

FY2025 Full-Year Consolidated Financial Results [Japan GAAP] (April 1, 2025 through March 31, 2026)

May 12, 2026

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	: Masanori Daimaru, Managing Executive Officer, CFO and General Manager of Corporate Planning Division Tel. +81-(0)45-591-9344
Scheduled Date of Ordinary General Shareholders' Meeting	: June 26, 2026
Scheduled Payment Date of Cash Dividends	: June 29, 2026
Scheduled Filing Date of Annual Securities Report	: June 19, 2026
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 FY2025 (April 1, 2025 through March 31, 2026)

(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	%
FY2025	55,909	2.8	5,563	(5.8)	7,718	8.1	5,356	25.2
FY2024	54,411	1.8	5,903	(4.4)	7,139	(10.6)	4,276	(13.3)

(Note) Comprehensive Income: FY2025 7,490 million yen (up 13.0%), FY2024 6,627 million yen (down 18.9%)

	Basic Earnings per Share	Diluted Earnings per Share	Return of Equity	Return of Asset	Operating Profit on Sales
	Yen	Yen	%	%	%
FY2025	136.04	—	11.0	10.7	10.0
FY2024	108.21	—	9.4	10.5	10.8

(Reference) Equity in Income of Affiliates: FY2025 1,056 million yen, FY2024 936 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, 2026	74,641	57,542	68.0	1,288.42
As of March 31, 2025	69,202	53,561	67.7	1,190.89

(Reference) Equity Capital: As of March 31, 2026 50,745 million yen, As of March 31, 2025 46,853 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
FY2025	8,145	(4,326)	(3,864)	18,096
FY2024	9,746	(3,255)	(3,932)	17,686

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	%	%
FY2024	—	22.00	—	23.00	45.00	1,784	41.6	3.9
FY2025	—	41.00	—	46.00	87.00	3,444	64.0	7.0
FY2026 (forecast)	—	—	—	—	—	—	—	—

(Note) The interim dividend of ¥43 at the end of the second quarter and the year-end dividend of ¥50 for the fiscal year ending March 2027 (forecast) each include a commemorative dividend of ¥2 and ¥3, respectively, in celebration of the company's 100th anniversary.

3. Forecast of Consolidated Results for FY2026 (April 1, 2026 through March 31, 2027)

(% 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	29,150	10.7	2,210	△12.0	2,820	△14.4	1,750	△19.0	44.43
Full-Year	60,000	7.3	5,200	△6.5	6,460	△16.3	3,950	△26.3	100.29

* Notes

(1) Significant changes in the scope of consolidation during the period under review: None

New: — (Company name:) Excluded: — (Company name:)

(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, 2026	41,745,505 shares	As of March 31, 2025	41,745,505 shares
(ii) Number of treasury shares at the period-end	As of March 31, 2026	2,359,253 shares	As of March 31, 2025	2,401,889 shares
(iii) Average number of shares outstanding in the period	FY2025	39,373,117 shares	FY2024	39,524,077 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 FY2025 (April 1, 2025 through March 31, 2026)

(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	%
FY2025	25,840	7.6	1,629	(7.2)	5,378	(12.7)	5,122	(5.8)
FY2024	24,203	(6.6)	1,755	(27.4)	6,160	25.9	5,437	47.4

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
FY2025	130.10	—
FY2024	137.58	—

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million Yen	Million Yen	%	Yen
As of March 31, 2026	46,457	37,886	81.6	961.92
As of March 31, 2025	42,938	35,061	81.7	891.17

(Reference) Equity Capital: As of March 31, 2026 37,886 million yen, As of March 31, 2025 35,061 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 generally remained stable, supported in part by easing trade tensions, although performance varied by region. However, heightened geopolitical risks and continued uncertainty surrounding policy measures in various countries persisted, leaving the future uncertain. While the Japanese economy followed a path of moderate recovery—supported by improvements in employment and income conditions—trends in overseas economies and fluctuations in resource prices are viewed with concern as potential downside risks.

Under such circumstances, our business performance for the current consolidated fiscal year is as follows: sales stood at 55,909 million yen (up 2.8% from the previous consolidated fiscal year), operating profit at 5,563 million yen (down 5.8%), ordinary profit at 7,718 million yen (up 8.1%), and profit attributable to owners of parent at 5,356 million yen (up 25.2%). From these results, the ROE in the current consolidated fiscal year stood at 11.0% (up 1.6 points), and the equity ratio increased by 0.3 points to 68.0%.

(Reference values) Results of each division

(Amount: million yen)

Business category	(Product category)	Fiscal year ended March 31, 2026			
		Consolidated net sales	(Change from the previous fiscal year)	Consolidated operating profit	(Change from the previous fiscal year)
Air energy business		33,683	0.2%	3,313	(2.2)%
	Air compressors	31,124	1.1%		
	Vacuum equipment	2,559	(9.3)%		
Coating business		21,491	3.9%	2,541	(2.6)%
	Coating equipment	17,941	0.0%		
	Coating systems	3,550	29.8%		
Other		734	496.2%	(291)	—
Total		55,909	2.8%	5,563	(5.8)%

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

2. From this consolidated fiscal year, revenue from DIY equipment, which was previously classified as "Air Energy Business" and "Coating Business," has been reclassified to "Other" after comprehensively taking into consideration the nature of the product, sales system, etc. 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. "Other" includes earnings from a consolidated subsidiary in Japan that sells consumer products and provides mobility after-sales services.

(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 27,176 million yen (up 9.4% from the previous consolidated fiscal year), and segment profit stood at 2,913 million yen (up 11.2%).

In the air compressor field, sales at the subsidiary engaged in sales and service operations increased due to effective promotional measures and enhanced project management.

In the vacuum equipment field, while sales of vacuum pump repair and maintenance increased at the service subsidiary, overall sales declined due to a continued slowdown in demand in the Chinese market, a key end-use destination for semiconductor manufacturing-related equipment manufacturers, resulting in reduced vacuum pump sales.

In the coating equipment field, sales of spray guns, primarily for the general-purpose coating market, decreased mainly due to delays in market development initiatives.

In the coating systems field, sales increased mainly due to delivery of coating systems used in car parts manufacturing.

Europe

Net sales stood at 10,180 million yen (up 0.4% from the previous consolidated fiscal year), and segment profit stood at 1,015 million yen (up 22.5%). The increase in profit was mainly due to increased sales of high-margin oil-free compressors, as well as lower selling, general and administrative expenses resulting from greater efficiency following the restructuring of the sales organization.

In the air compressor field, sales of oil-free air compressors increased due to continued expansion in demand from OEM customers.

In the coating equipment field, sales increased, driven by the penetration of new products for the car repair market, strong sales of a limited-edition spray gun launched in the third quarter, and effective promotional initiatives, including trade show exhibitions.

Americas

Net sales stood at 7,272 million yen (down 2.3% from the previous consolidated fiscal year), and segment profit stood at 863 million yen (down 3.8%).

In the air compressor field, sales showed a recovery trend in the United States despite changes in the environment associated with trade policies, and were further driven by expanded sales of air compressors for the in-vehicle mounting market in Brazil.

In the vacuum equipment field, sales of vacuum pumps for research and development increased, driven by the successful capture of demand toward the end of the period.

In the coating equipment field, sales in the United States shifted to a recovery trend following a review and strengthening of the sales structure for spray guns and airbrushes; however, this was not sufficient to offset the decline through the third quarter in the fourth quarter, resulting in an overall decrease in sales.

China

Net sales stood at 12,274 million yen (down 2.3% from the previous consolidated fiscal year), and segment profit stood at 517 million yen (down 41.4%). The decline in profit was primarily due to the worsening performance of a subsidiary engaged in the manufacture and sale of air compressor products, amid a sluggish market in China.

In the air compressor field, domestic sales recovered amid signs of a bottoming out in the Chinese market, and sales also expanded in line with recovering economic sentiment in export markets; however, this was insufficient to offset the decline through the third quarter in the fourth quarter, resulting in a year-on-year decrease in sales.

In the vacuum equipment field, sales decreased due to the continued sluggish sales of vacuum pumps for lithium-ion battery manufacturing-related equipment since the end of the previous consolidated fiscal year. In light of this situation, we continue to focus on developing new customers.

In the coating equipment field, sales of spray guns for the industrial coating and car repair markets increased thanks to successful marketing activities.

In the coating systems field, sales decreased due to a reactionary decline from coating systems projects for car parts manufacturing recorded in the previous fiscal year.

Others

Net sales stood at 10,262 million yen (up 3.2% from the previous consolidated fiscal year), and segment profit stood at 1,477 million yen (down 4.5%). The decline in profit was primarily attributable to an increase in the cost ratio associated with an inventory valuation loss, etc. at a subsidiary engaged in the sale of coating equipment.

In the air compressor field, while sales of medium-sized air compressors in Thailand and India are expanding, the continued slowdown in sales of small air compressors, primarily for specific markets in India, led to an overall decline in sales.

In the coating equipment field, sales grew, particularly in Thailand, reflecting the impact of price revisions.

In the coating systems field, sales increased, driven by factors such as delivery of large-scale coating systems for car parts manufacturing in India.

(iii) Analysis of financial condition

For assets, our current assets stood at 47,507 million yen (up 5.0% from the previous consolidated fiscal year). This was mainly due to an increase of 1,476 million yen in "Notes and accounts receivable-trade." Our non-current assets stood at 27,133 million yen (up 13.2%). This was mainly due to an increase of 2,008 million yen in "Investment securities" arising from investments aimed at developing new business areas in the future. As a result, our total assets stood at 74,641 million yen (up 7.9%).

For liabilities, our current liabilities stood at 13,677 million yen (up 12.5%). This was mainly due to an increase of 720 million yen in "Notes and accounts payable-trade." Our non-current liabilities stood at 420 million yen (up 1.7%). This was mainly due to a decrease of 143 million yen in "Lease liabilities." As a result, our total liabilities stood at 17,098 million yen (up 9.3%).

Our net assets stood at 57,542 million yen (up 7.4%). This was mainly due to the recording of 5,356 million yen in "Profit attributable to owners of parent," while dividend payments amounted to 2,533 million yen, resulting in an increase of 2,822 million yen in "Retained earnings" and 725 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 50,745 million yen, increasing our equity ratio by 0.3 percentage points to 68.0%, from 67.7% 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 410 million yen from the end of the previous consolidated fiscal year, to 18,096 million yen (up 2.3%) 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 8,145 million yen (down 16.4%), with a decrease of 1,600 million yen from the end of the previous consolidated fiscal year, mainly due to a decrease of 1,600 million yen in capital inflows due to changes in "Profit and loss of entities accounted for using equity method" due to dividends from entities accounted for using equity-method and a decrease of 1,232 million yen in capital inflows due to changes in "increase or decrease in inventory."

2) Cash flows from investing activities

As a result of investing activities, the fund balance shows expenses of 4,326 million yen (up 32.9%), with an increase of 1,070 million yen in expenses from the end of the previous consolidated fiscal year, mainly due to "Purchase of investment securities" amounting to 2,127 million yen.

3) Cash flows from financing activities

As a result of financing activities, the fund balance shows expenses of 3,864 million yen (down 1.7%), with a decrease of 68 million yen in expenses from the end of the previous consolidated fiscal year, mainly due to decrease of 768 million yen for the "Purchase of treasury shares" since the purchase was implemented in the previous consolidated fiscal year but not implemented in the current consolidated fiscal year.

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

(Reference) Changes in cash flow and other related indexes

	March 2023	March 2024	March 2025	March 2026
Equity ratio (%)	66.6	66.8	67.7	68.0
Market-base equity ratio (%)	67.8	81.8	65.3	84.2
Cash flow-to-interest-bearing liabilities ratio (%)	61.7	43.6	29.5	33.7
Interest coverage ratio	73.7	93.2	91.8	120.2

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

Equity ratio: $\text{Equity capital} / \text{Total assets}$

Market-base equity ratio: $\text{Market capitalization} / \text{Total assets}$

Cash flow-to-interest-bearing liabilities ratio: $\text{Interest-bearing liabilities} / \text{Operating cash flow}$

Interest coverage ratio: $\text{Operating cash flow} / \text{Interest payments}$

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 fiscal year ending March 31, 2027, 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 toward the realization of our long-term vision for further growth.

At present, the expected results of our operations for the full-year fiscal year ending March 31, 2027 are such that sales will stand at 60,000 million yen (up 7.3% from the current consolidated fiscal year), operating profit will be 5,200 million yen (down 6.5%), ordinary profit will be 6,460 million yen (down 16.3%), and profit attributable to owners of parent will be 3,950 million yen (down 26.3%). The assumed exchange rates are 151.50 yen to the dollar, 175.00 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 benchmark beginning with FY2025. During the current medium-term business plan, 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 per share with FY2025, implementing progressive increases in dividends.

(ii) Current dividend

The common dividend paid at the end of the current term will be 46 yen per share. Combined with the dividend of 41 yen per share at the end of the second quarter, this will translate into an annual dividend per share of 87 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 26, 2026.

(iii) Dividend for next term

At this time, we plan to pay a second quarter-end dividend of 41 yen per share, year-end dividend of 47 yen per share and a commemorative dividend of 5 yen to celebrate our 100th anniversary bringing the annual dividend to 93 yen per share.

(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 Management Conference 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 and utilizing 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) 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 utilization

We consider that, for the reinforcement of the competitiveness in global expansion, it is vital to improve the business structure by developing value-added products and improving business efficiency with the introduction of IT, in which constant innovations are under way. However, due to inadequate prioritization of investment and requirement definition, lack of establishment after introduction and damage to IT resources and knowledge due to unforeseen situations, the implementation of IT strategy is stagnated and delays are seen in product development and improvement of business efficiency in line with the latest IT trends. This may decline the competitiveness and the business efficiency. 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 takes necessary and sufficient security measures such as acquiring appropriate backups of important data and, at the same time, provides ongoing education to employees. Also, under the leadership of the headquarters, we plan to further strengthen the group-wide information security system including that of the overseas subsidiaries.

In the unlikely event that any of these risks occur, we will create a system to promptly determine the cause and the details, seek assistance from external experts, if necessary, in order to minimize the resulting damage, and appropriately disclose information about the damage, thereby endeavoring to minimize secondary damage and restoring 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 patent rights, design rights, trademark rights and other related rights in Japan and overseas for 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. 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, etc. through reduced profitability and impairment of non-current assets.

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 IWATA A.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 France S.A. ANEST IWATA (UK) 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 Private 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 IWATA A.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 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 service business
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

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 - "Makotono kokoro" (Trustworthy & Sincere), which is part of our corporate policy.

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 maintain and enhance 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 further growth.

- 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 fiscal year ending March 2027, we will establish a powerful management foundation based on the Medium-Term Business Plan that commenced in the previous consolidated fiscal year, which will not be affected by various uncertainties, including geopolitical risks. 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.

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 for the next 100 years.

• 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 and disposal 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.

• Promotion of M&A and new businesses

Our Group is 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

Our Group is 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 generative AI 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 generative AI 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. 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.

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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	¥ 21,336	¥ 20,749
Notes and accounts receivable-trade	10,435	11,912
Marketable Securities	—	1,009
Merchandise and finished goods	6,931	7,172
Work in process	1,113	1,246
Raw materials and supplies	3,834	4,218
Other	2,136	2,187
Allowance for doubtful accounts	(558)	(988)
Total current assets	45,229	47,507
Non-current assets		
Property, plant and equipment		
Buildings and structures	¥ 14,565	¥ 15,901
Accumulated depreciation	(8,123)	(8,654)
Buildings and structures, net	6,442	7,247
Machinery, equipment and vehicles	10,380	11,441
Accumulated depreciation	(7,510)	(8,228)
Machinery, equipment and vehicles, net	2,870	3,212
Land	¥ 2,485	¥ 2,811
Tools, furniture and fixtures	4,019	4,375
Accumulated depreciation	(3,114)	(3,425)
Tools, furniture and fixtures, net	905	949
Leased assets	3,892	3,829
Accumulated depreciation	(2,108)	(2,286)
Leased assets, net	1,784	1,542
Construction in progress	583	771
Other	82	134
Accumulated depreciation	(58)	(66)
Other, net	23	67
Total property, plant and equipment	15,095	16,603
Intangible assets		
Goodwill	600	418
Software	849	639
Other	1,763	1,864
Total intangible assets	3,213	2,922
Investments and other assets		
Investment securities	¥ 3,173	¥ 5,181
Deferred tax assets	1,295	1,063
Retirement benefit asset	919	1,057
Other	287	316
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	5,664	7,608
Total non-current assets	23,973	27,133
Total assets	69,202	74,641

(Amount: million yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable-trade	¥ 5,432	¥ 6,153
Short-term borrowings	¥, ¥ 858	¥, ¥ 899
Current portion of long-term borrowings	8	29
Lease liabilities	291	238
Income taxes payable	350	852
Provision for bonuses	970	1,035
Provision for bonuses for directors (and other officers)	76	82
Provision for share awards for directors (and other officers)	61	—
Provision for product warranties	223	234
Other	3,888	4,152
Total current liabilities	12,161	13,677
Non-current liabilities		
Long-term borrowings	¥, ¥ 138	¥, ¥ 145
Lease liabilities	1,574	1,430
Deferred tax liabilities	192	226
Retirement benefit liability	1,220	1,115
Provision for share awards for directors (and other officers)	205	233
Other	147	269
Total non-current liabilities	3,479	3,420
Total liabilities	15,641	17,098
Net assets		
Shareholders' equity		
Share capital	3,354	3,354
Capital surplus	1,030	1,031
Retained earnings	39,749	42,572
Treasury shares	(2,698)	(2,649)
Total shareholders' equity	41,435	44,308
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	500	686
Foreign currency translation adjustment	4,737	5,463
Remeasurements of defined benefit plans	179	287
Total accumulated other comprehensive income	5,417	6,437
Non-controlling interests	6,707	6,796
Total net assets	53,561	57,542
Total liabilities and net assets	69,202	74,641

(2) Consolidated statement of income and comprehensive income
Consolidated statement of income

(Amount: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	54,411	55,909
Cost of sales	*1 29,091	*1 29,766
Gross profit	25,320	26,143
Selling, general and administrative expenses		
Remuneration, salaries and allowances for directors (and other officers)	6,679	7,005
Provision for bonuses	659	693
Provision for bonuses for directors (and other officers)	76	82
Provision for share awards for directors (and other officers)	76	46
Retirement benefit expenses	187	183
Provision for product warranties	235	159
Provision of allowance for doubtful accounts	159	405
Commission expenses	2,136	2,375
Other	9,206	9,627
Total selling, general and administrative expenses	*2 19,417	*2 20,580
Operating profit	5,903	5,563
Non-operating income		
Interest income	224	237
Dividend income	74	53
Foreign exchange gains	21	467
Share of profit of entities accounted for using equity method	936	1,056
Gain on Debt Waiver	—	*3 230
Other	163	435
Total non-operating income	1,419	2,250
Non-operating expenses		
Interest expenses	106	67
Other	76	27
Total non-operating expenses	182	95
Ordinary profit	7,139	7,718

(Amount: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Extraordinary income		
Gain on sale of non-current assets	*4 21	*4 785
Gain on sale of investment securities	*5 515	—
Other	—	*6 22
Total extraordinary income	536	807
Extraordinary losses		
Loss on valuation of investment securities	*7 300	—
Loss on sale of non-current assets	*8 0	*8 15
Loss on retirement of non-current assets	*9 6	*9 38
Loss on liquidation of subsidiaries	*10 72	—
Other	*11 25	—
Total extraordinary losses	404	53
Profit before income taxes	7,271	8,472
Income taxes - current	1,825	2,039
Income taxes - deferred	79	119
Total income taxes	1,904	2,159
Profit	5,366	6,313
Profit attributable to non-controlling interests	1,089	957
Profit attributable to owners of parent	4,276	5,356

Consolidated statement of comprehensive income

(Amount: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	5,366	6,313
Other comprehensive income		
Valuation difference on available-for-sale securities	(499)	185
Foreign currency translation adjustment	1,451	936
Remeasurements of defined benefit plans	(32)	107
Share of other comprehensive income of entities accounted for using equity method	341	(53)
Total other comprehensive income	* 1,261	* 1,176
Comprehensive income	6,627	7,490
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,273	6,375
Comprehensive income attributable to non-controlling interests	1,354	1,114

(3) Consolidated statement of changes in equity
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

Fiscal year ended March 31, 2026

(Amount: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,354	1,030	39,749	(2,698)	41,435
Changes during period					
Dividends of surplus			(2,533)		(2,533)
Profit attributable to owners of parent			5,356		5,356
Purchase of treasury shares					
Disposal of treasury shares				0	0
Purchase of treasury shares by stocks payment trust					
Disposal of treasury shares by stocks payment trust		1		48	50
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	—	1	2,822	48	2,872
Balance at end of period	3,354	1,031	42,572	(2,649)	44,308

	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	500	4,737	179	5,417	6,707	53,561
Changes during period						
Dividends of surplus						(2,533)
Profit attributable to owners of parent						5,356
Purchase of treasury shares						
Disposal of treasury shares						0
Purchase of treasury shares by stocks payment trust						
Disposal of treasury shares by stocks payment trust						50
Change in ownership interest of parent due to transactions with non-controlling interests						
Net changes in items other than shareholders' equity	185	725	107	1,019	88	1,107
Total changes during period	185	725	107	1,019	88	3,980
Balance at end of period	686	5,463	287	6,437	6,796	57,542

(4) Consolidated statement of cash flows

(Amount: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	7,271	8,472
Depreciation	2,299	2,299
Amortization of goodwill	186	185
Increase (decrease) in allowance for doubtful accounts	165	379
Increase (decrease) in provision for bonuses	112	57
Increase (decrease) in provision for product warranties	(120)	10
Increase (decrease) in retirement benefit liability	35	(63)
Decrease (increase) in retirement benefit asset	(30)	(37)
Increase (decrease) in provision for bonuses for directors (and other officers)	(23)	6
Increase (decrease) in provision for share awards for directors (and other officers)	64	(33)
Interest and dividend income	(298)	(291)
Interest expenses	106	67
Share of loss (profit) of entities accounted for using equity method	1,929	329
Loss (gain) on sale and retirement of non-current assets	(14)	(732)
Loss on liquidation of subsidiaries	72	—
Loss (gain) on sale of investment securities	(515)	—
Loss (gain) on valuation of investment securities	300	—
Gain on Debt Waiver	—	(230)
Decrease (increase) in trade receivables	(107)	(1,031)
Decrease (increase) in inventories	927	(304)
Increase (decrease) in trade payables	(856)	392
Other	771	(65)
Subtotal	12,276	9,411
Interest and dividends received	298	291
Interest paid	(106)	(67)
Subsidy income received	47	31
Income taxes paid	(2,769)	(1,520)
Net cash provided by (used in) operating activities	9,746	8,145
Cash flows from investing activities		
Payments into time deposits	(5,121)	(4,030)
Proceeds from withdrawal of time deposits	3,819	4,231
Purchase of property, plant and equipment	(2,663)	(3,203)
Proceeds from sales of property, plant and equipment	68	1,057
Purchase of intangible assets	(322)	(255)
Purchase of investment securities	—	(2,127)
Proceeds from sale of investment securities	1,014	—
Loan advances	(2)	(1)
Proceeds from collection of loans receivable	14	4
Payments for investments in capital	(0)	(0)
Other	(61)	0
Net cash provided by (used in) investing activities	(3,255)	(4,326)

(Amount: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(207)	—
Repayments of lease liabilities	(334)	(362)
Proceeds from long-term borrowings	94	88
Repayments of long-term borrowings	(158)	(71)
Purchase of treasury shares	(768)	—
Proceeds from disposal of treasury shares	134	7
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(4)	—
Dividends paid	(1,951)	(2,659)
Dividends paid to non-controlling interests	(736)	(866)
Net cash provided by (used in) financing activities	(3,932)	(3,864)
Effect of exchange rate change on cash and cash equivalents	518	454
Net increase (decrease) in cash and cash equivalents	3,077	410
Cash and cash equivalents at beginning of period	14,608	17,686
Cash and cash equivalents at end of period	* 17,686	* 18,096

(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

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

Also, regarding the point system that one of our consolidated subsidiaries manages, the points assigned to the customers for item sales are identified as a performance obligation. Accordingly, recognition of revenue is deferred, and the revenue is recognized when the points are used or expire.

(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. Foreign currency-denominated securities (other securities) are converted into Japanese yen at the spot exchange rate on the consolidated closing date, and conversion differences are accounted for using the direct equity method. 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 balance sheet)

"Tools, furniture and fixtures" included in "Other" under "Property, plant and equipment" in the previous consolidated fiscal year has been independently presented from the current consolidated fiscal year as their monetary significance has increased. The consolidated balance sheet for the previous consolidated fiscal year has been reclassified to reflect this change in the presentation method.

As a result, in the consolidated balance sheet for the previous consolidated fiscal year, 4,102 million yen presented as "Other" under "Property, plant and equipment," "accumulated depreciation" of (3,172) million yen, and "Other, net" of 929 million yen have been reclassified as "Tools, furniture and fixtures" of 4,019 million yen, "accumulated depreciation" of (3,114) million yen, "Tools, furniture and fixtures (net)" of 905 million yen, "Other" of 82 million yen, "accumulated depreciation" of (58) million yen, and "Other (net)" of 23 million yen.

(Additional information)

(Performance-based stock compensation plan for directors and executive 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 279 million yen, and the number of shares is 245,400. At the end of the current consolidated fiscal year, the book value of the treasury shares is 231 million yen, and the number of shares is 202,800.

(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, 2025	As of March 31, 2026
Cash and deposits	359 million yen	394 million yen
Buildings and structures	666 million yen	495 million yen
Land	658 million yen	681 million yen
Total	1,684 million yen	1,571 million yen
Notes and accounts payable-trade	1,137 million yen	1,240 million yen
Short-term borrowings	693 million yen	715 million yen
Long-term borrowings	96 million yen	99 million yen
Total	1,927 million yen	2,056 million yen

*2 Shares of affiliates in investment securities

	As of March 31, 2025	As of March 31, 2026
	1,859 million yen	1,475 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, 2025	As of March 31, 2026
Overdraft limit and commitment line agreement amount	7,949 million yen	8,007 million yen
Balance of executed loans	96 million yen	99 million yen
Balance of unexecuted loans	7,853 million yen	7,908 million yen

*4 Notes receivable endorsed

	As of March 31, 2025	As of March 31, 2026
Notes receivable endorsed	1,052 million yen	1,065 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, 2025	Fiscal year ended March 31, 2026
		(39) million yen	46 million yen
2	Research and development expenses included in general and administrative expenses		
		Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
		1,011 million yen	1,203 million yen
*3	Gain on forgiveness of debts		
	Fiscal year ended March 31, 2026		
	This is the amount of debt forgiveness related to the liquidation of a business partner of an overseas subsidiary.		
*4	Gain on sale of non-current assets		
	Fiscal year ended March 31, 2025		
	Mainly due to the sales of machinery and equipment, as well as vehicles, etc.		
	Fiscal year ended March 31, 2026		
	Mainly due to the sales of buildings and structures and land, etc.		
*5	Gain on sale of investment securities		
	Fiscal year ended March 31, 2025		
	This is due to the sales of listed stock.		
*6	Extraordinary income and others		
	Fiscal year ended March 31, 2026		
	This is a gain from the distribution of residual assets upon the liquidation of an investee.		
*7	Loss on valuation of investment securities		
	Fiscal year ended March 31, 2025		
	We have performed impairment accounting on the investment securities we own that have drastically dropped in net asset value.		
*8	Loss on sale of non-current assets		
	Fiscal year ended March 31, 2025		
	Mainly due to the sales of machinery and equipment, as well as vehicles, etc.		
	Fiscal year ended March 31, 2026		
	Mainly due to the sales of buildings and structures.		
*9	Loss on retirement of non-current assets		
	Fiscal year ended March 31, 2025		
	Mainly due to the retirement of machinery and equipment, as well as vehicles, etc.		
	Fiscal year ended March 31, 2026		
	Mainly due to the retirement of buildings and structures, etc.		
*10	Loss on liquidation of subsidiaries		
	Fiscal year ended March 31, 2025		
	It is a business restructuring loss due to the reorganization of the consolidated subsidiary ANEST IWATA Europe GmbH in Germany.		
*11	Extraordinary losses and others		
	Fiscal year ended March 31, 2025		
	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, 2025	Fiscal year ended March 31, 2026
Valuation difference on available-for-sale securities		
Amount incurred in current period	(193) million yen	271 million yen
Recycling	(515) million yen	—
Income taxes and amount before tax effect adjustment	(708) million yen	271 million yen
Income taxes and amount of tax effect	209 million yen	(85) million yen
Valuation difference on available-for-sale securities	(499) million yen	185 million yen
Foreign currency translation adjustment		
Amount incurred in current period	1,451 million yen	936 million yen
Foreign currency translation adjustment	1,451 million yen	936 million yen
Remeasurements of defined benefit plans, net of tax		
Amount incurred in current period	10 million yen	220 million yen
Recycling	(54) million yen	(63) million yen
Income taxes and amount before tax effect adjustment	(43) million yen	156 million yen
Income taxes and amount of tax effect	11 million yen	(49) million yen
Remeasurements of defined benefit plans, net of tax	(32) million yen	107 million yen
Share of other comprehensive income of entities accounted for using equity method		
Amount incurred in current period	341 million yen	(53) million yen
Share of other comprehensive income of entities accounted for using equity method	341 million yen	(53) million yen
Total other comprehensive income	1,261 million yen	1,176 million yen

(Related to consolidated statement of changes in equity)

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 23, 2023 Ordinary general shareholders' meeting	Common shares	1,078	27.0	March 31, 2024	June 26, 2024
November 9, 2023 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

The matters concerning the following dividends of surplus are subject to resolution at the ordinary general shareholders' meeting scheduled to be held on June 25, 2025.

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)."

Fiscal year ended March 31, 2026

1 Matters concerning issued shares

Class of shares	Beginning of the fiscal year ended March 31, 2026	Increase	Decrease	End of the fiscal year ended March 31, 2026
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, 2026	Increase	Decrease	End of the fiscal year ended March 31, 2026
Common shares (shares)	2,401,889	—	42,636	2,359,253

(Notes) 1.

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

Decrease due to additional purchase of fractional shares 36 shares

Decrease due to the sale of shares held by the Board Benefit Trust (BBT)

5,100 shares

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

37,500 shares

2. Treasury shares at the beginning and end of the fiscal year ended March 31, 2026 includes 245,400 shares and 202,800 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, 2025 Ordinary general shareholders' meeting	Common shares	910	23.0	March 31, 2025	June 26, 2025
November 10, 2025 Board of Directors meeting	Common shares	1,623	41.0	September 30, 2025	December 8, 2025

(Notes) 1. The total amount of dividends determined by the resolution of the ordinary general shareholders' meeting held on June 25, 2025 includes dividends of 5 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 10, 2025 includes dividends of 8 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 26, 2026 Ordinary general shareholders' meeting	Common shares	Retained earnings	1,821	46.0	March 31, 2026	June 26, 2026

(Note) The total amount of dividends includes the dividend of 9 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, 2025	Fiscal year ended March 31, 2026
Cash and deposits	21,336 million yen	20,749 million yen
Time deposit exceeding 3 months in deposit term	(3,306) million yen	(2,258) million yen
Derivative deposit	(343) million yen	(394) million yen
Cash and cash equivalents	17,686 million yen	18,096 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, 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.

Fiscal year ended March 31, 2026

(Amount: million yen)

	Reporting segment					Total
	Japan	Europe	Americas	China	Others (note)	
Net sales						
Revenue from contracts with customers	19,387	9,809	6,909	11,256	8,546	55,909
Sales to external customers	19,387	9,809	6,909	11,256	8,546	55,909
Internal sales or transfers between segments	7,788	370	362	1,018	1,715	11,255
Total	27,176	10,180	7,272	12,274	10,262	67,165
Segment profit	2,913	1,015	863	517	1,477	6,787
Segment assets	33,040	9,888	6,562	12,953	8,680	71,125
Other items						
Depreciation	1,407	307	99	212	260	2,287
Amortization of goodwill	148	—	37	—	—	185
Increase in property, plant and equipment, and intangible assets	2,103	972	69	166	347	3,660

(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, 2025	Fiscal year ended March 31, 2026
Reporting segment total	64,948	67,165
Inter-segment transactions erased	(10,536)	(11,255)
Net sales in the consolidated financial statements	54,411	55,909

(Amount: million yen)

Profit	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Reporting segment total	6,775	6,787
Company-wide expenses (Note)	(1,097)	(1,416)
Inter-segment transactions erased	225	192
Operating profit in the consolidated financial statements	5,903	5,563

(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, 2025	Fiscal year ended March 31, 2026
Reporting segment total	67,471	71,125
Company-wide assets (Note)	6,848	8,874
Inter-segment transactions erased	(5,117)	(5,358)
Total assets in the consolidated financial statements	69,202	74,641

(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, 2025	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Depreciation	2,281	2,287	17	12	2,299	2,299
Amortization of goodwill	186	185	—	—	186	185
Increase in property, plant and equipment, and intangible assets	3,351	3,660	—	—	3,351	3,660

(Per share information)

(Amount: yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	1,190.89	1,288.42
Basic earnings per share	108.21	136.04

(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 163,492 shares in the previous consolidated fiscal year and 215,908 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 245,400 shares in the previous consolidated fiscal year and 202,800 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, 2025	Fiscal year ended March 31, 2026
Profit attributable to owners of parent (million yen)	4,276	5,356
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common shares (million yen)	4,276	5,356
Average number of common shares outstanding in the period (No. of shares)	39,524,077	39,373,117

(Important subsequent events)

(Business combinations by acquisition)

At the provisional meeting of the Board of Directors held on April 28, 2026, our company resolved to acquire all shares of SANWA Co., Ltd., a manufacturer and distributor of compressors, and subsequently executed a share transfer agreement effective May 1, 2026.

1. Overview of the business combination

(1) Name of the acquired company and the business description

Name of acquired company: SANWA Co., Ltd.

Principal business description: Manufacture and sale of compressors

(2) Main reasons for the business combination

To drive business growth in the high-pressure field and gas compressor business

(3) Timing of the acquisition of equity interest

June 2026 (Planned)

(4) Legal form of the business combination

Acquisition of shares for cash consideration

(5) Name of the entity after the business combination

There are no changes.

(6) Percentage of voting rights to be acquired

100%

(7) Basis for determination of the acquired entity

Acquisition of shares for cash consideration

2. Acquisition cost and consideration for the acquired company

Although the details of the agreement are not disclosed in consideration of the contractual terms, the amount has been determined through negotiations with the counterparty based on a reasonable valuation calculated by a third-party organization.

3. Details and amount of major acquisition-related expenses
It is yet to be determined.

4. Amount of goodwill arising and causes of occurrence
It is yet to be determined.

5. Amounts of assets acquired and liabilities assumed on the business combination date, and their major components
It is yet to be determined.

6. Non-consolidated financial statements

(1) Balance sheet

(Amount: million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	10,436	9,025
Notes and accounts receivable-trade	5,664	6,345
Merchandise and finished goods	1,843	1,624
Work in process	801	787
Raw materials and supplies	1,570	1,653
Other	1,655	2,388
Total current assets	21,972	21,825
Non-current assets		
Property, plant and equipment		
Buildings	3,254	3,538
Structures	278	305
Machinery and equipment	1,198	1,382
Vehicles	3	22
Tools, furniture and fixtures	543	552
Land	1,268	1,479
Leased assets	1,608	1,492
Construction in progress	319	176
Total property, plant and equipment	8,473	8,949
Intangible assets		
Leasehold interests in land	0	0
Software	658	459
Other	88	160
Total intangible assets	747	621
Investments and other assets		
Investment securities	1,311	3,703
Shares of subsidiaries and associates	3,306	3,306
Investments in capital	19	26
Investments in capital of subsidiaries and associates	4,142	4,142
Long-term loans receivable from subsidiaries and associates	1,211	2,058
Long-term prepaid expenses	25	11
Prepaid pension costs	852	890
Deferred tax assets	781	678
Other	104	256
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	11,745	15,062
Total non-current assets	20,966	24,632
Total assets	42,938	46,457

(Amount: million yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable-trade	1,480	1,712
Lease liabilities	270	221
Accounts payable-other	1,436	1,843
Income taxes payable	186	582
Deposits received	27	26
Provision for bonuses	608	661
Provision for bonuses for directors (and other officers)	76	82
Provision for share awards for directors (and other officers)	61	—
Provision for product warranties	160	146
Other	645	491
Total current liabilities	4,952	5,769
Non-current liabilities		
Lease liabilities	1,473	1,393
Provision for retirement benefits	1,236	1,165
Provision for share awards for directors (and other officers)	205	233
Other	9	9
Total non-current liabilities	2,925	2,801
Total liabilities	7,877	8,571
Net assets		
Shareholders' equity		
Share capital	3,354	3,354
Capital surplus		
Legal capital surplus	1,380	1,380
Other capital surplus	22	24
Total capital surplus	1,402	1,404
Retained earnings		
Legal retained earnings	838	838
Other retained earnings		
Reserve for acquisition of specified shares	75	—
General reserve	9,700	9,700
Retained earnings brought forward	21,888	24,552
Total retained earnings	32,502	35,090
Treasury shares	(2,698)	(2,649)
Total shareholders' equity	34,560	37,199
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	500	686
Total valuation and translation adjustments	500	686
Total net assets	35,061	37,886
Total liabilities and net assets	42,938	46,457

(2) Statement of income

(Amount: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	24,023	25,840
Cost of sales	14,639	15,839
Gross profit	9,383	10,000
Selling, general and administrative expenses	7,627	8,371
Operating profit	1,755	1,629
Non-operating income		
Interest income	86	98
Dividend income	4,313	2,994
Foreign exchange gains	—	467
Other	154	228
Total non-operating income	4,555	3,788
Non-operating expenses		
Interest expenses	35	30
Foreign exchange losses	99	—
Other	16	9
Total non-operating expenses	151	40
Ordinary profit	6,160	5,378
Extraordinary income		
Gain on sale of non-current assets	—	773
Gain on sale of investment securities	515	—
Other	—	22
Total extraordinary income	515	795
Extraordinary losses		
Loss on retirement of non-current assets	3	6
Loss on valuation of investment securities	300	—
Total extraordinary losses	303	6
Profit before income taxes	6,372	6,167
Income taxes - current	889	1,026
Income taxes - deferred	45	18
Total income taxes	934	1,045
Profit	5,437	5,122

(3) Statement of changes in equity
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
Reversal of reserve for specific stocks purchase									
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					
Dividends of surplus		(1,952)			(1,952)
Profit		5,437			5,437
Reversal of reserve for specific stocks purchase					—
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

Fiscal year ended March 31, 2026

(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	22	1,402	838	75	9,700	21,888	32,502
Changes during period									
Dividends of surplus								(2,533)	(2,533)
Profit								5,122	5,122
Reversal of reserve for specific stocks purchase						(75)		75	
Purchase of treasury shares									
Disposal of treasury shares									
Purchase of treasury shares by stocks payment trust									
Disposal of treasury shares by stocks payment trust			1	1					
Net changes in items other than shareholders' equity									
Total changes during period	—	—	1	1	—	(75)	—	2,663	2,588
Balance at end of period	3,354	1,380	24	1,404	838	—	9,700	24,552	35,090

	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	(2,698)	34,560	500	500	35,061
Changes during period					
Dividends of surplus		(2,533)			(2,533)
Profit		5,122			5,122
Reversal of reserve for specific stocks purchase					—
Purchase of treasury shares					—
Disposal of treasury shares	0	0			0
Purchase of treasury shares by stocks payment trust					—
Disposal of treasury shares by stocks payment trust	48	50			50
Net changes in items other than shareholders' equity			185	185	185
Total changes during period	48	2,638	185	185	2,824
Balance at end of period	(2,649)	37,199	686	686	37,886