and enhance our comprehensive corporate strength.

- DX promotion

We are aware of how crucial it is to promote DX in order to strengthen our earnings structure and evolve our value offerings. We are already making progress in utilizing data and digital technology in our production sites and sales activities, and we intend to expand and deepen these efforts in order to improve operational efficiency and create new business models.

We also recognize that in order to promote DX, it is imperative to develop human resources with specialized skills and reform our organizational structure to enable effective use of digital technology. We are implementing latest security technologies and establishing appropriate risk management systems as important measures against rising cyber risks.

We seek to tackle such issues through system integration, migration to a cloud environment, enhancement of human resource development programs, and strengthening of security measures in order to achieve sustainable corporate growth and competitiveness.

- Optimization of the supply chain

We establish a Business Continuity Plan (BCP) for each supplier to avoid the supply chain from being severed due to any of the various uncertainties. For parts that require special materials, processing and treatment, and for centralized production in a single country overseas, we assist suppliers in the conditions of transactions and promote the addition of suppliers and production sites.

We have proceeded with the reform of the production plan with an aim to improve the production efficiency and stabilize the supply chain for some time. We will promote this reform more powerfully to achieve stable production and product supply.

- Organizational activation by maintaining employee health and "job satisfaction"

We recognize the necessity of a healthy work environment focusing on the health and satisfaction of our employees as a part of our contribution to building an affluent society and achieving sustainable growth. President, Representative Director and Chief Executive Officer of the Company holds the position of Chief Health Officer (CHO). The Health Management Promotion Committee and other related departments are working together to reform work styles to improve health literacy and to ensure life-work balance. In the current consolidated fiscal year, a series of our activities were highly evaluated and we were recognized as an "Outstanding Health and Productivity Management Organization (White 500)" by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi for the fifth consecutive year.

Moreover, we are actively reviewing our personnel system, knowing that improving employee motivation and "job satisfaction" is an important factor in achieving maximum performance. We are developing a system to reasonably evaluate employees based on performances for a sole purpose of creating a work environment where employees can have a sense of "job satisfaction."

We intend to continue such efforts to strengthen and promote measures that support the health and "job satisfaction" of our employees and maximize their performance, thereby improving the competitiveness of the entire Company.

4. Basic concept on choice of accounting standards

Considering the comparability of periods of consolidated financial statements and the comparability of statements among companies, our Group has a policy to prepare consolidated financial statements in accordance with the Japanese standards for the time being.

Regarding the application of IFRS, we have a policy to appropriately cope with this while considering the situations in and outside of Japan.

5. Consolidated financial statements and main notes

(1) Consolidated balance sheet

(Amount: million yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	*1 16,931	*1 21,336
Notes and accounts receivable-trade	9,795	10,435
Merchandise and finished goods	7,004	6,931
Work in process	967	1,113
Raw materials and supplies	4,178	3,834
Other	2,062	2,136
Allowance for doubtful accounts	(368)	(558)
Total current assets	40,571	45,229
Non-current assets		
Property, plant and equipment		
Buildings and structures	*1 13,452	*1 14,565
Accumulated depreciation	(7,473)	(8,123)
Buildings and structures, net	5,978	6,442
Machinery, equipment and vehicles	9,339	10,380
Accumulated depreciation	(6,811)	(7,510)
Machinery, equipment and vehicles, net	2,527	2,870
Land	*1 2,422	*1 2,485
Leased assets	3,648	3,892
Accumulated depreciation	(1,857)	(2,108)
Leased assets, net	1,790	1,784
Construction in progress	260	583
Other	3,567	4,102
Accumulated depreciation	(2,831)	(3,172)
Other, net	735	929
Total property, plant and equipment	13,715	15,095
Intangible assets		
Goodwill	733	600
Software	936	849
Other	1,595	1,763
Total intangible assets	3,266	3,213
Investments and other assets		
Investment securities	*2 6,269	*2 3,173
Deferred tax assets	1,151	1,295
Retirement benefit asset	923	919
Other	256	287
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	8,590	5,664
Total non-current assets	25,573	23,973
Total assets	66,144	69,202

(Amount: million yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable-trade	*1 5,686	*1 5,432
Short-term borrowings	*1, *3 991	*1, *3 858
Current portion of long-term borrowings	*1, *3 154	8
Lease liabilities	308	291
Income taxes payable	1,195	350
Provision for bonuses	841	970
Provision for bonuses for directors (and other officers)	99	76
Provision for share awards for directors (and other officers)	—	61
Provision for product warranties	346	223
Other	3,165	3,888
Total current liabilities	12,789	12,161
Non-current liabilities		
Long-term borrowings	48	*1, *3 138
Lease liabilities	1,571	1,574
Deferred tax liabilities	186	192
Retirement benefit liability	1,170	1,220
Provision for share awards for directors (and other officers)	202	205
Other	100	147
Total non-current liabilities	3,280	3,479
Total liabilities	16,069	15,641
Net assets		
Shareholders' equity		
Share capital	3,354	3,354
Capital surplus	1,008	1,030
Retained earnings	37,425	39,749
Treasury shares	(2,051)	(2,698)
Total shareholders' equity	39,737	41,435
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	999	500
Foreign currency translation adjustment	3,208	4,737
Remeasurements of defined benefit plans	212	179
Total accumulated other comprehensive income	4,421	5,417
Non-controlling interests	5,915	6,707
Total net assets	50,074	53,561
Total liabilities and net assets	66,144	69,202

(2) Consolidated statement of income and comprehensive income

Consolidated statement of income

(Amount: million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	53,425	54,411
Cost of sales	*1 28,950	*1 29,091
Gross profit	24,475	25,320
Selling, general and administrative expenses		
Remuneration, salaries and allowances for directors (and other officers)	6,124	6,679
Provision for bonuses	579	659
Provision for bonuses for directors (and other officers)	99	76
Provision for share awards for directors (and other officers)	49	76
Retirement benefit expenses	214	187
Provision for product warranties	330	235
Provision of allowance for doubtful accounts	100	159
Commission expenses	2,078	2,136
Other	8,721	9,206
Total selling, general and administrative expenses	*2 18,299	*2 19,417
Operating profit	6,176	5,903
Non-operating income		
Interest income	183	224
Dividend income	63	74
Foreign exchange gains	739	21
Share of profit of entities accounted for using equity method	768	936
Other	169	163
Total non-operating income	1,924	1,419
Non-operating expenses		
Interest expenses	72	106
Other	42	76
Total non-operating expenses	114	182
Ordinary profit	7,986	7,139

(Amount: million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of non-current assets	*4 10	*4 21
Gain on sale of investment securities	14	515
Total extraordinary income	24	536
Extraordinary losses		
Loss on valuation of investment securities	—	*5 300
Loss on sale of non-current assets	*6 0	*6 0
Loss on retirement of non-current assets	*7 23	*7 6
Loss on liquidation of subsidiaries	—	*8 72
Other	—	*9 25
Total extraordinary losses	23	404
Profit before income taxes	7,987	7,271
Income taxes - current	2,339	1,825
Income taxes - deferred	(286)	79
Total income taxes	2,052	1,904
Profit	5,934	5,366
Profit attributable to non-controlling interests	1,003	1,089
Profit attributable to owners of parent	4,931	4,276

Consolidated statement of comprehensive income

(Amount: million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	5,934	5,366
Other comprehensive income		
Valuation difference on available-for-sale securities	472	(499)
Foreign currency translation adjustment	1,362	1,451
Remeasurements of defined benefit plans	215	(32)
Share of other comprehensive income of entities accounted for using equity method	184	341
Total other comprehensive income	* 2,235	* 1,261
Comprehensive income	8,169	6,627
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,793	5,273
Comprehensive income attributable to non-controlling interests	1,376	1,354

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Amount: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,354	1,008	34,282	(1,179)	37,466
Changes during period					
Dividends of surplus			(1,788)		(1,788)
Profit attributable to owners of parent			4,931		4,931
Purchase of treasury shares				(891)	(891)
Disposal of treasury shares					
Purchase of treasury shares by stocks payment trust					
Disposal of treasury shares by stocks payment trust				19	19
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	—	—	3,142	(871)	(2,271)
Balance at end of period	3,354	1,008	37,425	(2,051)	39,737

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	527	2,034	(3)	2,558	5,229	45,255
Changes during period						
Dividends of surplus						(1,788)
Profit attributable to owners of parent						4,931
Purchase of treasury shares						(891)
Disposal of treasury shares						
Purchase of treasury shares by stocks payment trust						
Disposal of treasury shares by stocks payment trust						19
Change in ownership interest of parent due to transactions with non-controlling interests						
Net changes in items other than shareholders' equity	472	1,173	215	1,862	685	2,548
Total changes during period	472	1,173	215	1,862	685	4,819
Balance at end of period	999	3,208	212	4,421	5,915	50,074

Fiscal year ended March 31, 2025

(Amount: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,354	1,008	37,425	(2,051)	39,737
Changes during period					
Dividends of surplus			(1,952)		(1,952)
Profit attributable to owners of parent			4,276		4,276
Purchase of treasury shares				(633)	(633)
Disposal of treasury shares		22		112	134
Purchase of treasury shares by stocks payment trust				(134)	(134)
Disposal of treasury shares by stocks payment trust				8	8
Change in ownership interest of parent due to transactions with non-controlling interests		(1)			(1)
Net changes in items other than shareholders' equity					
Total changes during period	—	21	2,324	(647)	1,697
Balance at end of period	3,354	1,030	39,749	(2,698)	41,435

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	999	3,208	212	4,421	5,915	50,074
Changes during period						
Dividends of surplus						(1,952)
Profit attributable to owners of parent						4,276
Purchase of treasury shares						(633)
Disposal of treasury shares						134
Purchase of treasury shares by stocks payment trust						(134)
Disposal of treasury shares by stocks payment trust						8
Change in ownership interest of parent due to transactions with non-controlling interests						(1)
Net changes in items other than shareholders' equity	(499)	1,528	(32)	996	792	1,788
Total changes during period	(499)	1,528	(32)	996	792	3,486
Balance at end of period	500	4,737	179	5,417	6,707	53,561

(4) Consolidated statement of cash flows

(Amount: million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	7,987	7,271
Depreciation	2,011	2,299
Amortization of goodwill	240	186
Increase (decrease) in allowance for doubtful accounts	(30)	165
Increase (decrease) in provision for bonuses	(18)	112
Increase (decrease) in provision for product warranties	155	(120)
Increase (decrease) in retirement benefit liability	51	35
Decrease (increase) in retirement benefit asset	(13)	(30)
Increase (decrease) in provision for bonuses for directors (and other officers)	15	(23)
Increase (decrease) in provision for share awards for directors (and other officers)	20	64
Interest and dividend income	(247)	(298)
Interest expenses	72	106
Share of loss (profit) of entities accounted for using equity method	(490)	1,929
Loss (gain) on sale and retirement of non-current assets	13	(14)
Loss on liquidation of subsidiaries	—	72
Loss (gain) on sale of investment securities	(14)	(515)
Loss (gain) on valuation of investment securities	—	300
Decrease (increase) in trade receivables	(131)	(107)
Decrease (increase) in inventories	409	927
Increase (decrease) in trade payables	(181)	(856)
Other	(1,172)	771
Subtotal	8,677	12,276
Interest and dividends received	248	298
Interest paid	(72)	(106)
Subsidy income received	14	47
Income taxes paid	(2,097)	(2,769)
Net cash provided by (used in) operating activities	6,770	9,746
Cash flows from investing activities		
Payments into time deposits	(3,375)	(5,121)
Proceeds from withdrawal of time deposits	3,779	3,819
Purchase of property, plant and equipment	(1,818)	(2,663)
Proceeds from sale of property, plant and equipment	27	68
Purchase of intangible assets	(348)	(322)
Proceeds from sale of investment securities	263	1,014
Proceeds from redemption of investment securities	300	—
Loan advances	(2)	(2)
Proceeds from collection of loans receivable	9	14
Payments for investments in capital	—	(0)
Other	(94)	(61)
Net cash provided by (used in) investing activities	(1,260)	(3,255)

(Amount: million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	25	(207)
Repayments of lease liabilities	(316)	(334)
Proceeds from long-term borrowings	—	94
Repayments of long-term borrowings	(90)	(158)
Purchase of treasury shares	(891)	(768)
Proceeds from disposal of treasury shares	—	134
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(4)
Dividends paid	(1,787)	(1,951)
Dividends paid to non-controlling interests	(524)	(736)
Net cash provided by (used in) financing activities	(3,584)	(3,932)
Effect of exchange rate change on cash and cash equivalents	603	518
Net increase (decrease) in cash and cash equivalents	2,527	3,077
Cash and cash equivalents at beginning of period	12,080	14,608
Cash and cash equivalents at end of period	* 14,608	* 17,686

(5) Notes on consolidated financial statements

(Notes on the premise of a going concern)

There are no relevant matters.

(Basic, important matters for preparing consolidated financial statements)

1 Matters concerning the scope of consolidation

(a) Number of consolidated subsidiaries: 31

During the current consolidated fiscal year, ANEST IWATA Italia S.r.l., which was a consolidated subsidiary, is excluded from the scope of consolidation because it was dissolved through an absorption-type merger on January 1, 2024, with ANEST IWATA STRATEGIC CENTER S.r.l., also a consolidated subsidiary, as the surviving company.

In addition, effective from the current consolidated fiscal year, newly established ANEST IWATA A.I.R. Corporation and ANEST IWATA A.I.R. Philippines Inc. is included in the scope of consolidation.

(b) Number of main non-consolidated subsidiaries: 0

2 Matters concerning the application of the equity method

(a) Number of non-consolidated subsidiaries to which the equity method is applied: 0

(b) Number of affiliates to which the equity method is applied: 2

(c) Number of non-consolidated subsidiaries to which the equity method is not applied: 0

(d) Number of affiliates to which the equity method is not applied: 0

(e) The accounting dates of the equity method-applied companies differ from the consolidated accounting date, and the financial statements of the individual companies for the most recent fiscal year are used.

3 Matters concerning the fiscal years of consolidated subsidiaries, etc.

Of the consolidated subsidiaries, A&C Service Corporation, ANEST IWATA A.I.R. Corporation, and ANEST IWATA MOTHERSON Pvt. Ltd. have the same accounting date as the consolidated accounting date. For other consolidated subsidiaries, the accounting date is December 31. In preparing consolidated financial statements, the financial statements of the individual consolidated subsidiaries as of their accounting dates are used, and any important transactions made between the accounting dates and consolidated accounting date undergo the necessary adjustments for consolidation.

4 Matters concerning the accounting policy

(a) Valuation criteria and valuation methods for important assets

(i) Securities

Bonds held to maturity

Amortized cost method (straight-line method)

Other securities

Securities other than shares, etc. without a market price

Market value method based mainly on the market price, etc. on the accounting date

(Valuation differences are processed with the full net asset direct entry method and the cost of sales is calculated with the moving average method.)

Shares, etc. without a market price

Cost method mainly based on the moving average method

(ii) Derivatives

Market value method

(iii) Inventories

Cost method mainly based on the first-in first-out method

(Balance sheet values are calculated with the method of devaluing book values based on decreased profitability.)

(b) Depreciation method for important depreciable assets

(i) Property, plant and equipment (excluding leased assets)

Mainly the declining-balance method is employed. For buildings acquired on and after April 1, 1998 by our Company (excluding building accessories), building accessories and structures acquired on and after April 1, 2016, and photovoltaic facilities, the straight-line method is employed. Main useful lives in years are as follows:

Buildings and structures: 15 to 50 years

Machinery, equipment and vehicles: 4 to 17 years

(ii) Intangible assets (excluding leased assets)

Mainly the straight-line method is employed.

(iii) Leased assets

Leased assets pertaining to finance lease transactions under which ownership is not transferred

We adopt a method whereby the difference between the total lease fee and the amount equivalent to the acquisition price is regarded as the amount equivalent to the interest, with the lease period as the useful life in years, and is distributed to each term with the interest method.

(c) Recording criteria for important allowances

(i) Allowance for doubtful accounts

To prepare for losses due to bad debts, estimated uncollectible amounts are recorded by considering a loan loss ratio for general accounts receivable and collectability for specific credits such as doubtful accounts receivable individually.

(ii) Provision for bonuses

To prepare for the payment of bonuses to employees, the estimated payments at the end of the current consolidated fiscal year are recorded.

(iii) Provision for bonuses for directors (and other officers)

To prepare for the payment of directors' bonuses, the estimated payments at the end of the current consolidated fiscal year are recorded.

(iv) Provision for share awards for directors (and other officers)

To prepare for the granting of Company shares to our directors and corporate officers in accordance with the rules for granting shares, the estimated share-based remuneration obligations at the end of the current consolidated fiscal year are recorded.

(v) Provision for product warranties

To prepare for the payment of the costs for after-sales services of products sold, estimated costs according to past experience rates, etc. based on sales are recorded.

(d) Method of accounting related to retirement benefits

To prepare for the retirement benefits for employees, the retirement benefit obligations at the end of the current consolidated fiscal year, with pension fund amounts deducted from them, are recorded as the retirement benefit liability. If the pension fund amounts exceed the retirement benefit obligations, the obligations are recorded as the retirement benefit asset.

(i) Period attribution method for estimated retirement benefits

In calculating retirement benefit obligations, the method for attributing the estimated retirement benefits to the period up to the end of the current consolidated fiscal year is based on the benefit formula standard.

(ii) Method for recording actuarial differences and past service costs method for cost

Past service costs are recorded as costs with the straight-line method based on a certain number of years (10 years) within the average remaining years of service of employees when they are incurred.

For actuarial differences, the amounts prorated with the straight-line method based on a certain number of years (5 years) within the average remaining years of service of employees when they occur in each consolidated fiscal year are recorded as costs in and after the following consolidated fiscal year.

(iii) Adoption of the simplified method at small enterprises, etc.

At some consolidated subsidiaries, for the calculation of the retirement benefit liability and the retirement benefit expenses, a simplified method is applied in which the term-end necessary payment for voluntary retirement pertaining to retirement benefits is used as the retirement benefit obligations.

(e) Recording criteria for important revenue and cost

The main performance obligations and the ordinary time at which the revenue is recognized are as described below.

(i) Revenue recognition related to the sale of goods or products

Revenue related to goods or products is mainly derived from a sale resulting from wholesale or manufacture, etc., and we assume performance obligations to deliver goods or products under the sales contract concluded with the customer. For said performance obligations, we recognize the revenue at the time when control over the goods or products is transferred to the customer.

To domestic sales, however, the alternative treatment specified in Article 98 of the "Implementation Guidance on Accounting Standard for Revenue Recognition" is applied, so that if the period from shipment until control over the goods and products is transferred to the customer is a normal period, the revenue can be recognized at the time of shipment.

Revenue related to the sale of goods and products is recognized by deducting an estimated amount of sales incentives and other amounts according to the transaction volume, transaction value, and collection status in the sale of goods and products from the considerations stipulated in the contract. Estimated amount is calculated based on the Terms of the Contract and the actual sales.

In addition, with regard to the point program operated by our consolidated subsidiaries, we identify the points granted to customers upon product sales as a separate performance obligation, and defer revenue recognition accordingly. Revenue is recognized when the points are redeemed or expire.

These sales transactions are generally due and payable within a short period of time and do not include significant financial elements in the contracts.

(ii) Revenue recognition related to construction contracts, etc.

Revenue related to construction contracts, etc. is mainly derived from contract work including the design, assembly, and installation of facilities, and we assume performance obligations to construct facilities, etc. under the construction contract concluded with the customer. For any performance obligations to be fulfilled for a certain period of time under construction contracts, etc., we estimate the progress related to the fulfillment of the performance obligations and recognize the revenue based on said progress for a certain period of time.

For a construction contract for which the period from the transaction start date in the contract until the performance obligations are expected to be fully fulfilled is very short, we apply an alternative treatment, so that we will recognize the revenue at the time when the performance obligations are fully fulfilled, rather than recognizing the revenue for a certain

period of time. Such transactions are generally due and payable within one year and do not include significant financial elements in the contracts.

(f) Basis for the translation of important foreign currency dominated assets and liabilities into Japanese currency

Monetary foreign currency dominated debts and credits are translated into Japanese currency at the spot exchange rate on the consolidated accounting date, and translation differences are recorded as gains or losses. The assets and liabilities of overseas subsidiaries, etc. are translated into Japanese currency at the spot exchange rate on the accounting dates of the overseas subsidiaries, etc., the revenue and cost are translated into Japanese currency at the average rate in the period, and translation differences are included in foreign currency translation adjustment and non-controlling interests in net assets.

(g) Amortization method and amortization period of goodwill

We make judgment on an item-by-item basis and perform amortization with the straight-line method over 5 to 10 years.

(h) Range of the fund in the consolidated statement of cash flows

Consists of cash on hand, deposits that can be drawn at any time, and short-term investments that are easily convertible and that will mature within three months from the acquisition date so that they have only insignificant risks about value fluctuations.

(Changes in presentation method)

(Related to consolidated statement of income)

"Sales commission," "Packing and transportation costs," "Welfare expenses," and "Rent expenses" which were set down independently under "Selling, general and administrative expenses" in the previous consolidated fiscal year have been revised to improve clarity and they are now included in "Other" from the current consolidated fiscal year. To reflect this change in presentation method, we revised the consolidated financial statements for the previous consolidated fiscal year.

As a result, 665 million yen as "Sales commission," 1,006 million yen as "Packing and transportation costs," 1,449 million yen as "Welfare expenses," 655 million yen as "Rent expenses," and 4,944 million yen as "Other" presented under "Selling, general and administrative expenses" in the consolidated profit and loss statement for the previous consolidated fiscal year, are revised to 8,721 million yen as "Other."

(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 incidental costs) in the trust. At the end of the previous consolidated fiscal year, the book value of the treasury shares is 153 million yen, and the number of shares is 154,200. At the end of the current consolidated fiscal year, the book value of the treasury shares is 279 million yen, and the number of shares is 245,400.

(Related to consolidated balance sheet)

*1 Pledged assets and secured debts

Assets offered as collateral and secured debts are as below.

	As of March 31, 2024	As of March 31, 2025
Cash and deposits	296 million yen	359 million yen
Buildings and structures	741 million yen	666 million yen
Land	631 million yen	658 million yen
Total	1,669 million yen	1,684 million yen
Notes and accounts payable-trade	922 million yen	1,137 million yen
Short-term borrowings	637 million yen	693 million yen
Current portion of long-term borrowings	138 million yen	—
Long-term borrowings	—	96 million yen
Total	1,699 million yen	1,927 million yen

*2 Shares of affiliates in investment securities

	As of March 31, 2024	As of March 31, 2025
	3,447 million yen	1,859 million yen

*3 Overdraft agreement and commitment line agreement

The Company and certain of its consolidated subsidiaries have entered into overdraft agreement and commitment line agreement with their correspondent banks in order to raise working capital efficiently. The balance of unexecuted loans based on these agreements as of the end of the current consolidated accounting period is as follows.

	As of March 31, 2024	As of March 31, 2025
Overdraft limit and commitment line agreement amount	8,058 million yen	7,949 million yen
Balance of executed loans	335 million yen	96 million yen
Balance of unexecuted loans	7,722 million yen	7,853 million yen

*4 Notes receivable endorsed

	As of March 31, 2024	As of March 31, 2025
Notes receivable endorsed	1,075 million yen	1,052 million yen

(Related to consolidated statement of income)

*1 Amount of devaluation of book values based on decreased profitability of inventories included in cost of sales		
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
	123 million yen	(39) million yen
2 Research and development expenses included in general and administrative expenses		
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
	853 million yen	1,011 million yen
*3 Gain on sale of non-current assets		
Fiscal year ended March 31, 2024		
Mainly due to the sales of machinery and equipment, etc.		
Fiscal year ended March 31, 2025		
Mainly due to the sales of machinery and equipment, etc.		
*4 Gain on Sale of Investment Securities		
Fiscal year ended March 31, 2024		
This gain was generated from the sale of listed shares.		
Fiscal year ended March 31, 2025		
This gain was generated from the sale of listed shares.		
*5 Loss on valuation of investment securities		
We have performed impairment accounting on the investment securities we own that have drastically dropped in net asset value.		
*6 Loss on sale of non-current assets		
Fiscal year ended March 31, 2024		
Mainly due to the sales of tools, furniture and fixtures, etc.		
Fiscal year ended March 31, 2025		
Mainly due to the sales of machinery and equipment, as well as vehicles, etc.		
*7 Loss on retirement of non-current assets		
Fiscal year ended March 31, 2024		
Mainly due to the retirement of machinery and equipment, etc.		
Fiscal year ended March 31, 2025		
Mainly due to the retirement of machinery and equipment, etc.		
*8 Loss on liquidation of subsidiaries		
It is a business restructuring loss due to the reorganization of the consolidated subsidiary ANEST IWATA Europe GmbH in Germany.		
*9 Extraordinary losses and others		
It is the amount of loss due to remittance fraud at the overseas subsidiary.		

(Related to consolidated statement of comprehensive income)

* Recycling related to other comprehensive income, as well as income taxes and tax effect amounts

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Valuation difference on available-for-sale securities		
Amount incurred in current period	694 million yen	(193) million yen
Recycling	(14) million yen	(515) million yen
Income taxes and amount before tax effect adjustment	680 million yen	(708) million yen
Income taxes and amount of tax effect	(207) million yen	209 million yen
Valuation difference on available-for-sale securities	472 million yen	(499) million yen
Foreign currency translation adjustment		
Amount incurred in current period	1,362 million yen	1,451 million yen
Recycling	— million yen	— million yen
Foreign currency translation adjustment	1,362 million yen	1,451 million yen
Remeasurements of defined benefit plans, net of tax		
Amount incurred in current period	296 million yen	10 million yen
Recycling	13 million yen	(54) million yen
Income taxes and amount before tax effect adjustment	310 million yen	(43) million yen
Income taxes and amount of tax effect	(94) million yen	11 million yen
Remeasurements of defined benefit plans, net of tax	215 million yen	(32) million yen
Share of other comprehensive income of entities accounted for using equity method		
Amount incurred in current period	184 million yen	341 million yen
Share of other comprehensive income of entities accounted for using equity method	184 million yen	341 million yen
Total other comprehensive income	2,235 million yen	1,261 million yen

(Related to consolidated statement of changes in equity)

Fiscal year ended March 31, 2024

1 Matters concerning issued shares

Class of shares	Beginning of the fiscal year ended March 31, 2024	Increase	Decrease	End of the fiscal year ended March 31, 2024
Common shares (shares)	41,745,505	—	—	41,745,505

2 Matters concerning treasury shares

Class of shares	Beginning of the fiscal year ended March 31, 2024	Increase	Decrease	End of the fiscal year ended March 31, 2024
Common shares (shares)	1,278,572	691,180	20,000	1,949,752

(Notes) 1. The breakdown of the increase in treasury shares is as below.

Increase due to the purchase of treasury shares based on the resolution of the Board of Directors 691,100 shares

Increase due to the purchase of fractional shares 80 shares

The breakdown of the decrease in treasury shares is as below.

Decrease due to issuance of shares through Board Benefit Trust (BBT) 20,000 shares

2. Treasury shares at the beginning and end of the fiscal year ended March 31, 2024 includes 174,200 shares and 154,200 shares of the Company's shares held by the "Board Benefit Trust (BBT)," respectively.

3 Matters concerning dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
June 23, 2023 Ordinary general shareholders' meeting	Common shares	894	22.0	March 31, 2023	June 26, 2023
November 9, 2023 Board of Directors meeting	Common shares	894	22.0	September 30, 2023	December 7, 2023

(Notes) 1. The total amount of dividends determined by the resolution of the ordinary general shareholders' meeting held on June 23, 2023 includes dividends of 3 million yen for the Company's shares held by the "Board Benefit Trust (BBT)."

2. The total amount of dividends determined by the resolution of the Board of Directors meeting held on November 9, 2023 includes dividends of 3 million yen for the Company's shares held by the "Board Benefit Trust (BBT)."

(2) Of the dividends whose record dates are contained in the current consolidated fiscal year, those whose effective dates are in the following consolidated fiscal year

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

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

Fiscal year ended March 31, 2025

1 Matters concerning issued shares

Class of shares	Beginning of the fiscal year ended March 31, 2025	Increase	Decrease	End of the fiscal year ended March 31, 2025
Common shares (shares)	41,745,505	—	—	41,745,505

2 Matters concerning treasury shares

Class of shares	Beginning of the fiscal year ended March 31, 2025	Increase	Decrease	End of the fiscal year ended March 31, 2025
Common shares (shares)	1,949,752	560,937	108,800	2,401,889

(Notes) 1. The breakdown of the increase in treasury shares is as below.

Increase due to the purchase of treasury shares based on the resolution of the Board of Directors	460,700 shares
Increase due to the purchase of fractional shares	237 shares
Increase due to purchase of treasury shares by the Board Benefit Trust (BBT)	100,000 shares

The breakdown of the decrease in treasury shares is as below.

Decrease due to disposal of treasury shares through third-party allotment to the Board Benefit Trust (BBT)	100,000 shares
Decrease due to issuance of shares through Board Benefit Trust (BBT)	8,800 shares

2. Treasury shares at the beginning and end of the fiscal year ended March 31, 2025 includes 154,200 shares and 245,400 shares of the Company's shares held by the "Board Benefit Trust (BBT)," respectively.

3 Matters concerning dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
June 25, 2024 Ordinary general shareholders' meeting	Common shares	1,078	27.0	March 31, 2024	June 26, 2024
November 11, 2024 Board of Directors meeting	Common shares	874	22.0	September 30, 2024	December 9, 2024

(Notes) 1. The total amount of dividends determined by the resolution of the ordinary general shareholders' meeting held on June 25, 2024 includes dividends of 4 million yen for the Company's shares held by the "Board Benefit Trust (BBT)."

2. The total amount of dividends determined by the resolution of the Board of Directors meeting held on November 11, 2024 includes dividends of 3 million yen for the Company's shares held by the "Board Benefit Trust (BBT)."

(2) Of the dividends whose record dates are contained in the current consolidated fiscal year, those whose effective dates are in the following consolidated fiscal year

Resolution	Class of shares	Dividend resource	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
June 25, 2025 Ordinary general shareholders' meeting	Common shares	Retained earnings	910	23.0	March 31, 2025	June 26, 2025

(Note) The total amount of dividends includes the dividend of 5 million yen for the Company shares owned by the "Board Benefit Trust (BBT)."

(Related to consolidated statement of cash flows)

- * Relations between the cash and cash equivalents at end of period and the amounts contained account titles in the consolidated balance sheet

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash and deposits	16,931 million yen	21,336 million yen
Time deposit exceeding 3 months in deposit term	(2,026) million yen	(3,306) million yen
Derivative deposit	(296) million yen	(343) million yen
Cash and cash equivalents	14,608 million yen	17,686 million yen

(Segment information, etc.)

(Segment information)

1 Overview of reporting segments

(1) Overview of reporting segments

The reporting segments of our Group are those of the constituent units for which separate financial information is obtainable and for which the Board of Directors is to periodically consider to decide on the allocation of management resources and evaluate business performance.

(2) Product and service types belonging to each reporting segment

Our Group manufactures and sells air compressors, vacuum equipment, coating equipment, and coating systems exclusively. Japan is in the charge of our Company and the domestic consolidated subsidiaries. Overseas, Europe (mainly Germany, France and Italy), the Americas (USA, Brazil and Mexico), China and other areas (mainly India, Taiwan, and South Korea) are in the charge of their respective local corporations. The local corporations are management units independent of one another. They create comprehensive strategies for the products they handle in their areas, and carry out business activities.

Thus, our Group consists of segments according to location, based on the production and sale system, and regards the five areas, "Japan," "Europe," "Americas," "China," and "Others" as reporting segments.

2 Method of calculating the amounts of the sales, income, assets, and other items for each reporting segment

In general, the accounting method for the reported business segments is the same as that used for preparing consolidated financial statements.

3 Information about the amounts of net sales, profit, assets, and other items for each reporting segment and information about the disaggregation of revenue
Fiscal year ended March 31, 2024

(Amount: million yen)

	Reporting segment					Total
	Japan	Europe	Americas	China	Others (note)	
Net sales						
Revenue from contracts with customers	18,207	8,663	6,862	11,419	8,273	53,425
Sales to external customers	18,207	8,663	6,862	11,419	8,273	53,425
Internal sales or transfers between segments	8,118	713	396	986	1,794	12,009
Total	26,326	9,377	7,258	12,405	10,067	65,435
Segment profit	3,431	829	927	808	1,600	7,597
Segment assets	29,442	7,032	6,482	12,935	7,702	63,596
Other items						
Depreciation	1,228	215	77	264	206	1,991
Amortization of goodwill	140	—	99	—	—	240
Increase in property, plant and equipment, and intangible assets	1,978	345	215	70	259	2,869

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

Fiscal year ended March 31, 2025

(Amount: million yen)

	Reporting segment					Total
	Japan	Europe	Americas	China	Others (note)	
Net sales						
Revenue from contracts with customers	18,312	9,310	7,075	11,520	8,191	54,411
Sales to external customers	18,312	9,310	7,075	11,520	8,191	54,411
Internal sales or transfers between segments	6,534	827	370	1,046	1,756	10,536
Total	24,847	10,137	7,446	12,567	9,948	64,948
Segment profit	2,620	828	898	882	1,546	6,775
Segment assets	33,121	7,739	6,184	12,678	7,748	67,471
Other items						
Depreciation	1,420	266	92	274	228	2,281
Amortization of goodwill	148	—	37	—	—	186
Increase in property, plant and equipment, and intangible assets	2,032	381	117	192	628	3,351

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

- 4 Difference between the total amounts of the reporting segments and the amounts reported in the consolidated financial statements, as well as the main items of the difference (matters related to difference adjustment)

(Amount: million yen)

Net sales	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Reporting segment total	65,435	64,948
Inter-segment transactions erased	(12,009)	(10,536)
Net sales in the consolidated financial statements	53,425	54,411

(Amount: million yen)

Profit	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Reporting segment total	7,597	6,775
Company-wide expenses (Note)	(1,084)	(1,097)
Inter-segment transactions erased	(336)	225
Operating profit in the consolidated financial statements	6,176	5,903

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

(Amount: million yen)

Assets	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Reporting segment total	63,596	67,471
Company-wide assets (Note)	8,307	6,848
Inter-segment transactions erased	(5,759)	(5,117)
Total assets in the consolidated financial statements	66,144	69,202

(Note) Company-wide assets are mainly the surplus funds and long-term investment funds that cannot be attributed to the reporting segments.

(Amount: million yen)

Other items	Reporting segment total		Adjustment		Amount reported in consolidated financial statements	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Depreciation	1,991	2,281	19	17	2,011	2,299
Amortization of goodwill	240	186	—	—	240	186
Increase in property, plant and equipment, and intangible assets	2,869	3,351	—	—	2,869	3,351

(Per share information)

(Amount: yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	1,109.65	1,190.89
Basic earnings per share	122.13	108.21

(Notes) 1. Diluted net income per share is not stated as there are no diluted shares.

2. The Company's shares remaining in the Board Benefit Trust (BBT), which are recorded as treasury shares in shareholders' equity, are included in the treasury shares deducted in calculating the average number of shares during the period when calculating the profit per share. In addition, when calculating net assets per share, the shares are included in the number of treasury shares deducted from the total number of issued shares at the end of the period.

In calculating profit per share, the average number of treasury shares deducted during the period was 160,354 shares in the previous consolidated fiscal year and 163,492 shares in the current consolidated fiscal year. The number of treasury shares at the end of the fiscal year, which were deducted from the calculation of net assets per share, was 154,200 shares in the previous consolidated fiscal year and 245,400 shares in the current consolidated fiscal year.

3. The basis for calculating the basic earnings per share is as below.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent (million yen)	4,931	4,276
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common shares (million yen)	4,931	4,276
Average number of common shares outstanding in the period (No. of shares)	40,375,671	39,524,077

(Important subsequent events)

There are no relevant matters.

6. Non-consolidated financial statements

(1) Balance sheet

(Amount: million yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	7,217	10,436
Notes and accounts receivable-trade	6,351	5,664
Merchandise and finished goods	1,734	1,843
Work in process	665	801
Raw materials and supplies	1,292	1,570
Other	1,983	1,655
Total current assets	19,244	21,972
Non-current assets		
Property, plant and equipment		
Buildings	3,037	3,254
Structures	217	278
Machinery and equipment	1,127	1,198
Vehicles	4	3
Tools, furniture and fixtures	447	543
Land	1,268	1,268
Leased assets	1,609	1,608
Construction in progress	140	319
Total property, plant and equipment	7,853	8,473
Intangible assets		
Leasehold interests in land	0	0
Software	783	658
Other	18	88
Total intangible assets	803	747
Investments and other assets		
Investment securities	2,819	1,311
Shares of subsidiaries and associates	3,202	3,306
Investments in capital	19	19
Investments in capital of subsidiaries and associates	4,142	4,142
Long-term loans receivable from subsidiaries and associates	1,089	1,211
Long-term prepaid expenses	11	25
Prepaid pension costs	807	852
Deferred tax assets	617	781
Other	75	104
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	12,775	11,745
Total non-current assets	21,431	20,966
Total assets	40,676	42,938

(Amount: million yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable-trade	1,538	1,480
Lease liabilities	285	270
Accounts payable-other	1,316	1,436
Income taxes payable	830	186
Deposits received	25	27
Provision for bonuses	608	608
Provision for bonuses for directors (and other officers)	99	76
Provision for share awards for directors (and other officers)	—	61
Provision for product warranties	275	160
Other	99	645
Total current liabilities	5,079	4,952
Non-current liabilities		
Lease liabilities	1,461	1,473
Provision for retirement benefits	1,223	1,236
Provision for share awards for directors (and other officers)	202	205
Other	9	9
Total non-current liabilities	2,896	2,925
Total liabilities	7,976	7,877
Net assets		
Shareholders' equity		
Share capital	3,354	3,354
Capital surplus		
Legal capital surplus	1,380	1,380
Other capital surplus	—	22
Total capital surplus	1,380	1,402
Retained earnings		
Legal retained earnings	838	838
Other retained earnings		
Reserve for specific stocks purchase	75	75
General reserve	9,700	9,700
Retained earnings brought forward	18,403	21,888
Total retained earnings	29,017	32,502
Treasury shares	(2,051)	(2,698)
Total shareholders' equity	31,700	34,560
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	999	500
Total valuation and translation adjustments	999	500
Total net assets	32,700	35,061
Total liabilities and net assets	40,676	42,938

(2) Statement of income

(Amount: million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	25,715	24,023
Cost of sales	15,680	14,639
Gross profit	10,034	9,383
Selling, general and administrative expenses	7,617	7,627
Operating profit	2,417	1,755
Non-operating income		
Interest income	100	86
Dividend income	1,629	4,313
Foreign exchange gains	635	—
Other	152	154
Total non-operating income	2,517	4,555
Non-operating expenses		
Interest expenses	28	35
Foreign exchange losses	—	99
Other	15	16
Total non-operating expenses	43	151
Ordinary profit	4,891	6,160
Extraordinary income		
Gain on sale of non-current assets	0	—
Gain on sale of investment securities	14	515
Total extraordinary income	14	515
Extraordinary losses		
Loss on retirement of non-current assets	12	3
Loss on valuation of investment securities	—	300
Total extraordinary losses	12	303
Profit before income taxes	4,893	6,372
Income taxes - current	1,333	889
Income taxes - deferred	(129)	45
Total income taxes	1,204	934
Profit	3,689	5,437

(3) Statement of changes in equity

Fiscal year ended March 31, 2024

(Amount: million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings
						Reserve for specific stocks purchase	General reserve	Retained earnings brought forward
Balance at beginning of period	3,354	1,380	—	1,380	838	75	9,700	16,502
Changes during period								
Dividends of surplus								(1,788)
Profit								3,689
Purchase of treasury shares								
Disposal of treasury shares								
Purchase of treasury shares by stocks payment trust								
Disposal of treasury shares by stocks payment trust								
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	—	—	—	1,900
Balance at end of period	3,354	1,380	—	1,380	838	75	9,700	18,403

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(1,179)	30,671	527	527	31,198
Changes during period					
Dividends of surplus		(1,788)			(1,788)
Profit		3,689			3,689
Purchase of treasury shares	(891)	(891)			(891)
Disposal of treasury shares					—
Purchase of treasury shares by stocks payment trust					—
Disposal of treasury shares by stocks payment trust	19	19			19
Net changes in items other than shareholders' equity			472	472	472
Total changes during period	(871)	1,029	472	472	1,501
Balance at end of period	(2,051)	31,700	999	999	32,700

Fiscal year ended March 31, 2025

(Amount: million yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for specific stocks purchase	General reserve	Retained earnings brought forward	
Balance at beginning of period	3,354	1,380	—	1,380	838	75	9,700	18,403	29,017
Changes during period									
Dividends of surplus								(1,952)	(1,952)
Profit								5,437	5,437
Purchase of treasury shares									
Disposal of treasury shares			22	22					
Purchase of treasury shares by stocks payment trust									
Disposal of treasury shares by stocks payment trust									
Net changes in items other than shareholders' equity									
Total changes during period	—	—	22	22	—	—	—	3,484	3,484
Balance at end of period	3,354	1,380	22	1,402	838	75	9,700	21,888	32,502

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(2,051)	31,700	999	999	32,700
Changes during period		0			
Dividends of surplus		(1,952)			(1,952)
Profit		5,437			5,437
Purchase of treasury shares	(633)	(633)			(633)
Disposal of treasury shares	112	134			134
Purchase of treasury shares by stocks payment trust	(134)	(134)			(134)
Disposal of treasury shares by stocks payment trust	8	8			8
Net changes in items other than shareholders' equity			(499)	(499)	(499)
Total changes during period	(647)	2,860	(499)	(499)	2,361
Balance at end of period	(2,698)	34,560	500	500	35,061