

Supplementary Presentation Material of FY2025 First Quarter Financial Results ANEST IWATA Corporation

August 8, 2025
Tokyo Stock Exchange Prime Market - Machinery
Securities Code 6381

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

Results for FY2025 1Q

- Net sales of 12,088 million yen (-3.2% year-on-year)
 - Air energy business saw a decline in revenue and profits. Sales of air compressors in China were sluggish, due to weak domestic demand within China and declining export sales from China.
 - Coating business saw a decline in revenue, but an increase in profits. Sales of coating equipment recovered due to strengthened marketing capabilities in China, but sales in Europe slowed. Declining sales of coating systems in Japan caused a drop in overall sales.
 - Other business saw increased revenue, but were in the red. There were deficits due to upfront investments in new businesses.
- Operating profit of 929 million yen (-8.7% year-on-year)
 - Cost-to-sales ratio improved, but selling, general and administrative (SG&A) expenses ratio increased.
- Ordinary profit of 1,315 million yen (-22.8% year-on-year)
 - Foreign exchange gains declined drastically.
- Profit of 895 million yen (-14.9% year-on-year)

Performance Forecasts for FY2025

- The previous forecast (announced on May 9, 2025) remains unchanged.

Decline in revenue and profits. Gross profit increased due to improved cost-to-sales ratio, but profits decreased with the rise in SG&A expenses and declining foreign exchange gains.

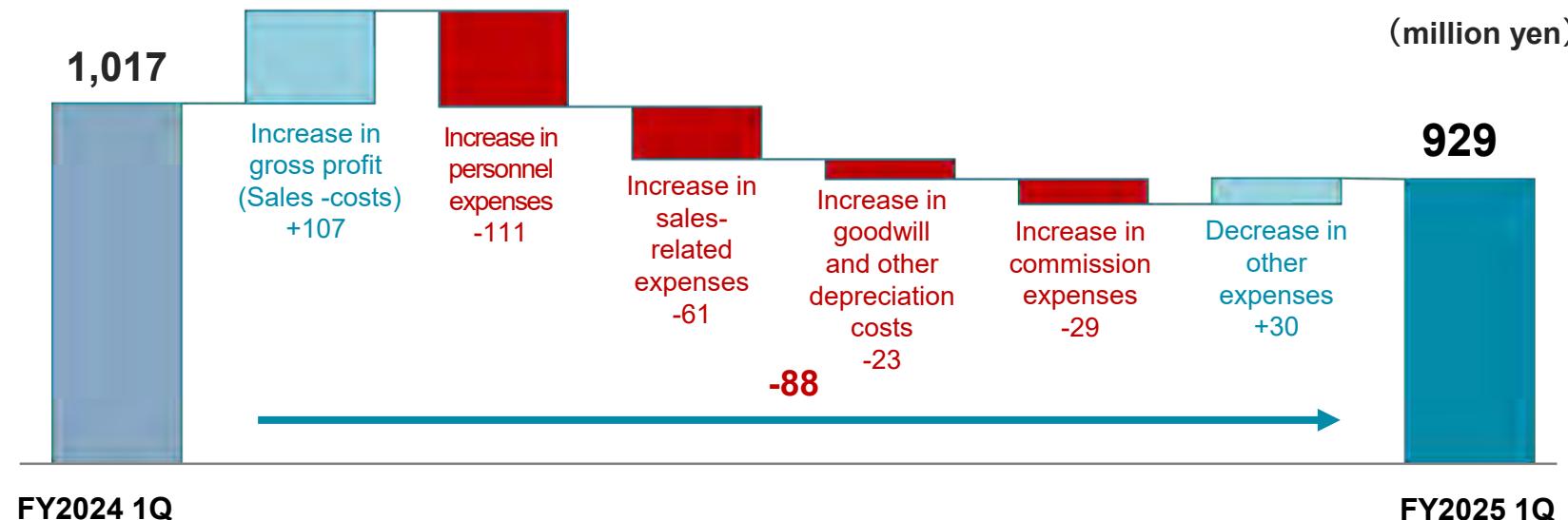
- The impact of foreign exchange on net sales: -60 million yen
- Realized foreign exchange gains of 6 million yen (-338 million yen year-on-year)

	FY2024 1Q		FY2025 1Q		Year-on-year			FY2025 result forecasts	
	Actual (million yen)	Profit ratio (%)	Actual (million yen)	Profit ratio (%)	Increase/ decrease amount (million yen)	Increase/ decrease rate (%)	Profit ratio change (Point)	Forecast (million yen)	Progress rate (%)
Net sales	12,484	—	12,088	—	-395	-3.2	—	58,000	20.8
Operating profit	1,017	8.2	929	7.7	-88	-8.7	-0.5	5,550	16.7
Ordinary profit	1,704	13.7	1,315	10.9	-389	-22.8	-2.8	6,710	19.6
Profit attributable to owners of parent	1,052	8.4	895	7.4	-156	-14.9	-1.0	4,150	21.6
Average exchange rate of yen to	USD	148.61 yen	152.60 yen		Depreciated by 3.99 yen			151.50 yen	
	EUR	161.31 yen	160.50 yen		Appreciated by 0.81 yen			164.00 yen	
	CNY	20.63 yen	20.95 yen		Depreciated by 0.32 yen			21.00 yen	

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

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

The cost of sales ratio decreased, partly due to FX effects, while the SG&A ratio continued to rise due to persistent increases in personnel costs.



Improvement of cost of sales ratio

- FY2025 1Q: 51.9% (-2.4 point year-on-year)
- Impact of foreign exchange on cost of sales (6,275 million yen: -503 million yen year-on-year): -201 million yen
 - ✓ In Japan, procurement and labor costs increased, including FX impacts.
 - ✓ The cost of sales ratio decreased due to changes in product mix and a reduction in inventory valuation following the yen appreciation at period-end.

Increase in SG&A expenses ratio

- FY2025 1Q: 40.4% (+2.8 point year-on-year)
- Impact of foreign exchange on SG&A expenses (4,884 million yen: +195 million yen year-on-year): -8 million yen
 - ✓ Increase in labor costs mainly in Japan.
 - ✓ Repair expenses increased due to major repair work on the head office building.

Decreased revenue in the Americas and China repressed the overall net sales, causing the overseas sales ratio to fall from 69.1% to 67.3%.

- Japan Revenue increased due to the effects of price revisions implemented in October 2024, etc.
- Americas Sales of oil-free compressors for general-purpose and vehicle-mounted markets at our U.S. equity-method affiliate declined due to trade policy impacts.
- China Sluggish domestic demand within China weighed on sales.
- Others Southeast Asia is now on a recovery track thanks to measures implemented since the past fiscal year to strengthen the sales structure.

	FY2024 1Q		FY2025 1Q		Year-on-year	
	Actual (million yen)	Composition ratio (%)	Actual (million yen)	Composition ratio (%)	Increase/decrease amount (million yen)	Increase/decrease rate (%)
Japan	3,858	30.9%	3,953	32.7%	+95	+2.5
Europe	2,365	18.9%	2,392	19.8%	+26	+1.1
Americas	1,802	14.4%	1,616	13.4%	-186	-10.3
China	2,652	21.2%	2,313	19.1%	-339	-12.8
Others	1,805	14.5%	1,813	15.0%	+8	+0.4
Total	12,484	100.0%	12,088	100.0%	-396	-3.2

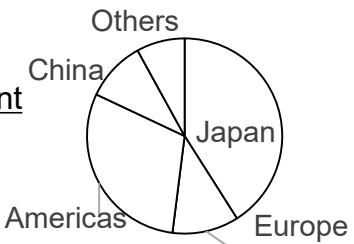
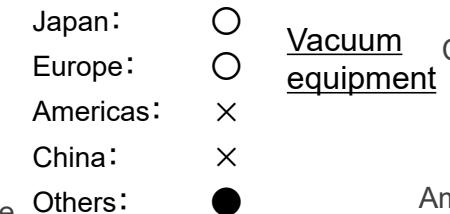
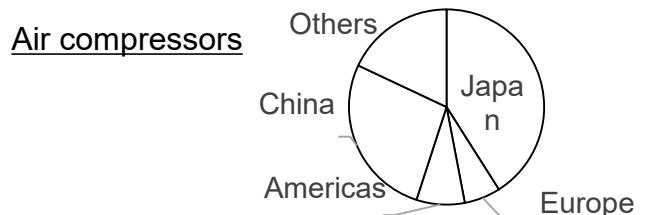
(Notes) 1. In Japan and India, the year ends in March, while in other areas, it ends in December, so the period of the consolidated financial settlement in other areas is three months behind.
 2. Segment category: Others = Asia excluding China, and Australia and South Africa

Although sales in Japan remained strong, they were unable to offset the slump in China, causing a drop in revenue. Costs related to preparations for the operation of a new factory in India increased.

Category	FY2024 1Q	FY2025 1Q	Year-on-year		Overview (Arrows indicate year-on-year comparisons)	(Unit: Million yen)
			Increase/ decrease amount	Increase/ decrease rate (%)		
Air compressors	6,834	6,618	-216	-3.2	(Japan)↑In particular, sales of small air compressors increased due to the effect of the price revisions implemented in October last year. (Europe)↑Sales of oil-free air compressors increased due to the recovery of OEM demand. (Americas)↓Sales of oil-free compressors for general-purpose and vehicle-mounted markets declined. (China)↓In addition to continued slump in domestic sales, export sales from China decreased due to sluggish market conditions in destination countries. (Others)↓In India, sales of small air compressors for the general-purpose market decreased. ↑Sales in Southeast Asia showed a recovery trend due to the strengthened sales structure.	
Vacuum equipment	748	597	-151	-20.2	(China)↓Sales of vacuum pumps for lithium-ion battery manufacturing-related equipment decreased year-on-year.	
Total	7,583	7,215	-367	-4.9		
Operating profit	Air energy	565	478	-87	-15.4	Operating profit ratio: 6.6% (-0.9 points year-on-year) ^{*1} ↓Increase in costs associated with the construction of a new assembly plant for air compressors in India ↑Decreased cost-to-sales ratio of vacuum pumps

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

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



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

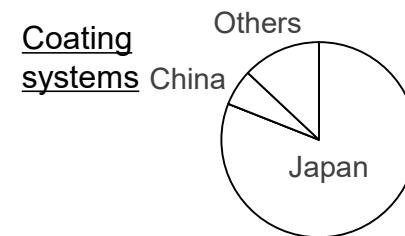
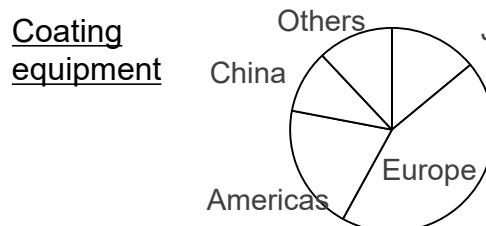
*2: Year-on-year comparison
 ○ 10% or more ○ 3% to 10% △ 0% to 3%
 ▽ 0% to -3% ● -3% to -10% × -10% or less

Sales of coating equipment in China and Southeast Asia are now on a recovery track thanks to strengthened sales activities

Category	FY2024 1Q	FY2025 1Q	Year-on-year		Overview (Arrows indicate year-on-year comparisons) (Unit: Million yen)
			Increase/ decrease amount	Increase/ decrease rate (%)	
Net sales	Coating equipment	4,348	4,427	+79	+1.8
					(Japan) ↓ Spray guns for the car repair market remained strong, but sales to the general painting market declined. (Europe) ↓ Sales of spray guns for the car repair market decreased. ↑ Sales of airbrushes increased. (Americas) ↓ Sales of spray guns for the car repair market and airbrushes decreased. (China) ↑ Mainly, the sales of spray guns showed a recovery trend due to improved sales activities. (Others) ↑ Sales increased due to strengthened marketing activities in Southeast Asia.
	Coating systems	524	291	-233	-44.4
					(Japan) ↓ Sales decreased due to fewer delivery projects in 1Q. (Others) ↑ Increased orders for coating systems for automobile parts in India. (Japan, China, Others) ↑ Order backlog for car manufacturing-related projects increased year-on-year.
	Total	4,872	4,719	-153	-3.2
Operating profit	Coating	438	533	+94	+21.6
					Operating profit ratio: 11.3% (+2.3 points year-on-year) ^{*1} ↑ Increase in sales ratio of high-margin coating equipment

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

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



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

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

The "Other" category was extracted from the end of the previous fiscal year. Business activities of the subsidiary (A.I.R.)^{*1}, which is the focus of sales, are progressing smoothly.

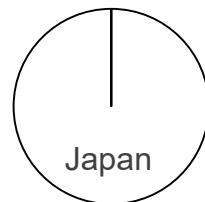
	FY2024 1Q	FY2025 1Q	Year-on-year		Overview (Arrows indicate year-on-year comparisons)	(Unit: Million yen)
			Increase/ decrease amount	Increase/ decrease rate (%)		
Net sales	27	153	+125	+451.0	(Japan) ↑ E-commerce site management and sales of equipment for DIY use transferred to A.I.R. ↑ Revenue increased due to expanded sales channels for DIY equipment, enhanced product listings on e-commerce sites, and strengthened collaboration with major online retailers.	
Operating profit	13	-82	-96	—	Operating profit ratio: -53.8% (Year-on-year: —) ↓ Preparatory expenses incurred for the new expansion of light sheet metal repair business in Japan and the Philippines (see page 12 for details).	

(Notes) 1. From the fourth quarter of the previous fiscal year, earnings from consumer business, including EC site sales, which were formerly classified as "air energy business" and "coating business," have been reclassified as "other" to make comparisons easier from the perspective of their strategic importance. For the previous fiscal year, figures after retroactive processing reflecting the changes in classification are shown.

2. Effective this first quarter, revenue from DIY equipment, previously categorized under "Air Energy Business" and "Coating Business," has been reclassified to "Other," following a comprehensive review of product characteristics and sales structures.

3. The "other" business includes earnings from a consolidated subsidiary in Japan that sells consumer products and provides mobility after-sales services.

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



Japan:	◎	*1 ANEST IWATA A.I.R. Corporation: Established in July 2024
Europe:	—	*2: Year-on-year comparison
Americas:	—	◎ 10% or more ○ 3% to 10% △ 0% to 3%
China:	—	▽ 0% to -3% ● -3% to -10% × -10% or less
Others:	—	

Overview of Balance Sheet

Current liabilities and net assets decreased due to the impact of exchange rate fluctuations. Equity ratio was 68.4% (+0.7 points from the end of the previous fiscal year).

	FY2024 End of full year	FY2025 1Q	Difference against the end of the previous period			
			Actual (million yen)	Actual (million yen)	Increase/ decrease amount (million yen)	
Assets	Current assets	45,229	43,053	-2,176	-4.8	•Decrease in "Cash and deposits" -2,496 million yen
	Non-current assets	23,973	24,082	+106	+0.4	•Increase in "Investment securities" +257 million yen •Decrease in "Construction in progress" -118 million yen
	Assets	69,202	67,135	-2,069	-3.0	
Liabilities and capital	Current liabilities	12,161	11,753	-408	-3.4	•Decrease in "Notes and accounts payable-trade" -362 million yen •Decrease in "Provision for bonuses" -463 million yen
	Non-current liabilities	3,479	3,378	-100	-2.9	•Decrease in "Lease liabilities" -62 million yen
	Liabilities	15,641	15,132	-509	-3.3	
	Shareholders' equity	41,435	41,421	-14	-0.0	
	Accumulated other comprehensive income	5,417	4,532	-887	-16.4	•Decrease in "Foreign currency translation adjustment" -923 million yen
	Non-controlling interests	6,707	6,049	-657	-9.8	
	Net assets	53,561	52,003	-1,560	-2.9	
	Liabilities and net assets	69,202	67,135	-2,069	-3.0	

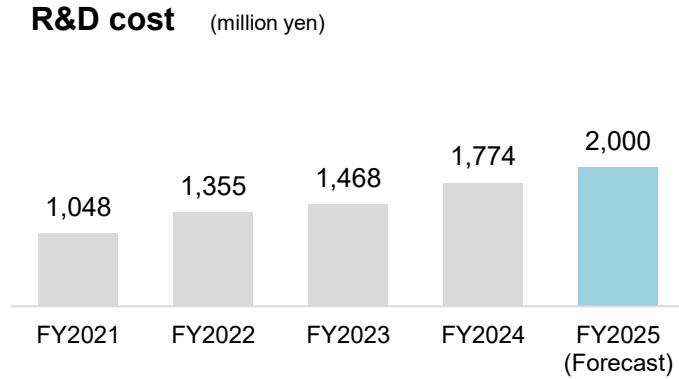
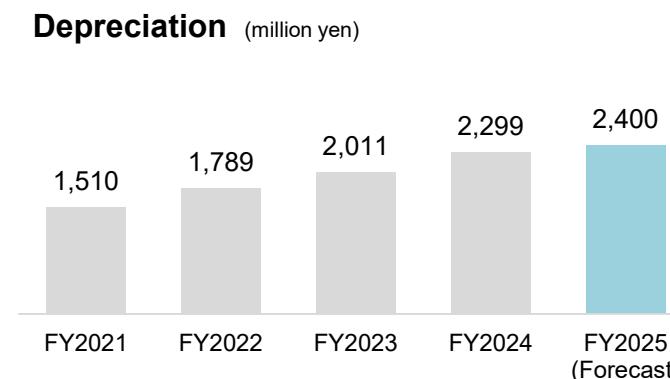
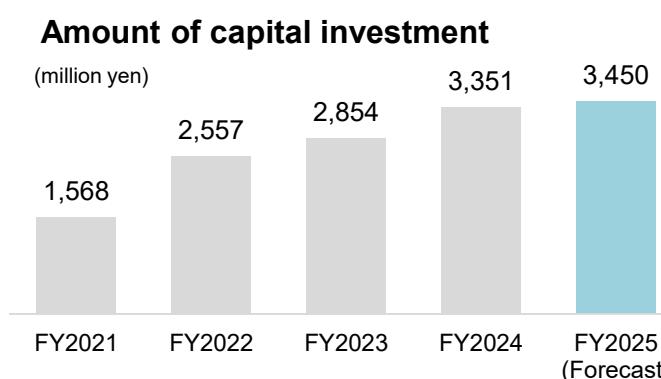
Capital Investment Plan and R&D Cost Status

In India, a core strategic market, the assembly plant for medium-sized air compressors is scheduled to commence full-scale operation around winter 2025.

	FY2024	FY2025		
	1Q actual results (million yen)	1Q actual results (million yen)	Full year plan (million yen)	Progress rate (%)
Capital investment	622	842	3,450	24.4
Depreciation	540	551	2,400	23.0
R&D cost*	399	390	2,000	19.5

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

Major capital investments	Actual	<ul style="list-style-type: none"> ■ Japan: Implementation of large-scale repair work in the headquarters building ■ India: A new assembly plant for medium-sized air compressors was completed (see page 12 for details). ■ Japan: Building digital infrastructure, including factory digitalization. Completion of the Head Office Prototype Building. ■ Strengthening production facilities in each area
	Plan	



Prospects for FY2025 (Unchanged)

The financial impact of U.S. trade policy is currently being assessed. At this time, our full-year guidance for FY2025 remains unchanged.

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

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

Premises

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

Prospects for FY2025

	Forecast (million yen)	Year-on-year (%)	
Net sales	58,000	+6.6	Net sales
Operating profit	5,550	-6.0	Operating profit
Ordinary profit	6,710	-6.0	Ordinary profit / profit
Profit	4,150	-3.0	

- Revenue is expected to increase in all areas in Japan and overseas.
 - ✓ Sales of air compressors in Japan and India, and coating equipment in Europe and the U.S. are expected to increase.
 - ✓ Rebuilding the sales structure for air compressors in Europe has started, but it will take time.
 - ✓ Domestic demand in China is expected to increase slightly.
- Increase in labor cost mainly in Japan, the Americas and China
- Increase in operating costs in Japan
- Continue to invest for further growth, including strengthening investment in development
- While ongoing reduction of cross-shareholdings continues, gains on sales are expected to decrease due to the absence of the one-time gains recorded in FY2024.
- Reversal of impairment losses on business assets recognized in FY2024.

Completion of a new assembly plant for medium-sized air compressors (India)

An assembly plant for medium-sized air compressors was completed on the premises of our Indian subsidiary^{*1}. Full-scale operation is expected to begin around winter 2025.

Indian market

- Economic growth has led to increased activity in various manufacturing industries.
- Demand for medium-sized air compressors is growing at newly established production facilities in the same country.



- Previously, we imported medium-sized air compressors from our Chinese subsidiary and sold them within India.
- Once the new plant begins operation, it will be possible to make proposals that meet customer needs and deliver products within short delivery periods.



Inside the plant

*1 ANEST IWATA MOTHERSON Private Ltd.

New development of mobility after-sales service business (Japan and other countries <Philippines>)

A Japanese subsidiary^{*2}, that was established with the aim of establishing a third business, is planning to develop a new mobility after-sales service business that is highly compatible with existing businesses.

Business description

Providing vehicle maintenance, sheet metal coating, and car coating services, utilizing the coating technology we have cultivated as a leading manufacturer of coating equipment

Purpose

Using on-site knowledge to inform product development and create products that better meet customer needs

Stores scheduled to open in Japan and the Philippines first

- Japan: Stores and personnel have been already secured, and the stores are scheduled to open around autumn 2025.
- Philippines: The market's required quality is similar to that of Japan, and although there is demand, there are not many stores that can meet the demand, so sales are expected to expand.

*2 ANEST IWATA A.I.R. Corporation: Established in July 2024

<Reference Information> Details of Statement of Income

- Equity in earnings of affiliates increased by 22 million year-on-year due to the solid performance of the equity-method affiliate that sells air compressors in the United States. On the other hand, ordinary profit decreased due to a decline in foreign exchange gains of 338 million yen.

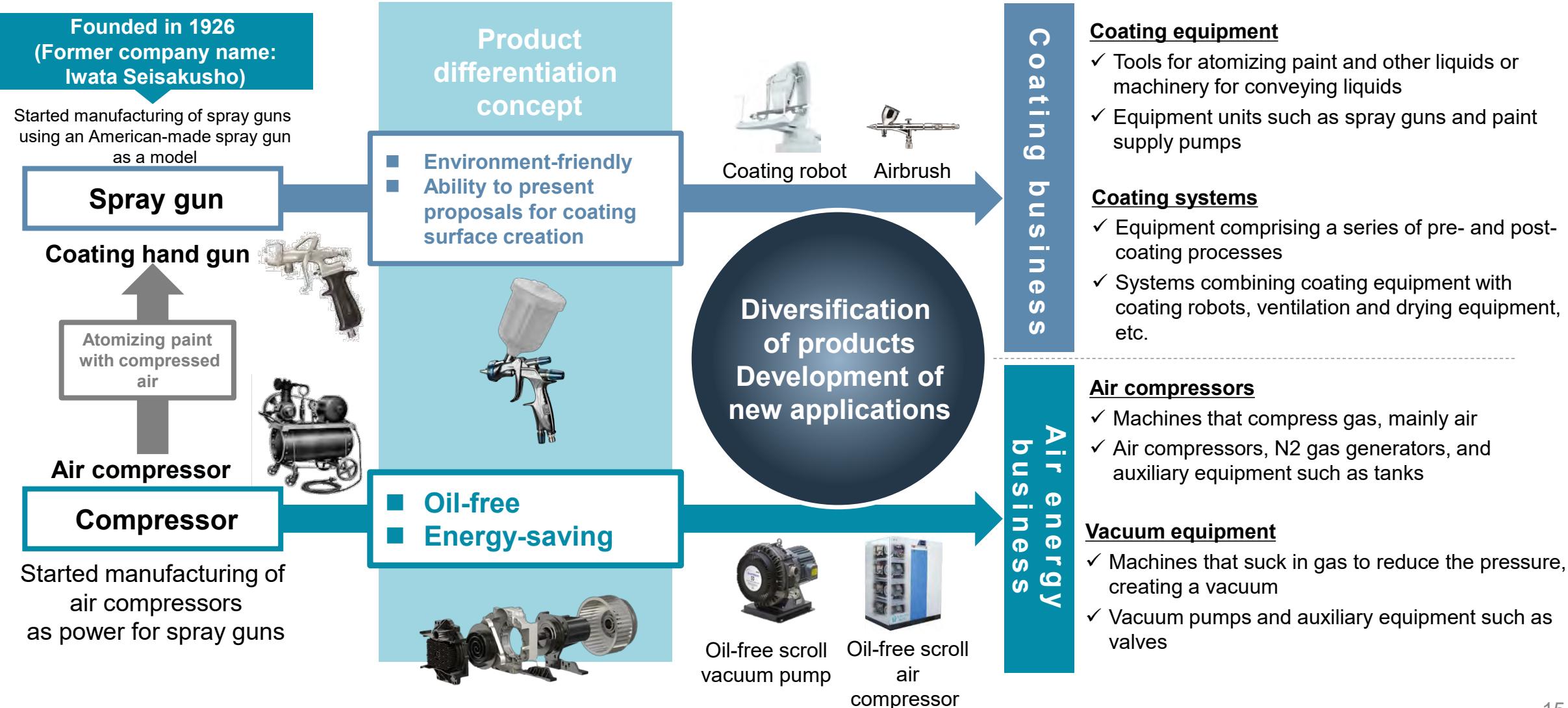
	FY2024 1Q		FY2025 1Q		Year-on-year		
	Actual (million yen)	Composition ratio (%)	Actual (million yen)	Composition ratio (%)	Increase/ decrease amount (million yen)	Increase/ decrease rate (%)	Composition ratio change (point)
Net sales	12,484	—	12,088	—	-395	-3.2	—
Cost of sales	6,778	54.3	6,275	51.9	-503	-7.4	-2.4
Gross profit	5,706	45.7	5,813	48.1	+107	+1.9	+2.4
SG&A expenses	4,688	37.6	4,884	40.4	+195	+4.2	+2.8
Operating profit	1,017	8.2	929	7.7	-88	-8.7	-0.5
Non-operating income	728	5.8	412	3.4	-316	-43.4	-2.4
Non-operating expenses	42	0.3	26	0.2	-15	-36.3	-0.1
Ordinary profit	1,704	13.7	1,315	10.9	-389	-22.8	-2.8
Extraordinary income	2	0.0	2	0.0	+0	+1.6	+0.0
Extraordinary losses	2	0.0	2	0.0	+0	-2.4	+0.0
Profit before income taxes	1,703	13.6	1,314	10.9	-388	-22.8	-2.8
Income taxes	453	3.6	235	1.9	-218	-48.1	-1.7
Profit attributable to non-controlling interests	197	1.6	183	1.5	-13	-7.1	-0.1
Profit attributable to owners of parent	1,052	8.4	895	7.4	-156	-14.9	-1.0

<Reference Information> FY2025 Changes in Business Results

[Total] Unit: Million yen		FY2025			
		1Q	1~2Q	1~3Q	1~4Q
Net sales	12,088				
Year-on-year	-3.2%				
Air energy	Air compressors	6,618			
	Year-on-year	-3.2%			
	Vacuum equipment	597			
	Year-on-year	-20.2%			
	Net sales	7,215			
	Year-on-year	-4.9%			
Coating	Coating equipment	4,427			
	Year-on-year	+1.8%			
	Coating systems	291			
	Year-on-year	-44.4%			
	Net sales	4,719			
	Year-on-year	-3.2%			
Others	Net sales	153			
	Year-on-year	+451.0%			
Operating profit		929			
Year-on-year		-8.7%			
Air energy	Operating profit	478			
	Year-on-year	-15.4%			
Coating	Operating profit	533			
	Year-on-year	+21.6%			
その他	Operating profit	-82			
	Year-on-year	—			

[Quarterly] Unit: Million yen		FY2025			
		1Q	1~2Q	1~3Q	1~4Q
Net sales	12,088				
Year-on-year	-3.2%				
Air energy	Air compressors	6,618			
	Year-on-year	-3.2%			
	Vacuum equipment	597			
	Year-on-year	-20.2%			
	Net sales	7,215			
	Year-on-year	-4.9%			
Coating	Coating equipment	4,427			
	Year-on-year	+1.8%			
	Coating systems	291			
	Year-on-year	-44.4%			
	Net sales	4,719			
	Year-on-year	-3.2%			
Others	Net sales	153			
	Year-on-year	+451.0%			
Operating profit		929			
Year-on-year		-8.7%			
Air energy	Operating profit	478			
	Year-on-year	-15.4%			
Coating	Operating profit	533			
	Year-on-year	+21.6%			
Others	Operating profit	-82			
	Year-on-year	—			

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



Notes on the descriptions about future prospects and other matters

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

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

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