

Supplementary Presentation Material of FY2024 Full-Year Financial Results ANEST IWATA Corporation

May 9, 2025

Tokyo Stock Exchange Prime Market - Machinery

Securities Code 6381

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.

Results for FY2024

- Net sales of 54,411 million yen (+1.8% year-on-year). Revenue increased owing to sales recovery in Japan in the second half except for coating systems, as well as sales expansion of coating equipment in Europe.
- Operating profit: 5,903 million yen (-0.7% year-on-year). Selling, general and administrative expenses ratio increased, mainly due to higher overseas SG&A costs, particularly personnel expenses, as well as the impact of the weaker yen.
- Ordinary profit and profit decreased mainly due to a decline in foreign exchange gains.
- The year-end dividend is expected to be 23 yen per share, a 5 yen decrease from the initial forecast (annual dividend: 45 yen).

Plan for FY2025

- The New Medium-Term Business Plan (FY2025 to FY2027) has commenced.
 - ✓ Reference: “Notice Concerning the Formulation of the New Medium-Term Business Plan” announced on May 9, 2025 (separate document)
- Aim to increase revenue in all regions, focusing on expanding air compressors sales, mainly in Japan and India
- A decline in profit is expected due to continued growth in personnel expenses, as well as ongoing aggressive investments in new businesses and IT sector.
- We have newly adopted DOE (Dividend on Equity) as a key indicator for shareholder returns and plan to pay an annual dividend of 83 yen per share. In addition, we intend to conduct share buybacks during the period of the New Medium-Term Business Plan.

Sales of coating equipment drove overall performance, leading to an increase in net sales. On the other hand, the increase in SG&A expenses, including labor costs, and the decrease in foreign exchange gains pressured earnings, profit declined and profit margins deteriorated at each stage.

■ The impact of foreign exchange on net sales: + 2,126 million yen

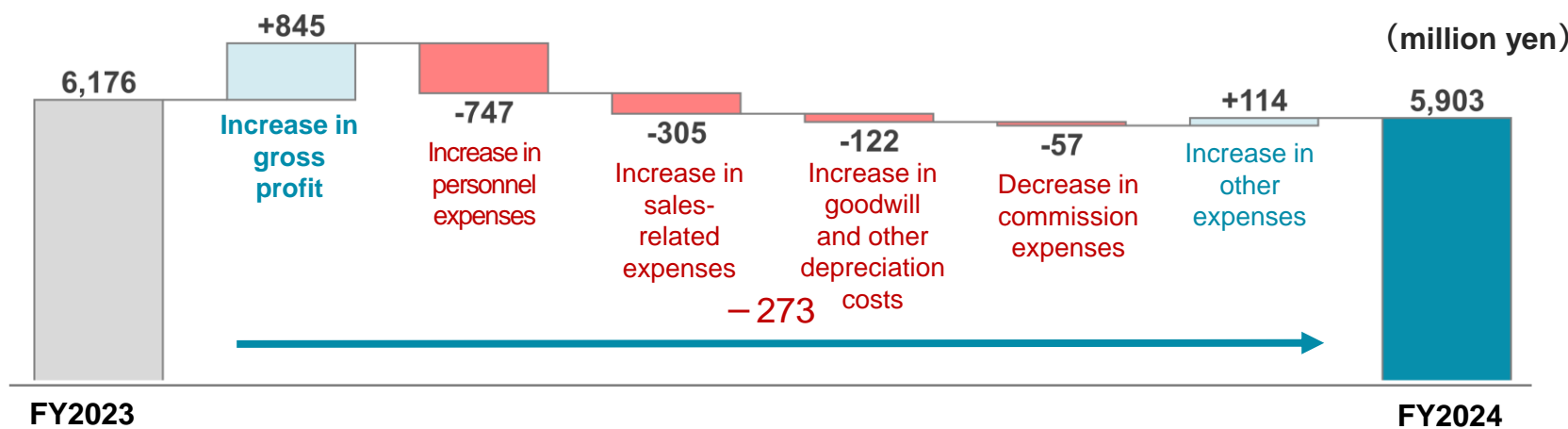
■ Realized foreign exchange gains of 21 million yen (-718 million yen year-on-year)

		FY2023		FY2024		Year-on-year			FY2024 result forecasts	
		Actual (million yen)	Profit ratio (%)	Actual (million yen)	Profit ratio (%)	Increase/ decrease amount (million yen)	Increase/ decrease rate (%)	Profit ratio change (Points)	Forecast (million yen)	Progress rate (%)
Net sales		53,425	—	54,411	—	+986	+1.8	—	54,500	99.8
Operating profit		6,176	11.6	5,903	10.8	-273	-4.4	-0.7	5,700	103.6
Ordinary profit		7,986	14.9	7,139	13.1	-847	-10.6	-1.8	7,100	100.5
Profit attributable to owners of parent		4,931	9.2	4,276	7.9	-654	-13.3	-1.4	4,400	97.2
Average exchange rate of yen to	USD	140.56 yen		151.58 yen		Depreciated by 11.02 yen			151.50 yen	
	EUR	152 yen		163.95 yen		Depreciated by 11.95 yen			164.00 yen	
	CNY	19.82 yen		21.02 yen		Depreciated by 1.20 yen			21.00 yen	
Annual dividend per share		49 yen		45 yen (planned)		Decreased by 4 yen				

[Foreign exchange sensitivity] Trend value based on operating profit (**The currency ratio is not reflected in the following**)

- Net sales: For each 1 yen depreciation against other currencies, sales increase by approximately USD 50million, EUR 50million, and CNY 600million per year, respectively.
- Operating profit: For each 1 yen depreciation against other currencies, operating profit increases by approximately USD 10 million, EUR 10 million, and CNY 30 million per year, respectively.

Profit decreased mainly due to higher labor costs, especially in Europe, the US and China, as well as higher overseas SG&A expenses due to the additional impact of the weaker yen.



Improvement
of cost-to-
sales ratio

- FY2024: 53.5% (-0.7 pts year-on-year)
- Impact of foreign exchange on cost of sales (29,091 million yen: +140 million yen year-on-year): + 1,168 million yen
- ✓ Decreased cost-to-sales ratio due to changes in the product mix as a result of increased sales of high-margin coating equipment and decreased sales of low-margin coating systems.

Increase in
SG&A
expenses
ratio

- FY2024: 35.7% (+1.4 pts year-on-year)
- Impact of foreign exchange on SG&A expenses (19,417 million yen: +1,118 million yen year-on-year): + 705 million yen
- ✓ Increased labor costs in Europe and the U.S. to secure human resources, and increased costs associated with the hiring of technical personnel in China
- ✓ Depreciation expenses increased, mainly due to capital investments associated with the prototype facility currently under construction in Japan to accelerate development speed. (+176 million yen year-on-year)

Excluding the "Others" area, revenue increased. European coating equipment performed well throughout the year, leading the overall growth.

	FY2023		FY2024		Year-on-year	
	Actual (million yen)	Composition ratio (%)	Actual (million yen)	Composition ratio (%)	Increase/ decrease amount (million yen)	Composition ratio change (points)
Japan	18,207	34.1%	18,312	33.7%	+105	+0.6
Europe	8,663	16.2%	9,310	17.1%	+647	+7.5
Americas	6,862	12.8%	7,075	13.0%	+213	+3.1
China	11,419	21.4%	11,520	21.2%	+101	+0.9
Others	8,273	15.5%	8,191	15.1%	-82	-1.0
Total	53,425	—	54,411	—	+986	+1.8

(Notes)

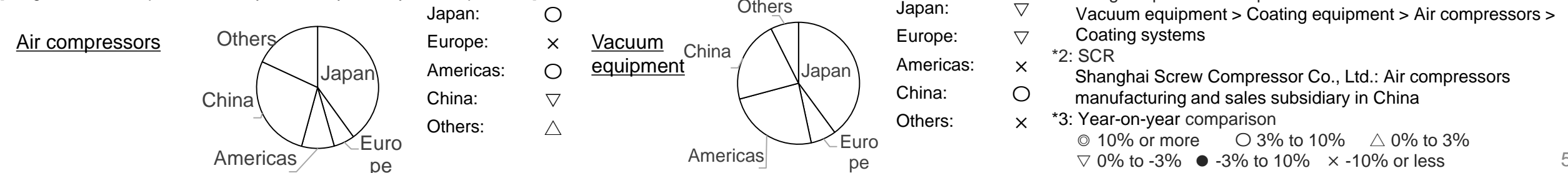
- 1. In Japan and India, the year ends in March, while in other areas, it ends in December, so the period of the consolidated financial settlement in other areas is three months behind.
- 2. Segment category: Others = Asia excluding China, and Australia and South Africa

Although the sales of air compressors in the European and Chinese markets was sluggish, exports from China and sales in the Japanese market supported the business performance due to the effect of sales strategy. (Unit: Million yen)

	Category	FY2023	FY2024	Year-on-year		Overview (Arrows indicate year-on-year comparisons)
				Increase/decrease amount	Increase/decrease rate (%)	
Net sales	Air compressors	30,190	30,787	+596	+2.0	(Japan)↑ Sales recovered in the second half of the year due to systematic sales promotion campaigns and penetration of price revisions. ↓ Decline in shipments, especially of small compressors, in the industry. (Europe)↓ Decrease in sales of oil-free air compressors due to changes in demand trends at OEM customers (China)↓ Sales declined as export sales failed to cover sluggish domestic sales. (Others)↑ Sales of small air compressors increased in India and East Asia.
	Vacuum equipment	2,983	2,822	-161	-5.4	(Americas)↓ Sales of vacuum pumps decreased due to the lack of spot demand seen in the previous fiscal year.
	Total	33,174	33,609	+434	+1.3	
Operating profit	Air energy	3,296	3,388	+92	+2.8	Operating profit ratio: 10.1% (+0.2 pts year-on-year)*1 ↓ Increased cost-to-sales ratio of vacuum pumps ↑ Cost-to-sales ratio of air compressors improved due to the review of SCR's*2 procurement process among other factors.

(Note) Starting from the current fiscal year, earnings from the consumer business, including e-commerce site sales, have been **reclassified as "Others."** For the previous fiscal year, figures after retroactive processing reflecting the changes in classification are shown.

[Image of sales composition ratio by area and year-on-year comparison*3]



Strong sales of coating equipment in Europe, drove overall sales. Development of the woodworking coating market is also progressing.

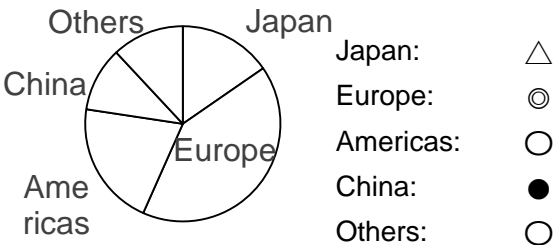
(Unit: Million yen)

	Category	FY2023	FY2024	Year-on-year		Overview (Arrows indicate year-on-year comparisons)
				Increase/decrease amount	Increase/decrease rate (%)	
Net sales	Coating equipment	16,838	17,943	+1,104	+6.6%	(Europe)↑ Demand for airbrushes, especially for new products, increased (Europe and Americas)↑ Strong sales of spray guns for the car repair market and coating units for the woodworking market
	Coating systems	3,300	2,736	-564	-17.1%	(China)↑ Completed the delivery of coating systems related to the production of machine parts and plastic molded products (Outside of China)↓ Decreased sales due to insufficient order backlog at the beginning of the fiscal year and slowdown in orders associated with capital investment trends
	Total	20,139	20,679	+539	+2.7%	
Operating profit	Coating	2,818	2,608	-210	-7.5%	Operating profit ratio: 12.6% (-1.4 pts year-on-year)*1 ↓ Deterioration in profit ratio for coating systems due to decreased sales and existence/non-existence of projects with profit ratios different from the previous fiscal year ↑ Decrease in cost-to-sales ratio due to change in product mix

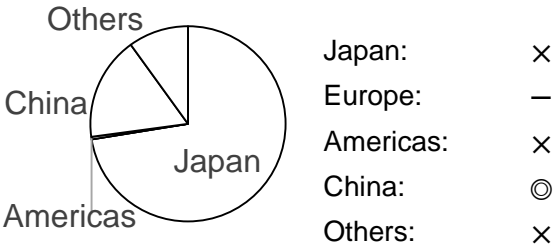
(Note) Effective from the current fiscal year, the product category of "environmental equipment," which improves the working environment during coating, **was changed from "coating equipment" to "coating systems."** In addition, earnings from the consumer business, including e-commerce site sales, were **reclassified as "Others."** For the previous fiscal year, figures after retroactive processing reflecting the changes in classification are shown.

[Image of sales composition ratio by area and year-on-year comparison*2]

Coating equipment



Coating systems



*1: Image of product-wise profit ratio
 Vacuum equipment > Coating equipment > Air compressors > Coating systems

*2: Year-on-year comparison
 ◎ 10% or more ○ 3% to 10% △ 0% to 3%
 ▽ 0% to -3% ● -3% to 10% × -10% or less

New businesses are separated out as the "Others" business from the perspective of their importance in business strategy.

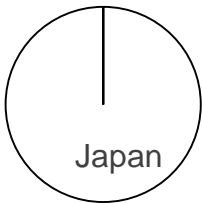
(Unit: Million yen)

	FY2023	FY2024	Year-on-year		Overview (Arrows indicate year-on-year comparisons)
			Increase/ decrease amount	Increase/ decrease rate (%)	
Net sales	111	123	+11	+10.2%	(Japan)↑ EC site sales centered on airbrushes remained strong. (Others)↑ Started a new light sheet metal repair business in the Philippines (scheduled to be recorded from next fiscal year)
Operating profit	61	-94	-156	-253.1%	Operating profit ratio: -76.7% (-131.9 pts year-on-year) ↓ Earnings deteriorated due to the establishment of a subsidiary to build a dedicated structure for establishing a third business.

(Note) 1. Earnings from the consumer business, including EC site sales, which were formerly classified as "air energy business" and "coating business," have been reclassified into a new category of "Others" to make comparisons easier from the perspective of their strategic importance. For the previous fiscal year, figures after retroactive processing reflecting the changes in classification are shown.

2. The "Others" business category includes consumer business and mobility after-sales services.

[Image of sales composition ratio by area and year-on-year comparison*1]



Japan: ◎
Europe: —
Americas: —
China: —
Others: —

*1: Year-on-year comparison
◎ 10% or more ○ 3% to 10% △ 0% to 3%
▽ 0% to -3% ● -3% to 10% × -10% or less

Due to the sales of cross-shareholdings, the ending balance of investment securities decreased. Additionally, due to increase in shareholders' equity and the impact of exchange rate fluctuations, the equity ratio increased to 67.7% (+0.9 points compared to the end of the previous fiscal year).

		FY2023 End of full year	FY2024 End of full year	Difference against the end of the previous period		
		Actual (million yen)	Actual (million yen)	Increase/ decrease amount (million yen)	Increase/ decrease rate (%)	Primary factors for increase or decrease
Assets	Current assets	40,571	45,229	+4,657	+11.5	•Increase in "Cash and deposits" +4,404 million yen
	Non-current assets	25,573	23,975	-1,597	-6.2	•Decrease in "Investment securities" -3,096 million yen
	Assets	66,144	69,204	+3,060	+4.6	
Liabilities and capital	Current liabilities	12,789	12,161	-628	-4.9	•Decrease in "Income taxes payable" -845 million yen
	Non-current liabilities	3,280	3,479	+199	+6.1	•Increase in "Long-term borrowings" +89 million yen •Increase in "Retirement benefit liability" +50 million yen
	Liabilities	16,069	15,641	-428	-2.7	
	Shareholders' equity	39,737	41,435	+1,697	+4.3	•Increase in "Retained earnings" +2,324 million yen
	Accumulated other comprehensive income	4,421	5,420	+998	+22.6	•Increase in "Foreign currency translation adjustment" +1,528 million yen
	Non-controlling interests	5,915	6,707	+792	+13.4	
	Net assets	50,074	53,563	+3,489	+7.0	
Liabilities and net assets		66,144	69,204	+3,060	+4.6	

Starting with the prototype building at the headquarters, we are constructing facilities to strengthen development and production in anticipation of future business expansion. We plan to continue making proactive growth investments in FY2025 as well.

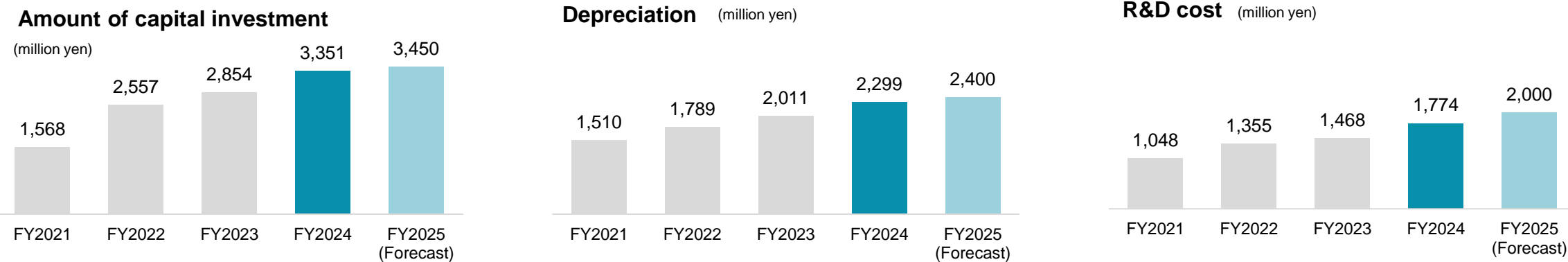
	FY2024			FY2025
	Actual (million yen)	Plan (million yen)	Progress rate (%)	Plan (million yen)
Capital investment	3,351	2,600	128.9	3,450
Depreciation	2,299	1,960	117.3	2,400
R&D cost*	1,774	1,700	104.4	2,000

Major capital investments

FY2024

FY2025

- Japan: Construction of the headquarters prototype building (scheduled for completion around summer 2025), facility renovation
- India: Construction of an assembly plant for medium-sized air compressors (scheduled for completion in May 2025)
- Japan: Building digital infrastructure, including factory digitalization, and strengthening development investment
- Strengthening production facilities in each area



*R&D cost: Total of general administrative expenses and manufacturing costs related to research and development 9

Although revenues are expected to increase in all areas, profits are expected to decrease due to continued aggressive growth investments, including those in human resources.

		FY2024		FY2025			
		Actual (million yen)	Composition ratio (%)	Target value (million yen)	Composition ratio (%)	Increase/decrease amount (million yen)	Increase/ decrease rate (%)
Net sales		54,411	100.0	58,000	—	+3,588	+6.6
Air energy	Air compressors	30,787	56.6	—	—	—	—
	Vacuum equipment	2,822	5.2	—	—	—	—
	Subtotal	33,609	61.8	35,800	61.7	+2,190	+6.5
Coating	Coating equipment	17,943	33.0	—	—	—	—
	Coating systems	2,736	5.0	—	—	—	—
	Subtotal	20,679	38.0	22,100	38.1	+1,420	+6.9
Others	Subtotal	123	0.0	100	0.2	-23	-18.8
Operating profit		5,903	10.8	5,550	9.6	-353	-6.0
Air energy	Operating profit	3,388	—	3,400	—	+11	+0.3
Coating	Operating profit	2,608	—	2,750	—	+141	+5.4
Others	Net sales	-94	—	-600	—	-505	—
Ordinary profit		7,139	13.1	6,710	11.6	-429	-6.0
Profit attributable to owners of parent		4,276	7.9	4,150	7.2	-126	-3.0
Average exchange rate of yen to	USD	151.58	—	151.50	—	-0.08	
	EUR	163.95	—	164.00	—	0.05	
	CNY	21.02	—	21.00	—	-0.02	

Despite continued investments for mid-and long-term business expansion and external environment putting downward pressure on earnings, revenue is expected to increase.

Premises

- In addition to labor and logistics costs both domestically and overseas, procurement prices for raw materials and parts are expected to rise.
- Exchange rates are assumed to remain at FY2024 levels, but FX gains/losses are excluded from targets due to uncertainty.
- US tariff policy may affect exports from Japan to the US (compressors and coating equipment), but not included in targets due to uncertainty over trends.

Prospects for FY2025

	Forecast	Year-on-year		
Net sales	58,000	+6.6	Net sales	<ul style="list-style-type: none">■ Revenue is expected to increase in all areas in Japan and overseas.<ul style="list-style-type: none">✓ Sales of air compressors in Japan and India, and coating equipment in Europe and the U.S. are expected to increase.✓ As for air compressors in Europe, it will take time to begin rebuilding the sales structure.✓ Domestic demand in China is expected to increase slightly.
Operating profit	5,550	-6.0	Operating profit	<ul style="list-style-type: none">■ Increase in labor cost mainly in Japan, the Americas and China■ Increase in operating costs in Japan■ Continue to invest for further growth, including strengthening investment in development
Ordinary profit	6,710	-6.0		
Profit	4,150	-3.0	Ordinary profit / profit	<ul style="list-style-type: none">■ While ongoing reduction of strategic shareholdings continues, gains on sales are expected to decrease due to the absence of the one-time gains recorded in FY2024.■ Reversal of impairment losses on business assets recognized in FY2024.

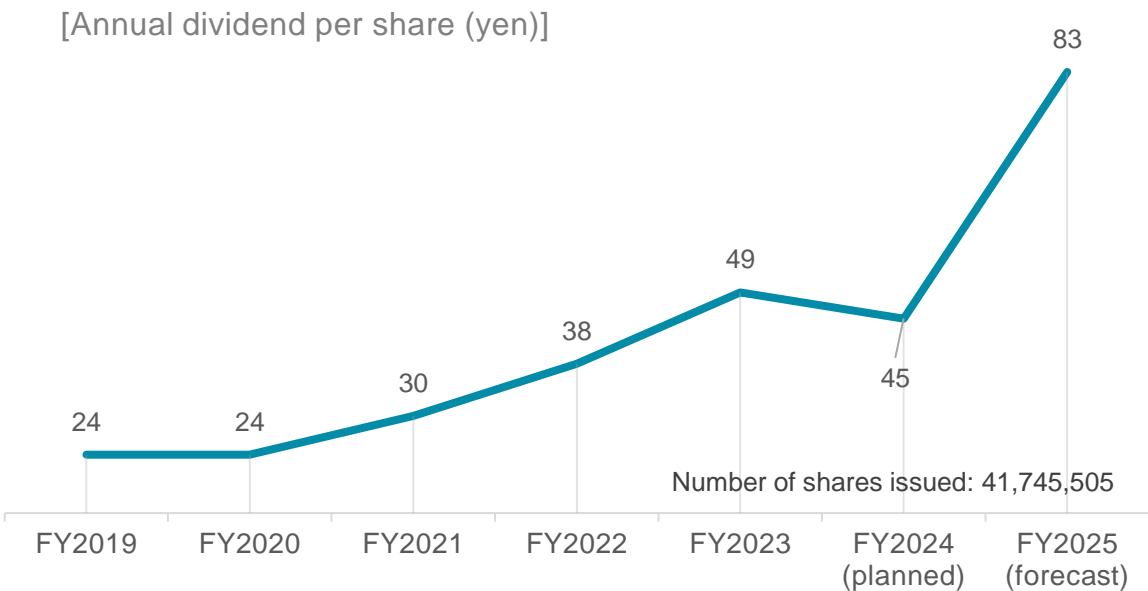
The annual dividend for FY2024 is planned at 45 yen (payout ratio: 41.6%), in line with our payout policy. A new policy has been formulated from FY2025 to strengthen returns to shareholders.

Shareholder return policy

- From FY2025, in order to realize stable and greater returns to shareholders, we will newly adopt the dividend on equity ratio (DOE) as a return indicator, replacing the previous dividend payout ratio.
 - ✓ During the current Medium-Term Business Plan period (FY2025 to FY2027)
 - Setting the DOE during the period at 7.0-7.5%
 - Progressively increasing annual dividend per share with FY2025 as the lower limit
- Purchase of treasury shares of 3 to 3.5 billion yen during the current Medium-Term Business Plan period

Dividend (yen)	Interim	Year-end	Annual
FY2023	22	27	49
FY2024	22	23*	45*
FY2025 (Forecast)	41	42	83

*The year-end and the annual dividend for FY2024 will be formally decided at the 79th ordinary general shareholders' meeting to be held on June 25.



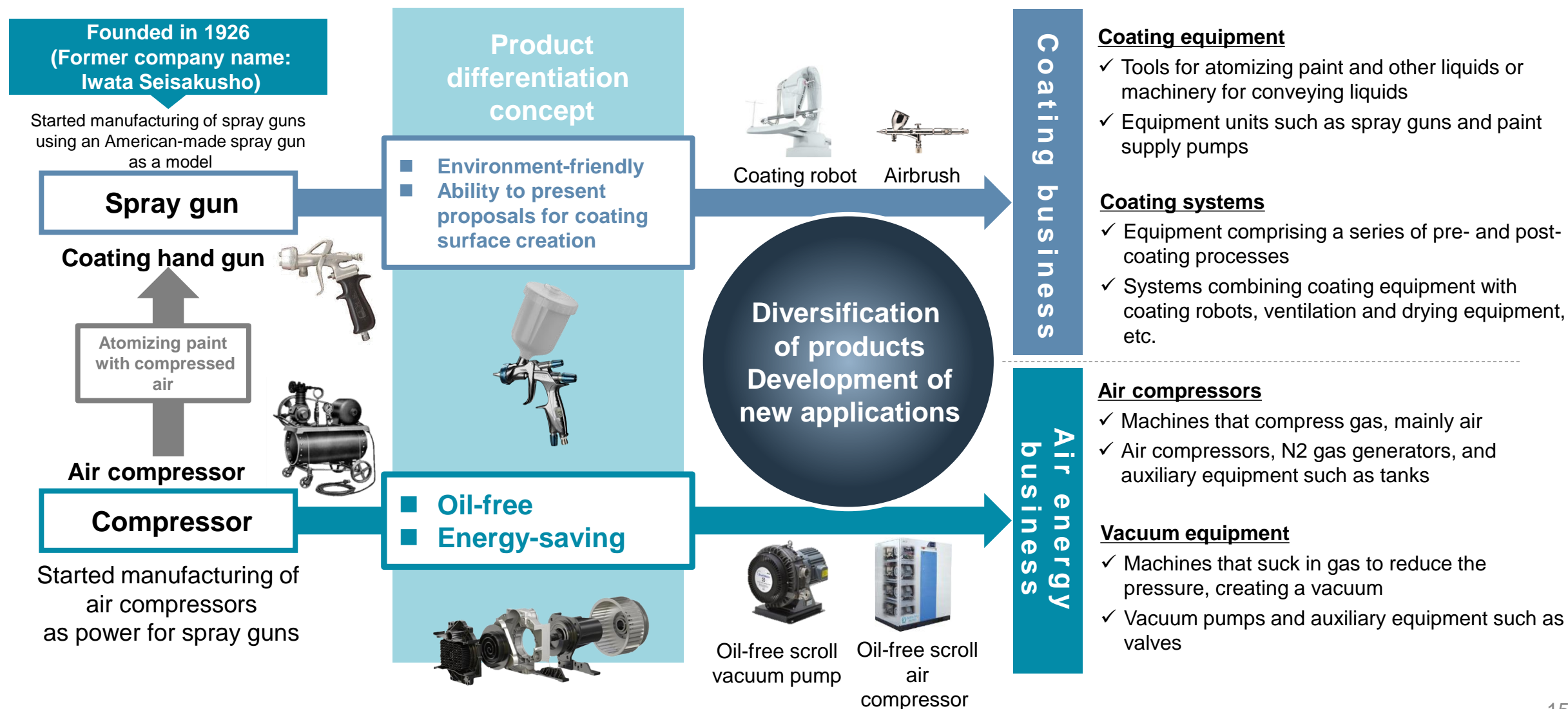
- Ordinary profit: Foreign exchange gains of 21 million yen was recorded (-718 million yen year-on-year). Equity in earnings of affiliates amounted to 936 million yen (+167 million yen year-on-year).
- Profit: Increase in gain on sale of investment securities due to sales of cross-shareholdings (+501 million yen year-on-year). Recorded loss on valuation of business assets (-300 million yen year-on-year)

	FY2023		FY2024		Year-on-year		
	Actual (million yen)	Composition ratio (%)	Actual (million yen)	Composition ratio (%)	Increase/ decrease amount (million yen)	Increase/ decrease rate (%)	Composition ratio change (points)
Net sales	53,425	—	54,411	—	+986	+1.8	—
Cost of sales	28,950	54.2	29,091	53.5	+140	+0.5	-0.7
Gross profit	24,475	45.8	25,320	46.5	+845	+3.5	+0.7
SG & A expenses	18,299	34.3	19,417	35.7	+1,118	+6.1	+1.4
Operating profit	6,176	11.6	5,903	10.8	-273	-4.4	-0.7
Non-operating income	1,924	3.6	1,419	2.6	-505	-26.3	-1.0
Non-operating expenses	114	0.2	182	0.3	+67	+59.1	+0.1
Ordinary profit	7,986	14.9	7,139	13.1	-847	-10.6	-1.8
Extraordinary income	24	0.0	536	1.0	+511	—	+0.9
Extraordinary losses	23	0.0	404	0.7	+380	—	+0.7
Profit before income taxes	7,987	15.0	7,271	13.4	-716	-9.0	-1.6
Income taxes	2,052	3.8	1,904	3.5	-147	-7.2	-0.3
Profit attributable to non-controlling interests	1,003	1.9	1,089	2.0	+85	+8.6	+0.1
Profit attributable to owners of parent	4,931	9.2	4,276	7.9	-654	-13.3	-1.4

[Total] Unit: Million yen		FY2024			
		1 Q	1~ 2 Q	1~ 3 Q	1~4Q
Net sales		12,484	27,060	39,988	54,411
Year-on-year		+2.5%	+4.5%	+2.6%	+1.8%
Air energy	Air compressors	6,834	15,077	22,809	30,787
	Year-on-year	+1.0%	+4.3%	+2.0%	+2.0%
	Vacuum equipment	748	1,509	2,171	2,822
	Year-on-year	+0.5%	+4.4%	-2.0%	-5.4%
	Net sales	7,583	16,586	24,981	33,609
Year-on-year		+1.0%	+4.3%	+1.7%	+1.3%
Coating	Coating equipment	4,348	9,172	13,242	17,943
	Year-on-year	+8.2%	+10.7%	+8.7%	+6.6%
	Coating systems	524	1,245	1,686	2,736
	Year-on-year	-14.7%	-24.4%	-21.0%	-17.1%
	Net sales	4,872	10,417	14,928	20,679
Year-on-year		+5.2%	+4.9%	+4.3%	+2.7%
Others	Net sales	27	55	79	123
	Year-on-year	-10.9%	-8.6%	-4.2%	+10.2%
Operating profit		1,017	2,962	4,633	5,903
Year-on-year		-19.9%	+3.3%	+3.1%	-4.4%
Air energy	Operating profit	565	1,492	2,518	3,388
	Year-on-year	-6.7%	+9.2%	+0.8%	+2.8%
Coating	Operating profit	438	1,446	2,118	2,608
	Year-on-year	-31.8%	-1.1%	+8.7%	-7.5%
その他	Operating profit	13	23	-4	-94
	Year-on-year	-34.5%	-35.5%	-109.5%	-253.1%

[Quarterly] Unit: Million yen		FY2024			
		1 Q	1~ 2 Q	1~ 3 Q	1~4Q
Net sales		12,484	14,575	12,928	14,423
Year-on-year		+2.5%	+6.2%	-1.1%	-0.2%
Air energy	Air compressors	6,834	8,242	7,732	7,977
	Year-on-year	+1.0%	+7.1%	-2.1%	+1.8%
	Vacuum equipment	748	760	661	651
	Year-on-year	+0.5%	+8.6%	-14.1%	-15.2%
	Net sales	7,583	9,003	8,394	8,628
Year-on-year		+1.0%	+7.2%	-3.1%	+0.3%
Coating	Coating equipment	4,348	4,824	4,069	4,701
	Year-on-year	+8.2%	+13.1%	+4.4%	+1.0%
	Coating systems	524	720	440	1,049
	Year-on-year	-14.7%	-30.2%	-9.5%	-10.0%
	Net sales	4,872	5,545	4,510	5,750
Year-on-year		+5.2%	+4.7%	+2.8%	-1.2%
Others	Net sales	27	27	23	43
	Year-on-year	-10.9%	-6.1%	+8.0%	+51.4%
Operating profit		1,017	1,944	1,671	1,270
Year-on-year		-19.9%	+21.8%	+2.6%	-24.5%
Air energy	Operating profit	565	926	1,026	870
	Year-on-year	-6.7%	+21.8%	-9.2%	+9.0%
Coating	Operating profit	438	1,007	672	489
	Year-on-year	-31.8%	+22.9%	+38.2%	-43.6%
Others	Operating profit	13	9	-27	-89
	Year-on-year	-34.5%	-36.7%	-351.0%	-714.7%

Starting with the manufacture of spray guns for painting and the compressors that power them, we have continued to expand our business by diversifying our products and developing new applications.



Notes on the descriptions about future prospects and other matters

The future prospects for our Company mentioned in this document are based on the currently available information. Please be advised that there are various external factors that can impact our business performance, such as the global economy, exchange rate fluctuations, the industry's market conditions, and capital investment trends, and that the actual performance may differ from what is stated herein.

This document is intended to provide investors with relevant information and not meant to invite or recommend anyone to buy or sell shares in our Company or any other securities.

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