Presentation Material for FY2025 Full-Year Financial Results
ANEST IWATA Corporation

May 20, 2026

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.

ANEST IWATA Active with Newest Technology

100th Anniversary

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1. Results for FY2025

Key Points of the Material

Results for FY2025

- Net sales of 55,909 million yen (+2.8% year-on-year)
  - －Air Energy business saw an increase in revenue but decline in profits. Air compressors for European OEMs continued to perform well, driving overall growth
  - －Coating business saw an increase in revenue but decline in profit. In addition to coating equipment in China, sales of coating systems in Japan and India have increased
  - －Other businesses saw increased revenue, but were in the red. Despite the expansion of sales over e-commerce sites, there were deficits due to upfront investments in new businesses

- Operating profit of 5,563 million yen (-5.8% year-on-year)
  - －Although selling, general, and administrative expenses trended lower than the initial plan, profits declined due to factors such as increased personnel costs, particularly in Japan

- Ordinary profit of 7,718 million yen (+8.1% year-on-year). Net profit of 5,356 million yen (+25.2% year-on-year)
  - －Because foreign exchange gains and extraordinary income from the sale of a facility were recognized and extraordinary losses decreased from the prior fiscal year, profit increased

Plan for FY2026

- For FY2026, revenue is expected to increase while profits are expected to decrease compared to the performance of the previous fiscal year
  - － We plan to increase revenue primarily in Japan and India for air compressors, and in Europe and the Americas for coating equipment
  - －Due to higher labor costs for hiring talent, temporary expenses for our 100th anniversary events, and higher development investment, operating profit is anticipated to decrease

- The annual dividend per share is expected to be 93 yen, which includes a 5-yen commemorative dividend for the 100th anniversary. Share buyback to begin on May 13

Financial Highlights

Net sales increased, but did not meet the target. On the other hand, while operating profit declined, all profit-related indicators met their respective targets. Net profit hit a record high.
The dividend is planned to be 87 yen, an increase of 4 yen from the initial forecast (DOE 7.0%)

- The impact of foreign exchange on net sales: -160 million yen. Foreign exchange gains on foreign-currency-denominated bonds and other instruments totaled 467 million yen. (+446 million yen year-on-year)
- Net profit increased, reflecting debt forgiveness gains in China, gains on the sale of Japanese sites, and no repeat of prior-year asset impairments.

		FY2024		FY2025		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		**54,411**	—	**55,909**	—	**+1,498**	**+2.8**	—	**58,000**	**96.4**
Operating profit		**5,903**	**10.8**	**5,563**	**10.0**	**-339**	**-5.8**	**-0.9**	**5,550**	**100.2**
Ordinary profit		**7,139**	**13.1**	**7,718**	**13.8**	**+579**	**+8.1**	**+0.7**	**6,710**	**115.0**
Profit attributable to owners of parent		**4,276**	**7.9**	**5,356**	**9.6**	**+1,079**	**+25.2**	**+1.7**	**4,150**	**129.1**
Average exchange rate of yen to	**USD**	**151.58** yen		**149.71** yen		Appreciated by 1.87 yen				
	EUR	**163.95** yen		**169.00** yen		Depreciated by 5.05 yen				
	CNY	**21.02** yen		**20.82** yen		Appreciated by 0.20 yen				
Annual dividend per share		45 yen		87 yen (planned)		Increased by 42 yen			83 yen	

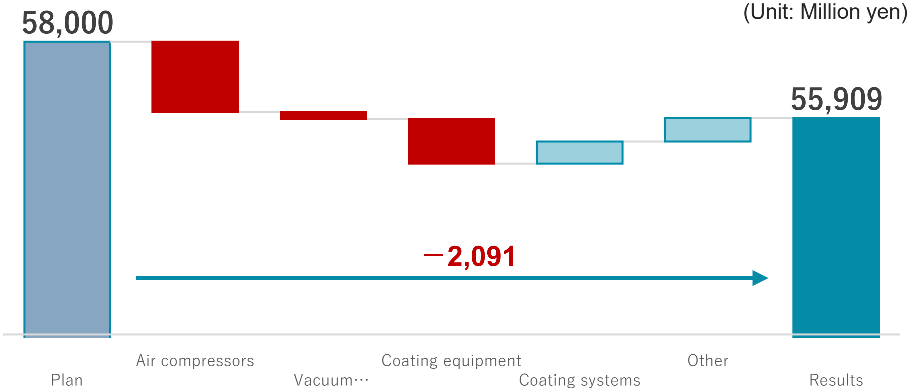
[Foreign exchange sensitivity] Trend value based on operating profit (**<u>The currency ratio is not reflected in the following</u>**)
・Net sales: For each 1 yen depreciation against other currencies, sales increase by approximately 50 million yen for the USD, 50 million yen for the EUR, and 600 million yen for the CNY annually, respectively.
・Operating profit: For each 1 yen depreciation against other currencies, operating profit increases by approximately 10 million yen for the USD, 10 million yen for the EUR, and 30 million yen for the CNY annually, respectively.

Difference From Full-year Forecast (vs. Plan)

Due to a delay in the pace of recovery from the impact of U.S. trade policies, the decline during the period could not be compensated for, and net sales did not reach the planned figure. On the profit side, however, results tracked above the initial forecast, supported by favorable foreign exchange effects and the recognition of one-off profits.

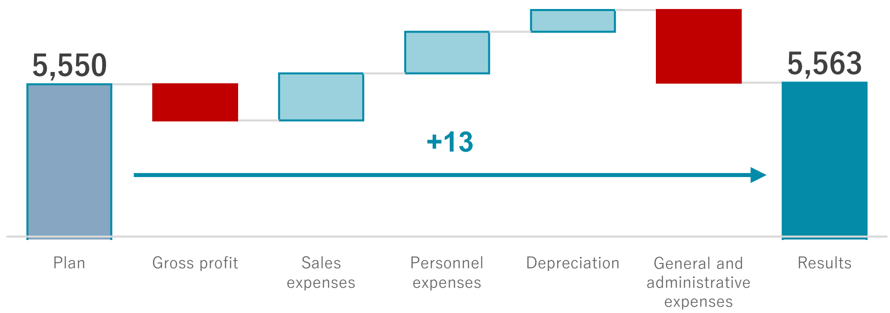
Factors behind variances in net sales

(Unit: Million yen)



Air Energy	Air compressors: ↓ Recovery in domestic sales and exports in China was slower than expected (-500 million yen: vs. plan; same applies below) ↓ Intensifying competition for small air compressors in India continued (-800 million yen)
Coating	Coating equipment: ↓ The decline following the end of the spread of the flagship spray gun in Europe was greater than expected (-200 million yen) ↓ Progress on the sales plan for automotive refinishing spray guns in the Americas was delayed (-700 million yen)

Factors behind variances in operating profit



Gross profit	↓ Fell short of expectations due to net sales not reaching the planned figure
SG&A expenses	↑ Tracking below forecast due to effective cost controls

Factors behind variances in ordinary profit and below

	Forecast	Results	Variance
Ordinary profit	3,220	3,296	+76
Profit*	2,020	2,160	+140

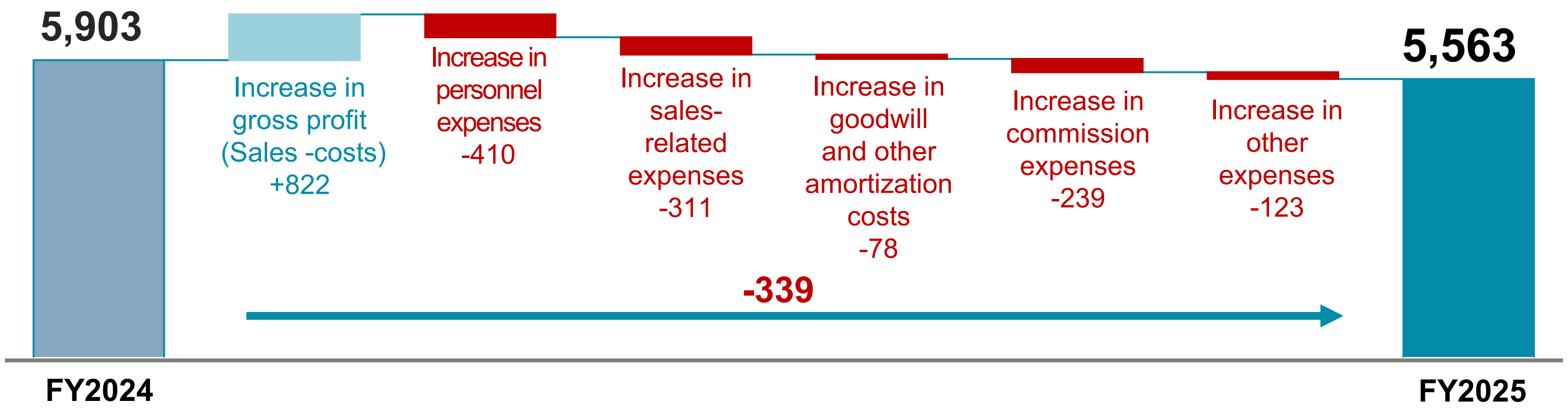
Non-operating income	↑ Increase in foreign exchange gains and the recording of gains on debt waiver in China
Extraordinary income	↑ Recording of gains from the sale of sites

*Profit attributable to owners of parent

Analysis of Causes of Increase/Decrease in Operating Profit

Operating profit declined due to a decrease in gross profit resulting from lower sales, as well as an increase in SG&A expenses

(million yen)



Cost of sales ratio

- FY2025: 53.2% (-0.3 point year-on-year)
- Impact of foreign exchange on cost of sales (29,766 million yen: +675 million yen year-on-year): -147 million yen
- ✓ Increases in raw material and logistics costs were offset by product price hikes. The cost-to-sales ratio improved, mainly due to higher gross profit on compressor sales by overseas subsidiaries.

SG&A expenses ratio

- FY2025: 36.8% (+1.1 point year-on-year)
- Impact of foreign exchange on SG&A expenses (20,580 million yen: +1,162 million yen year-on-year): +4 million yen
- ✓ Labor costs in Europe and the Americas have stabilized and remained below expectations, while Japan saw year-over-year increases.
- ✓ Professional fees related to M&A activities and our 100th anniversary initiatives increased primarily in Japan.
- ✓ Provisions for doubtful accounts also increased.

Region-wise Performance

Revenue increased in all regions except the Americas and China. Domestic sales ratio rose from 33.7% to 34.7%.

- Japan: Revenue increased due to increase in sales of coating systems toward the end of the fiscal year
- Europe: Sales of oil-free scroll air compressors for OEMs drove revenue growth. Sales of spray guns for the car repair market are also increasing
- Americas: Although there were indications of improvement, they were not enough to offset the decline in the sales of spray guns and airbrushes during the period
- China: While sales of coating equipment remained high, sales of air compressors improved both domestically and overseas, but not enough to overcome the earlier loss
- Other: Although sales of small air compressors in India were at a standstill, revenue increased due to the recording of sales from a large-scale coating systems project and the expansion of sales of air compressors in Thailand

	FY2024		FY2025		Year-on-year	
	Actual (million yen)	Composition ratio (%)	Actual (million yen)	Composition ratio (%)	Increase/ decrease amount (million yen)	Increase/ decrease rate (%)
Japan	**18,312**	**33.7**	**19,387**	**34.7**	**+1,074**	**+5.9**
Europe	**9,310**	**17.1**	**9,809**	**17.5**	**+499**	**+5.4**
Americas	**7,075**	**13.0**	**6,909**	**12.4**	**-166**	**-2.4**
China	**11,520**	**21.2**	**11,256**	**20.1**	**-264**	**-2.3**
Others	**8,191**	**15.1**	**8,546**	**15.3**	**+354**	**+4.3**
Total	**54,411**	—	**55,909**	—	**+1,498**	**+2.8**

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

Air Energy Business Overview

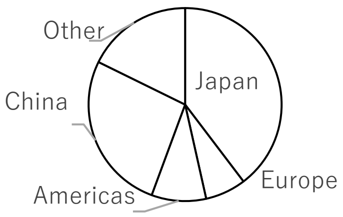
Europe performed well throughout the year, and revenue increased as sales in previously sluggish regions turned toward recovery.

(Unit: Million yen)

	Category	FY2024	FY2025	Year-on-year: Increase/decrease amount	Year-on-year: Increase/decrease rate (%)	Overview (Arrows indicate year-on-year comparisons)
Net sales	Air compressors	30,787	31,124	+337	+1.1	(Japan) ↑Sales at service subsidiaries increased due to strengthened project management and related efforts (Europe) ↑Expanded sales of oil-free air compressors for OEMs drove revenue growth (Americas) ↑Demand for oil-free air compressors for in-vehicle mounting applications in Brazil remained strong (China) ↓While signs of recovery were seen in domestic and export sales, they were not enough to offset the decline during the period (Other) ↑Sales of medium-sized air compressors increased due to the progress in establishing supply and sales systems in India ↓Sales of small air compressors decreased in India due to increased competition in the railway and EV bus markets
Net sales	Vacuum equipment	2,822	2,559	-262	-9.3	(China) ↓While efforts to acquire new customers continued, they were unable to offset the decrease in sales of vacuum pumps for lithium-ion battery manufacturing-related equipment seen in the same period last year
Net sales	Total	33,609	33,683	+74	+0.2	
Operating profit	Air energy	3,388	3,313	-75	-2.2	Operating profit ratio: 9.8% (-0.2 points year-on-year)*1 ↓ Gross profit declined mainly in China due to sluggish performance ↑ Continued cost control at our overseas subsidiaries

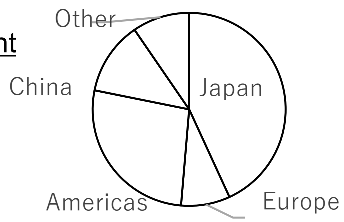
[Image of sales composition ratio by area and year-on-year comparison*2]

Air compressors



Japan: △
Europe: ◎
Americas: ○
China: ▽
Other: ▽

Vacuum equipment



Japan: ▽
Europe: ◎
Americas: △
China: ×
Other: ◎

*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

Coating Business Overview

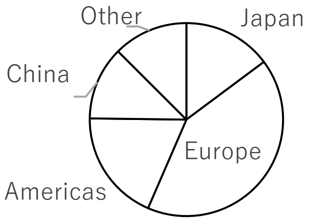
In addition to coating systems, coating equipment in China drove sales. Spray gun sales in Europe and the U.S. also improved

(Unit: Million yen)

	Category	FY2024	FY2025	Year-on-year: Increase/decrease amount	Year-on-year: Increase/decrease rate (%)	Overview (Arrows indicate year-on-year comparisons)
Net sales	Coating equipment	17,943	17,941	-2	0.0	(Japan) ↓Sales of spray guns for the industrial coating market declined due to delays in market development and other factors (Europe) ↑Revenue increased due to the penetration of new products for the car repair market and expanded sales of limited-edition spray guns (Americas) ↓Although a recovery trend was seen following a review of the sales structure in the U.S., the decline during the period could not be offset (China) ↑Strong performance was maintained due to the success of marketing activities (Other) ↑Sales increased in Thailand due to price pass-through
	Coating systems	2,736	3,550	+814	+29.8	(Japan & India) ↑Revenue from coating systems for car manufacturing, including large-scale projects, was recorded
	Total	20,679	21,491	+812	+3.9	
Operating profit	Coating	2,608	2,541	-66	-2.6	Operating profit ratio: 11.8% (-0.8 points year-on-year)*1 ↓Gross profit declined mainly in the U.S. due to sluggish performance ↑Continued cost control at our overseas subsidiaries

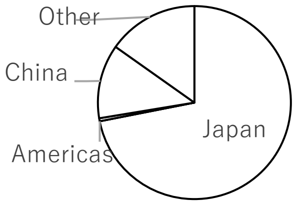
[Image of sales composition ratio by area and year-on-year comparison*2]

Coating equipment



Japan: ●
Europe: △
Americas: ●
China: ◎
Other: ○

Coating systems



Japan: ◎
Europe: —
Americas: ◎
China: ●
Other: ◎

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

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◎ 10% or more ○ 3% to 10% △ 0% to 3%
▽ 0% to -3% ● -3% to -10% × -10% or less

Other Business Overview

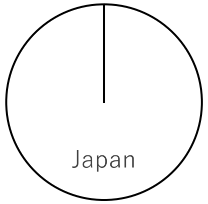
Business activities at major subsidiaries*1 remained strong. On the other hand, operating losses were recorded due to upfront investments made to develop new businesses

(Unit: Million yen)

	FY2024	FY2025	Year-on-year: Increase/decrease amount	Year-on-year: Increase/decrease rate (%)	Overview (Arrows indicate year-on-year comparisons)
Net sales	123	734	+611	+496.2	(Japan)↑ Sales of DIY equipment were transferred to Other business ↑ Sales of airbrushes, including peripheral equipment, expanded through e-commerce channels ↑ Although the Japanese stores of the mobility after-sales service business began operations in October 2025, their contribution to performance was limited
Operating profit	-94	-291	-197	—	Operating profit ratio: —% (no change year-on-year) ↓ Preparatory expenses incurred for the new expansion of mobility after-sales service business in Japan and the Philippines

(Notes) 1. 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.
2. 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: ◎
Europe: –
Americas: –
China: –
Other: –

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

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

Overview of Balance Sheet

Non-current assets increased due to the acquisition of investment securities, undertaken with the aim of developing new business areas in the future. In addition, due to factors such as an increase in shareholders' equity, the equity ratio rose to 68.0% (+0.3 points compared to the end of the previous fiscal year)

		FY2024 End of full year	FY2025 End of full year	Difference against the end of the previous period		
		Actual (million yen)	Actual (million yen)	Increase/ decrease amount (million yen)	Increase/ decrease rate (%)	Primary factors for increase or decrease
Assets	Current assets	45,229	47,507	+2,277	+5.0	・ Increase in "Notes and accounts receivable-trade" +1,476 million yen
	Non-current assets	23,973	27,133	+3,160	+13.2	・ Increase in "Investment securities" +2,008 million yen
	Assets	69,202	74,641	+5,438	+7.9	
Liabilities and capital	Current liabilities	12,161	13,677	+1,516	+12.5	・ Increase in "Notes and accounts payable-trade" +720 million yen
	Non-current liabilities	3,479	3,420	-58	-1.7	・ Decrease in "Lease liabilities" -143 million yen
	Liabilities	15,641	17,098	+1,457	+9.3	
	Shareholders' equity	41,435	44,308	+2,872	+6.9	・ Increase in "Retained earnings" +2,822 million yen
	Accumulated other comprehensive income	5,417	6,437	+1,019	+18.8	・ Increase in "Foreign currency translation adjustment" +725 million yen
	Non-controlling interests	6,707	6,796	+88	+1.3	
	Net assets	53,561	57,542	+3,980	+7.4	
	Liabilities and net assets	69,202	74,641	+5,438	+7.9	

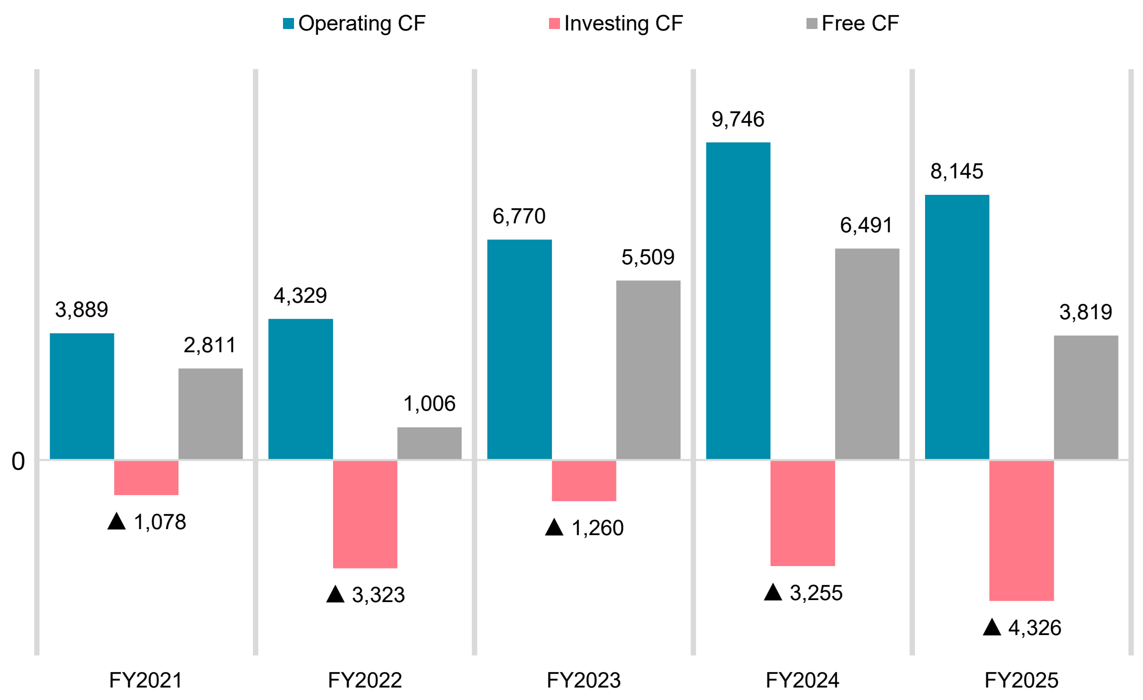
Free CF decreased as operating CF declined. Cash and cash equivalents increased from the end of the previous fiscal year to 18,096 million yen

- **Operating CF**：[−] Funds decreased by 1,600 million yen due to changes in “Equity-method investment gains/losses"
- **Investing CF**：[−] Cash outflow of 2,127 million yen resulting from the “Purchase of investment securities”
- **Financing CF**：[+] Elimination of 768 million yen expenditure for “Acquisition of treasury shares” recorded in the previous fiscal year

	FY2024	FY2025	Year-on-year
	Actual (million yen)	Actual (million yen)	Increase/decrease in amount (million yen)
Operating CF	9,746	8,145	-1,600
Investing CF	-3,255	-4,326	-1,070
Financing CF	-3,932	-3,864	+68
Free CF	6,490	3,819	-2,671

	FY2024	FY2025	Year-on-year
	Actual (million yen)	Actual (million yen)	Increase/decrease in amount (million yen)
Cash and cash equivalents	17,686	18,096	410

Cash Flow Trends （million yen）



Capital investments both domestically and overseas were implemented to strengthen business foundations and expand production capacity. We plan to increase investment in FY2026

	FY2024	FY2025			FY2026
	Actual (million yen)	Actual (million yen)	Initial plan (million yen)	Progress rate (%)	Actual (million yen)
Capital investment	**3,351**	**3,660**	**3,450**	**106.1**	**3,910**
Depreciation	**2,299**	**2,287**	**2,400**	**95.8**	**2,580**
R&D cost*	**1,774**	**1,838**	**2,000**	**91.9**	**2,360**

Major capital investments

Actual

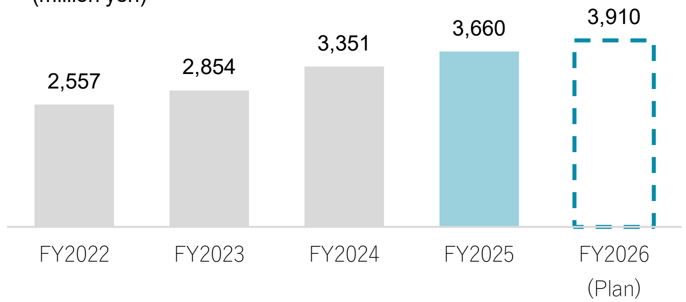
- Acquisition of land and buildings to strengthen the infrastructure of the headquarters and European subsidiaries
- Construction of new vehicle maintenance facilities (Japan) and medium-sized air compressor assembly plants (India) as part of the mobility after-sales service business
- Delivery of equipment for the prototype building, as well as the renewal and reinforcement of production facilities at each site

Plan

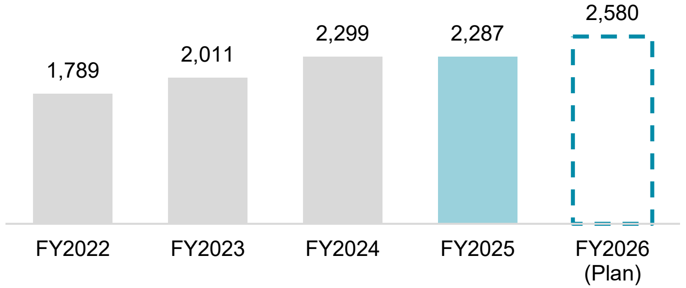
- Investment plans for production facilities, primarily in Europe and China
- Upgrading and reinforcing production facilities at each location

Amount of capital investment

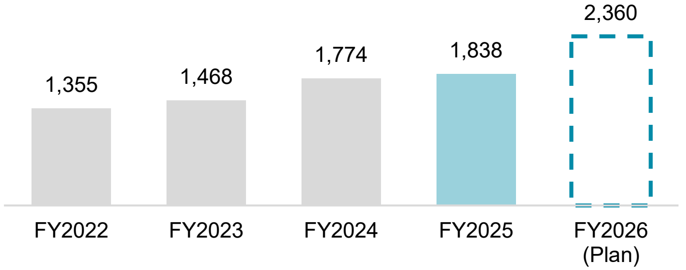
(million yen)



Depreciation (million yen)



R&D cost (million yen)



Shareholder Return Measures

In line with our capital allocation policy, we plan to increase the annual dividend by 4 to 87 yen per share (DOE: 7.0%).

Shareholder return policy

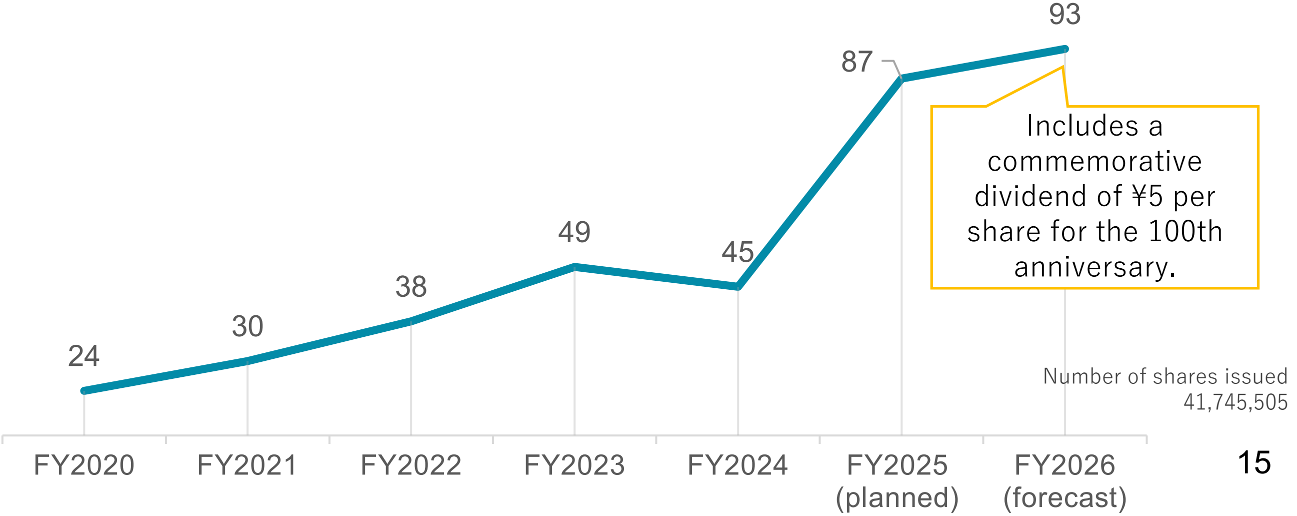
- From FY2025, in order to realize stable and greater returns to shareholders, we will newly adopt the **dividend on equity ratio (DOE)** as a return indicator, replacing the previous dividend payout ratio.
  - ✓ **During the current Medium-Term Business Plan period (FY2025 to FY2027)**
    - Setting the **DOE** during the period at **7.0-7.5%**
    - Progressively increasing annual dividend per share with FY2025 (Planned 87 yen per share) as the lower limit

      *Excludes special factors such as the 100th anniversary commemorative dividend and special dividends projected for FY2027.
- Purchase of treasury shares of **3 to 3.5 billion yen** during the current Medium-Term Business Plan period
  - ✓ Share buyback program of up to 1.5 billion yen commencing May 13, 2026.

Dividend (yen)	Interim	Year-end	Annual
FY2024	22	23	45
FY2025	41	46*	87*
FY2026 (Forecast)	43	50	93

*The year-end and the annual dividend for FY2025 will be formally decided at the 80th ordinary general shareholders' meeting to be held on June 26.

[Annual dividend per share (yen)]



Topics

Acquisition of 100% of the shares of a company engaged in the manufacture and sale of compressors for high-pressure applications and gas compression

In May 2026, the Company agreed to acquire all shares (100%) of SANWA, a manufacturer and seller of compressors, as of the end of June 2026.

Strategic significance

Acquisition of new technologies (high-pressure and gas compression) to advance penetration of target markets set out in Vision2035

- ✓ The global gas compressor market is estimated at approximately 840 billion yen *Company estimate
- ✓ Aim to grow net sales to around 2 billion yen

Synergies

- ■ Expansion into overseas markets leveraging the Company's supply chain
- ■ Optimization of procurement and supply systems through the sharing of know-how
- ■ Strengthening of resources for new market development through a joint development framework

Company name	SANWA Co., Ltd.
Established	September 1, 1949
Headquarters	85 Oyaizu, Yaizu City, Shizuoka
Business description	Manufacture and sale of compressors for starting diesel engines (for land and marine use) and compressors for gas compression
Capital	10 million yen
Number of employees	54 (as of October 2025)
Website	https://www.sanwacomp.co.jp/

* The impact of this acquisition on consolidated results for FY2026 is expected to be minimal

Start of trials for compressors supporting demining operations

Trials in Ukraine began in April 2026 for compressors supporting demining operations, which had been donated to a UK-based NGO* in March 2025.
Following a testing period of several months, the plan is to transition to full-scale operation.

(Previous release)
February 10, 2025: "Development of a compressor for demining support / donation to a UK-based NGO" (Japanese Only)
https://ssl4.eir-parts.net/doc/6381/tdnet/2561373/00.pdf

* UK-based NGO "HALO Trust," which supports demining activities

2. Plan for FY2026

Prospects for FY2026

While revenue is expected to increase, profit is projected to decline due to higher SG&A expenses. See next page for details.

		FY2025		FY2026			
		Actual (million yen)	Composition ratio (%)	Target value (million yen)	Composition ratio (%)	Increase/decrease amount (million yen)	Increase/ decrease rate (%)
Net sales		55,909	—	60,000	—	+4,090	+7.3
Air energy	Air compressors	31,124	55.7	—	—	—	—
	Vacuum equipment	2,559	4.6	—	—	—	—
	Subtotal	33,683	60.2	35,650	59.4	+1,966	+5.8
Coating	Coating equipment	17,941	32.1	—	—	—	—
	Coating systems	3,550	6.4	—	—	—	—
	Subtotal	21,491	38.4	23,350	38.9	+1,858	+8.6
Others	Subtotal	734	1.3	1,000	1.7	+265	+36.2
Operating profit		5,563	10.0	5,200	8.7	-363	-6.5
Air energy	Operating profit	3,313	—	2,950	—	-363	-11.0
Coating	Operating profit	2,541	—	2,430	—	-111	-4.4
Others	Operating profit	-291	—	-180	—	+111	—
Ordinary profit		7,718	13.8	6,460	10.8	-1,258	-16.3
Profit attributable to owners of parent		5,356	9.6	3,950	6.6	-1,406	-26.3
Average exchange rate of yen to	USD	149.71		151.50		+1.79	
	EUR	169.00		175.00		+6.00	
	CNY	20.82		21.00		+0.18	

Premises for Performance Forecasts for FY2026

Although revenue growth is secured in key regions, profits are expected to decline due to increased R&D investment, temporary expenses related to the 100th anniversary initiatives, and the absence of gains such as those from site sales recorded in the previous fiscal year

Business environment in FY2026

Net sales

Forecast: 60,000 million yen (+7.3% year-on-year)

- Increase in revenue driven by the full-scale operation of a medium-sized air compressor assembly plant in India and expanded sales
- Recovery in spray gun sales for the car repair market in Europe and the U.S.
- Contribution to sales following the launch of the new oil-free medium-sized compressor (expected from the second half of the year onward)

Risk factors

- Delays in component procurement due to heightened tensions in the Strait of Hormuz, leading to disruptions in product supply
- Risk of declining demand due to rising component costs driven by surges in crude oil and naphtha prices, as well as higher selling prices stemming from the same situation

Operating profit

Forecast: 5,200 million yen (-6.5% year-on-year)

- Increase in labor and logistics costs both domestically and overseas, along with rising procurement costs for raw materials and components
- Recording of temporary expenses associated with the 100th anniversary initiatives
- Strengthening of R&D investment for future growth, including new product development and capacity expansion
- Increase in costs related to M&A activities

Ordinary profit / profit

Ordinary profit forecast: 6,460 million yen (-16.3% year-on-year), Profit forecast: 3,950 million yen (-26.3% year-on-year)

- Exchange rates are assumed to show weaker yen compared with the previous fiscal year; however, in light of uncertainties, foreign exchange gains and losses are not factored into the earnings outlook
- Absence of temporary gains recorded in the previous fiscal year (gains on debt waiver in China and gains from the sale of business sites in Japan)
- Continued consideration of reducing cross-shareholdings

Long-Term Growth Strategy
-Master Plan for Vision2035-

and Progress of First Medium-Term Business Plan

Active with Newest Technology

100th Anniversary

3. Representative Address

Representative Address

-Our Commitment toward Achieving Vision2035-

We have completed the first year of our initial medium-term business plan. As we confirmed our current position toward achieving Vision2035, we also established the way for integrating the distinctive capabilities of both the air compressor business and coating business, as well as elevating the value we deliver from "equipment" to "energy optimization." To achieve this, starting from the role that only our company can fulfil, we have initiated efforts for the second year and beyond, guided by a master plan that concretely outlines the steps we must take moving forward.

We see this year, our 100th anniversary, as the beginning of a new chapter in our history. While we continue to refine our existing operations, we are also growing into related disciplines and new areas in order to create new pillars of growth. At the same time, we will create a governance framework for the entire group to realize our management strategy, drive a shift in mindset and behavior, and view changes in the external environment as opportunities for progress. We will also accelerate our efforts to become an "energy solutions manufacturer" critical to the development of manufacturing infrastructure.

We cherish all of our stakeholders, including customers, employees, shareholders, and the local community, and are dedicated to achieving sustainable growth and increasing corporate value. As we look ahead 100 years, we will join forces with you all to create a bright future.

ANEST IWATA Corporation
President, Representative Director and Chief Executive Officer(CEO)

The founder Hatsutaro Iwata's philosophy, "Be a good person before being a good company,"
has been incorporated into our corporate policy, "Makoto no Kokoro (Trustworthy & Sincere)"

4. Master Plan for Realizing Vision2035

- Long-term growth strategy based on scenario analysis

Background and initiatives of the development of master plan (long-term growth strategy)

ANEST IWATA 100th Anniversary

As part of our Vision2035, we have identified our ideal future state as an "energy solutions manufacturer" that has successfully accomplished company-wide transformation, developed a master plan and strategy through backcasting, and constructed an agile organizational structure

Until now

Scenario analysis

- Forecasting and analyzing the future business environment

⇒ **We strongly believe that responding to changes in the business environment and market contraction, as well as implementing a company-wide "transformation," is critical**

Main initiatives for FY2024

Announcement of first medium-term business plan

- Under the themes of "awareness reforms" and "behavioral change," the company announced its policy, including the creation of new business areas

Formulation of master plan and strategies

- Clarifying the "ideal state" outlined in Vision2035
- **Formulation of master plan (long-term growth strategy)**
  - ✓ Application to strategies for each area

To ensure the effective execution of our strategy, we have established an agile organizational structure

Change of organizational structure

- Establishment of CxO positions and regional management functions, and the establishment of global governance[*1]

Formulation through back casting from the desired future state

[Vision2035] From FY2034

Becoming an Energy Solutions Manufacturer

Shifting the value we provide from "equipment" to "energy optimization," and supporting value creation across society as a whole

AE business — Essential for manufacturing Energy conversion and supply

CT business — Value creation in the final stage of manufacturing

*2

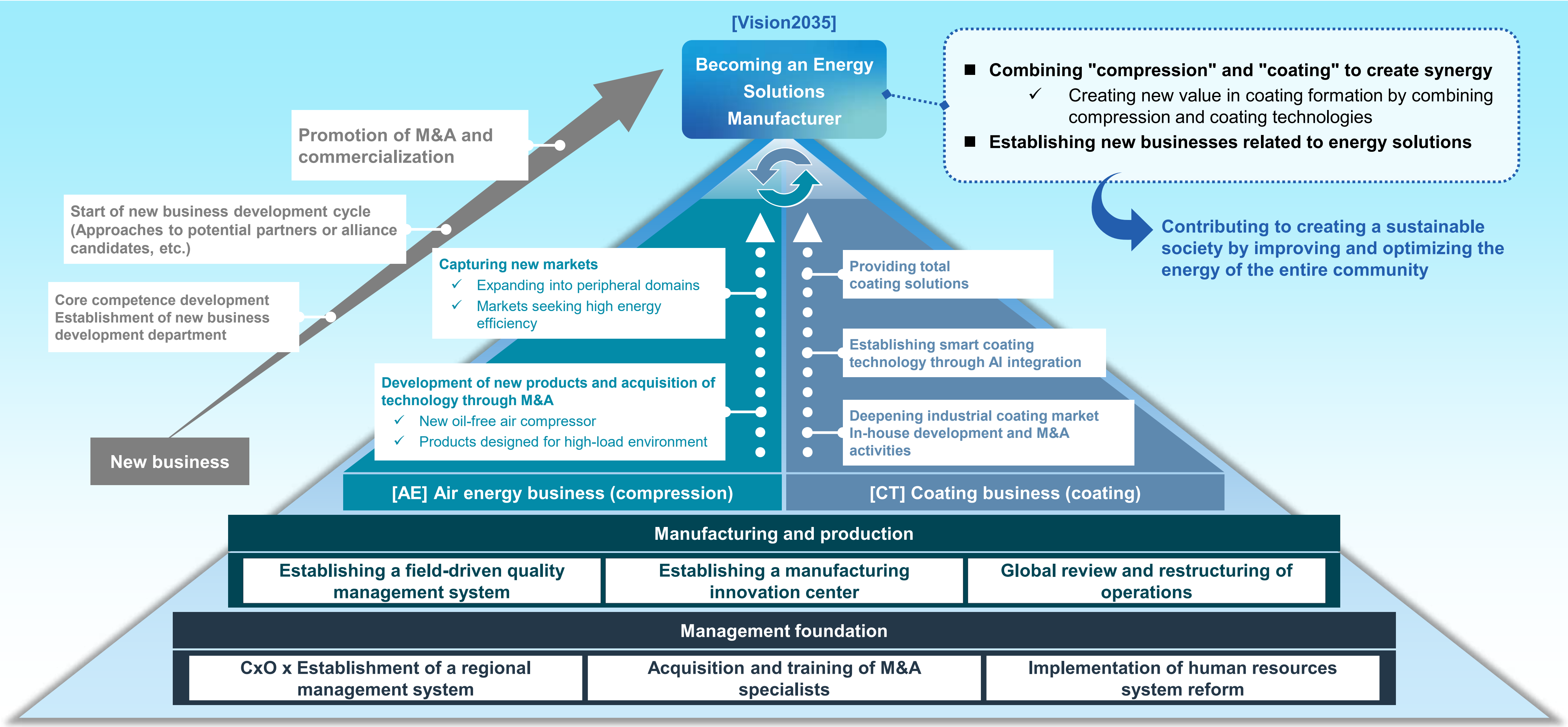
- A one-of-a-kind product that organically combines air energy and coating technology
- We provide energy solutions that support **value creation, primarily in the manufacturing and infrastructure sectors**
- We contribute to the creation of a sustainable society, including the reduction of environmental impact

*1: Operations will begin in April 2026

*2: Air energy business/Coating business

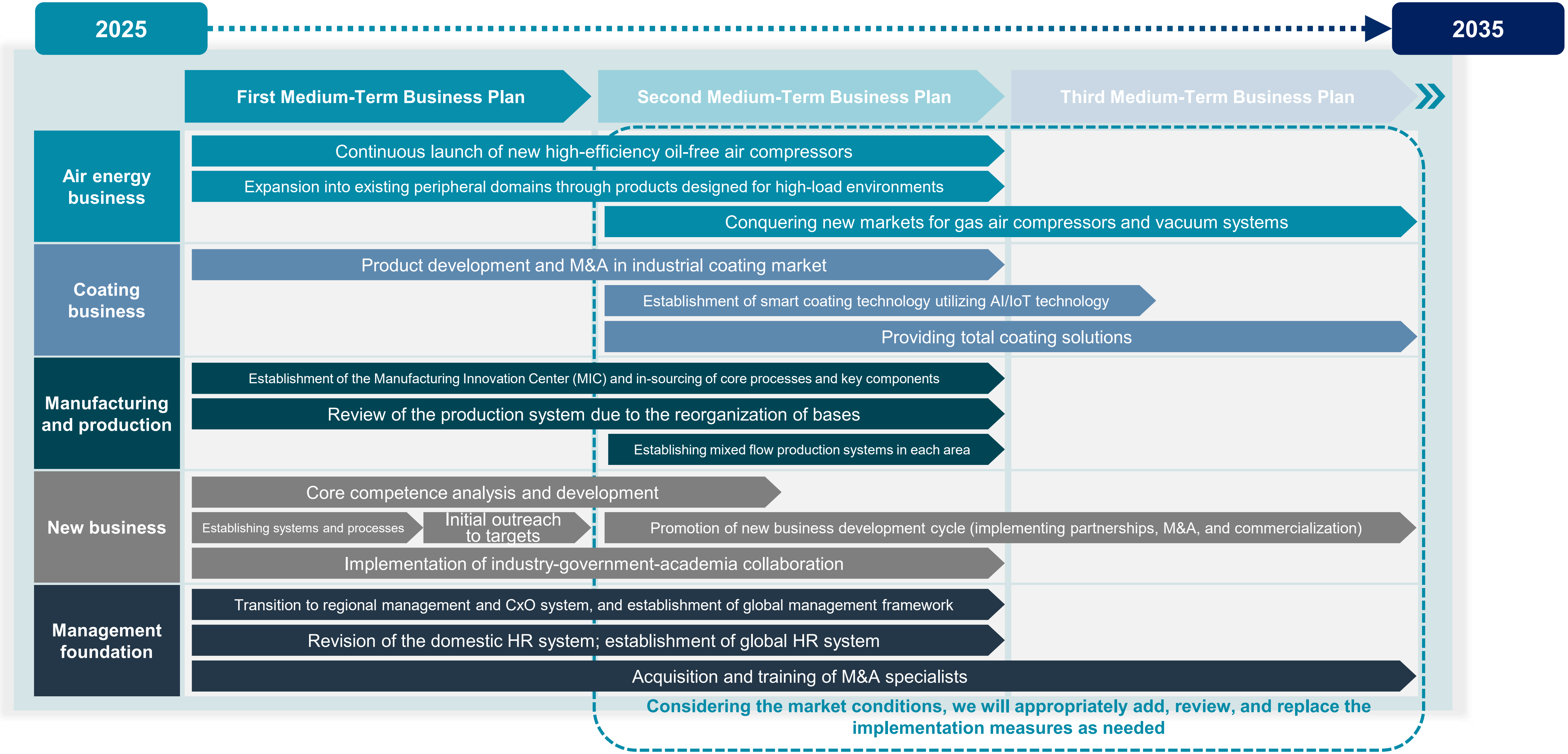
Vision2035: Our Desired Future and the Path Forward

We will further develop our air energy and coating businesses, create synergies between them, and establish new business ventures, thereby contributing to the creation of a sustainable society as an "energy solutions manufacturer"



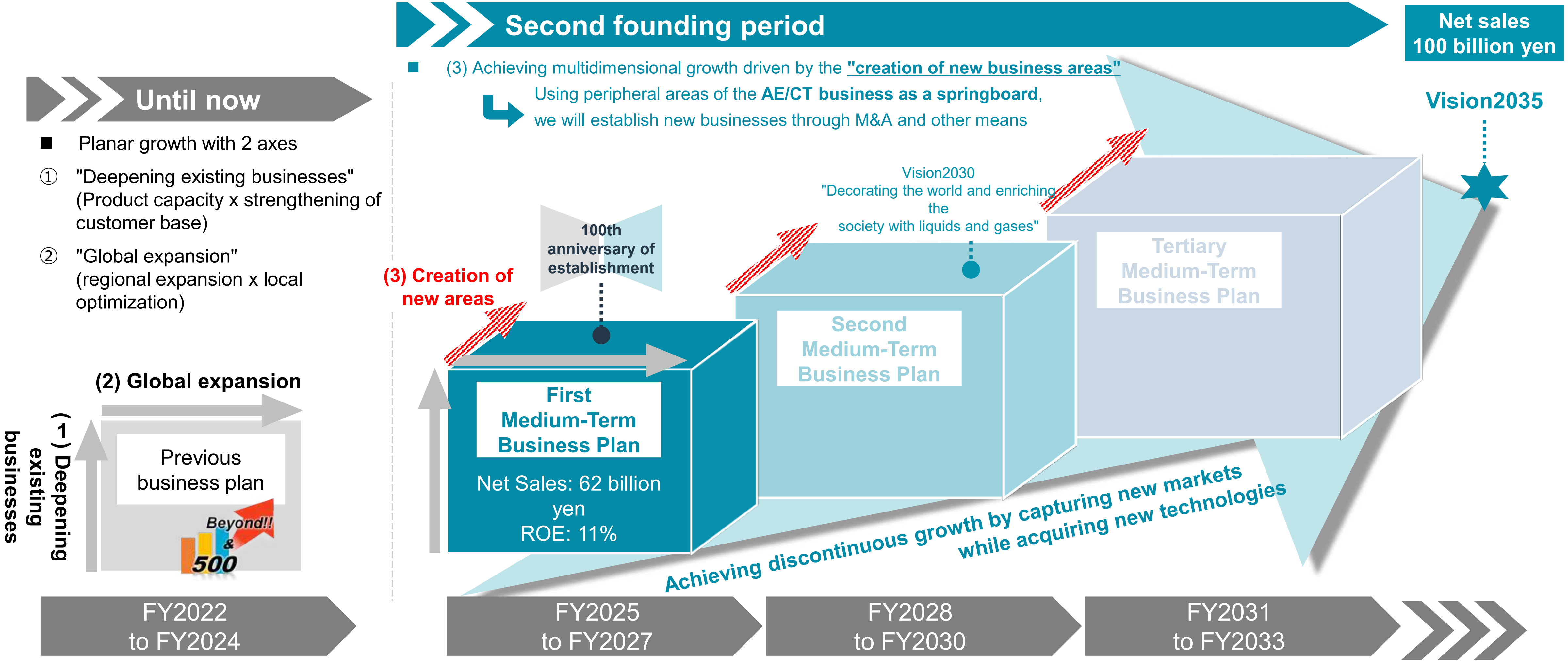
Roadmap for implementation Vision2035 (Key Strategies)

We have formulated a roadmap for realizing Vision2035 in key areas and have translated it into specific strategies for each medium-term business plan period



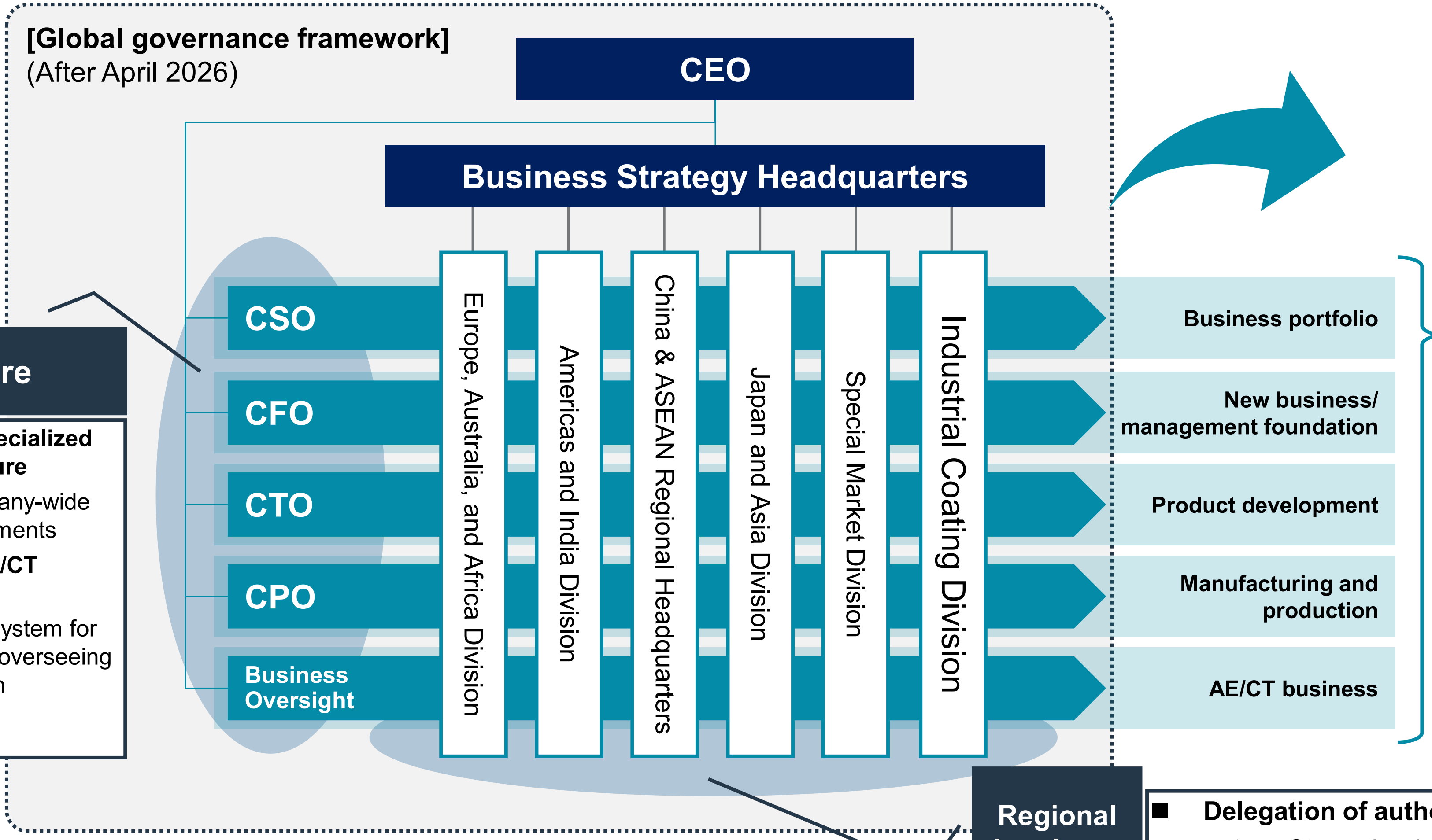
Growth strategy for achieving Vision2035

With the goal of growing into a company with 100 billion yen in net sales by FY2034, we have established three key pillars; "deepening existing businesses," "global expansion," and "creation of new business areas" to achieve multidimensional growth



Change in organizational structure to realize Vision2035

Simultaneously with company-wide transformation, we planned to strengthen and secure regionally optimized agility by switching to a matrix organizational structure led by CxOs and regional management in April 2026, resulting in increased organizational efficiency



CxO structure

- **Cross-functional specialized management structure**
  - Realizing company-wide strategic investments
- **Taking charge of AE/CT operations**
  - Establishing a system for monitoring and overseeing business growth

Improving organizational efficiency
by consolidating duplicate functions
and clarifying roles and responsibilities

+

Overseeing execution
of strategies across all areas to ensure the successful implementation of
the master plan

(Details of each strategy are provided on the following pages)

Regional headquarters

- **Delegation of authority to local regions**
  - Strengthening global governance
  - Improving market responsiveness

4-1. Key strategies in master plan

- Path to Vision2035 in each area

[Business portfolio] Vision and growth investment strategy

We will strengthen investments in businesses and products that will drive future growth, restructure our existing product portfolio, and aim for strategic growth tailored to the characteristics of individual markets

Market growth potential

Air energy business
- Vacuum equipment
- Gas compression

Coating business
- Industrial coating products*3
- Coating service business*4

✓ Creating new businesses
- R&D
- Co-creation with partners
- Establishment of a new business company (ANEST IWATA A.I.R.)

Improving future profitability

Air energy business
- Oil-free air compressors
- Vacuum pumps

Common
- After-sales service
- Customized products

Investing in growth-driven businesses Further improvement of profitability

✓ Strengthening R&D capabilities

✓ Establishment of new prototype center

Utilizing revenues from existing businesses to invest in new business development

Re-entering the industrial coating market Expansion into growth markets

Coating business
- Coating systems

✓ Full-scale entry into the metal coating market, which is largely untapped

Air energy business
- Oil-type air compressors

Coating business
- Hand spray guns

Investment in core businesses Further improvement of profitability

✓ Plant digitalization

✓ Enhancement of production facilities

Business profitability

*3: Expanding our product lineup through functional material coating technologies and equipment
*4: Contract coating business

[AE] Air Energy Business: Market Strategy for Realizing Vision2035

We manufacture energy-optimizing solutions by improving oil-free air compressors, which excel in both quiet operation and low vibration, with high efficiency and the capacity to endure high-load conditions. We want to capture markets and create a carbon-neutral society by expanding horizontally into peripheral areas

Major policies for realizing Vision2035

■ **By pursuing and emphasizing excellent environmental performance and energy efficiency, we will open a bigger market**

Target market

✓ Two new markets located near the current main markets

① **Market for oil-free machines for medium-sized general industrial applications and built-in applications (sales to medium-sized plants and assembled product manufacturers)**

② **Gas air compressor and vacuum equipment market**

Product development policy

✓ **By combining our highly dynamic oil-free manufacturing technology in our existing products with high efficiency and robust performance in high-load environments, we clearly set ourselves apart from our competitors**

✓ **We will acquire products and additional development capabilities** that can be integrated with our proprietary technology through M&A

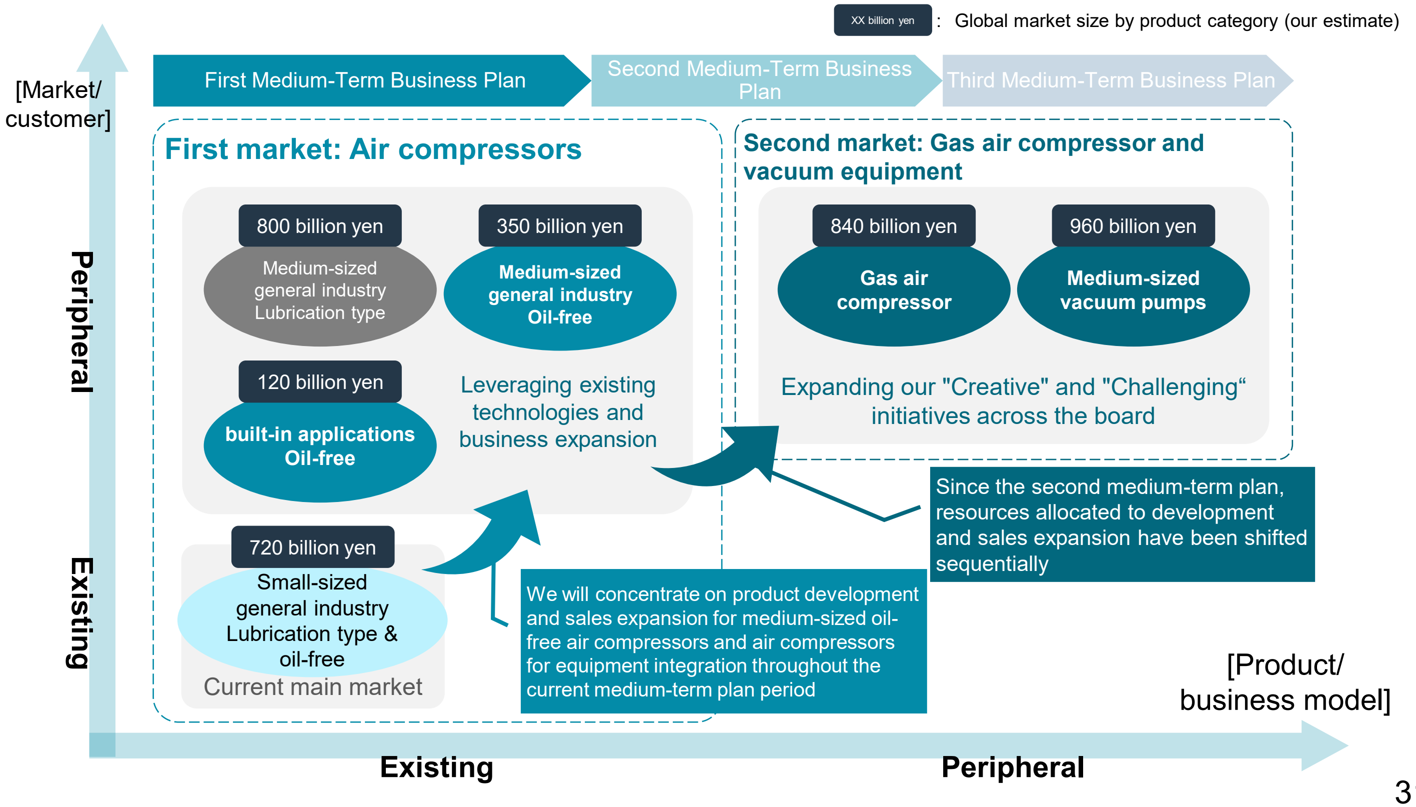
Sales expansion strategy

✓ Expanding business in peripheral markets through the launch of new oil-free air compressors and the strengthening of sales engineering capabilities in each global region

✓ Focusing our efforts on plants equipped with coating capabilities with an eye toward integrated service offerings alongside our future CT business

Market Capture Overview

■ **Taking into account global environmental standards and the compatibility of our existing domains' technical capabilities, we are preferentially developing the oil-free air compressor market in peripheral areas**



[CT] Coating Business: Capturing Markets for Realizing Vision2035

We are expanding into the industrial and metal coating markets by leveraging the core technologies we have cultivated in the car repair market. We are implementing energy optimization in coating processes by developing and supplying comprehensive solutions tailored to the individual needs of each application

Major policies for realizing Vision2035

■ **Using advanced atomization technology to suit niche needs and lead the industrial and metal coating markets**

Target market

✓ A vast untapped market that is larger than our current main areas of focus (automotive refinishing and airbrushing, etc.)

① **Industrial coating equipment market**

② **Metal coating systems market**

Product development policy

✓ **We develop products for the industrial and metal sectors to satisfy various niche needs by utilizing our exclusive atomization technology,** which permits the coating and application of a broad range of liquids

✓ **Through collaborations and M&A, we will obtain new coating technologies including electrostatic coating and supply, and** advance **application development**

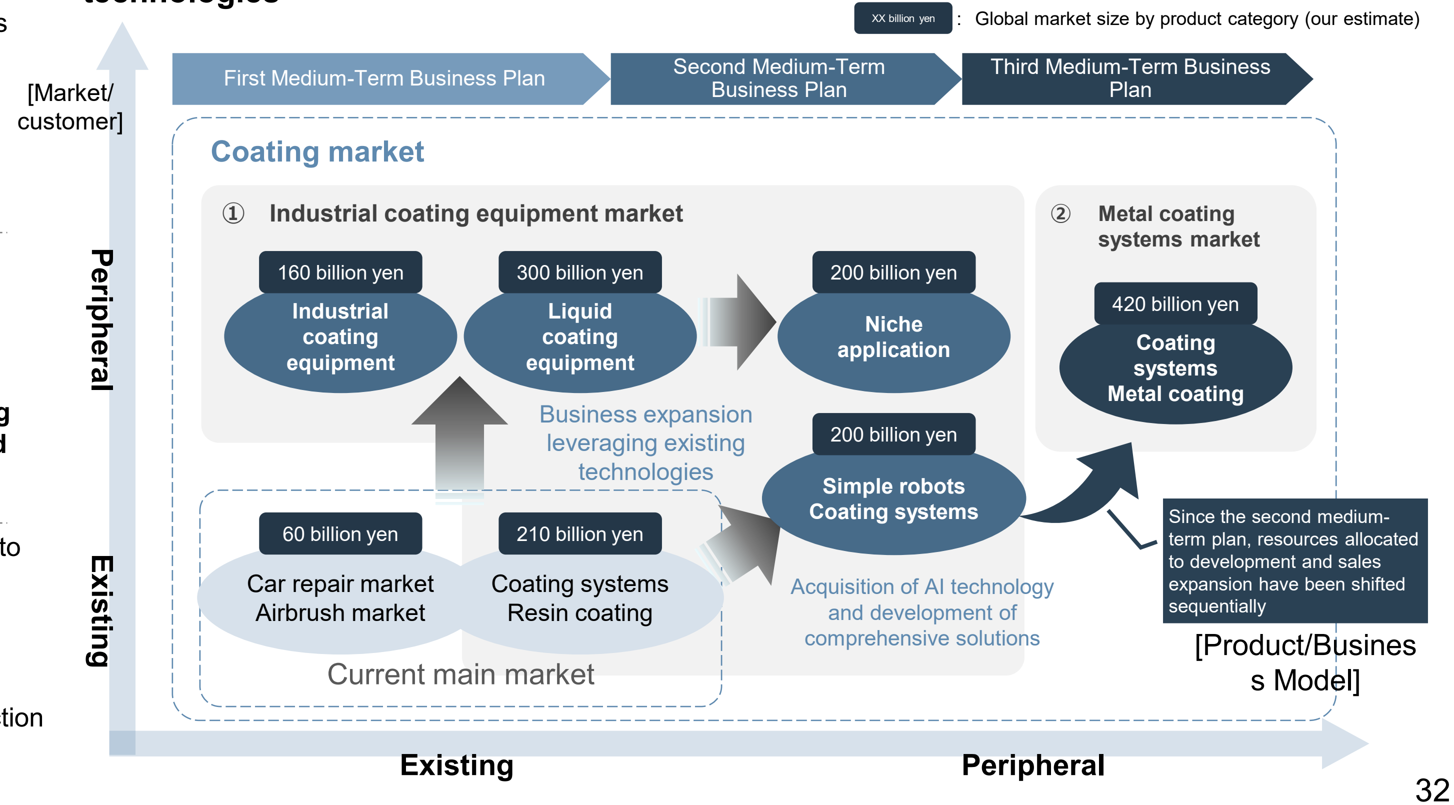
Sales expansion strategy

✓ (As with the AE business) Establishing organizational structures to capture markets in each global region, implementing sales expansion strategies **and strengthening sales engineering capabilities through the "Coating Business"**

✓ Identifying potential customers with an eye toward future comprehensive solutions, offering integrated solutions in conjunction with the AE business and leveraging existing customer bases

Market Capture Overview

■ **We are expanding our product lineup utilizing atomization technology in the industrial coating field, extending our scope to encompass the field of metal coatings, and are concurrently developing and deploying comprehensive solutions powered by new technologies**



[Manufacturing & Production] Major Policies in Production Strategy

Restructuring of manufacturing and production systems globally and upgradation of manufacturing know-how and processes with Manufacturing Innovation Center at its core. We will strengthen competitiveness through site optimization and a field-led quality management system

Major policies for realizing Vision2035

1 Enhancement of creativity and strengthening of development capabilities
Ability to create value

- **With Manufacturing Innovation Center (MIC*5) at the core, we will integrate production technologies, data and know-how, and deploy them across our various sites.** Rapidly improving speed-to-market
- Promoting in-sourcing of core processes and key components, and expanding the production technology areas as the starting point for value creation

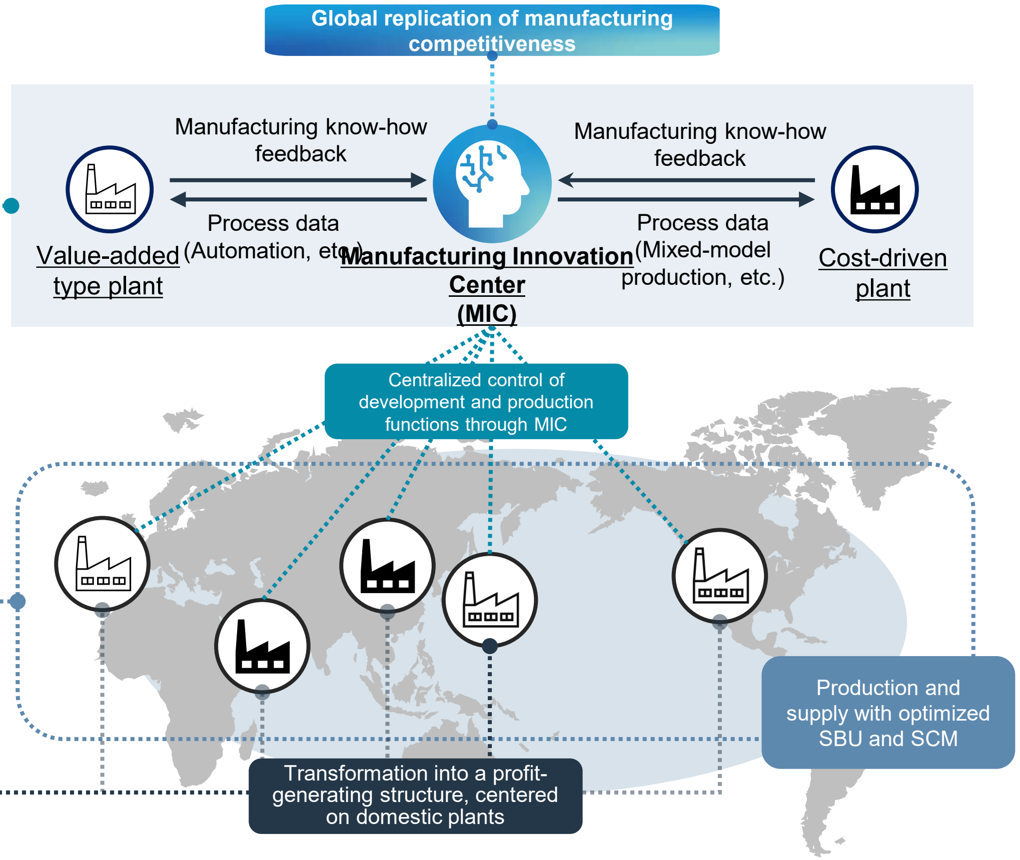
2 Site reorganization and maximization of asset efficiency
Ability to deliver value

- Optimization of global production and distribution sites; **strengthening of production capabilities through the optimal allocation of production functions and the reinforcement of key areas**
- Establishment of mixed-model production systems at each site and strengthening of the global supply chain to achieve short lead times and local production for local consumption

3 Quality improvement and profitability enhancement
Ability to fully realize value

- Improvement in profitability by reducing quality-related costs **through the elevation of quality standards and rapid, site-led quality management*6**
- Enhancement in quality stability and reproducibility through skill development, standardization, and advancement

Vision for the ideal global production framework



*5: Manufacturing Innovation Center
*6: Quick Response Quality Control

【Product Development】Key Product Development and Launch Roadmap

Leverage scroll technology in AE business and atomization technology in CT business to develop and launch world's most energy-efficient products, opening new markets and advancing carbon neutrality.

FY2025 → FY2035

	1st Medium-Term Business Plan	2nd Medium-Term Business Plan / 3rd Medium-Term Business Plan
CT Business	■ Develop and launch diverse coating systems using atomization technology—not just equipment—to strengthen industrial coatings market; advance next-gen products for launch from FY next.	■ Focus resources on new market development. ■ Launch new products maximizing energy efficiency from existing technology strengths.
AE Business	■ Launch world's most energy-efficient oil-free compressors centered on scroll technology to penetrate mid-size industrial and built-in equipment markets.	

CT Business

SMART SPRAY Hand Spray Gun

Skilled Worker Expertise Transfer

CUBIC LINE

Energy-Saving and Schedule Reduction in Coating Processes

Solvent-Free UV Coating System

World-Leading Carbon Neutrality

Industrial Coating Equipment

Coating Solution Proposals

AE Business

Mid-Size Oil-Free Compressor

built-in Equipment Compressor

World's Highest Efficiency Design

Oil-Free Compressor Series Expansion

Oil-Free Vacuum Pump

Gas Compressor

[New Business] New Business Development Policy

By combining capabilities acquired through inorganic means with our existing core competencies, we will realize the launch of a third pillar—a business domain distinct from both our AE and CT operations

Basic policy on new business development

- **Creating new business areas aligned with our identity as an "Energy Solutions Manufacturer," and making them grow into businesses with net sales of 10 billion yen under Vision2035**
- **Actively acquiring new technologies and products through inorganic means**

Focus Areas

✓ **Independent business areas that generate synergies with both the "Compression" and "Coating" businesses, but are not significantly affected by them**

- Businesses consisting of a new [market/customer] or [product/business model] based on an existing business as a foothold

✕

Method

✓ **Inorganic growth through the acquisition of new technologies, functions, and products from external sources, primarily through M&A**

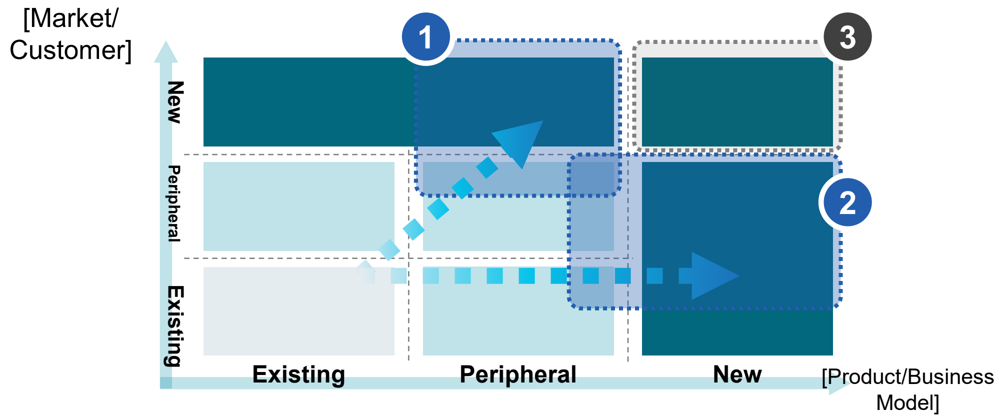
- Achieving early commercialization through all available means, including capital and business alliances, JV/CVC, minority investments, and industry-academia-government collaboration
- Exploring the utilization of external capabilities, including their integration with our existing core competencies (e.g., gas compression, thermal cooling, and liquid atomization technologies)

Vision for new business development

- **Establishing a new business development cycle within the "Dejima" domain—an area dedicated to peripheral business initiatives**

1. Approaching new markets, anchored by the further development of our consumer-oriented mobility business (ANEST IWATA A.I.R.)
2. **Leveraging the acquisition of new technologies and products through inorganic means** and actively commencing the market development starting in FY2026

※ Planning to expand into “non-adjacent" areas 3 in the future



[New Business] Promoting Inorganic Growth

ANEST IWATA 100th Anniversary

By the end of this fiscal year, we will establish a specialized department to establish and supervise the cycle and process for new business development early, and launch a full cycle spanning from seeking opportunities for in-organic growth to commercialization, including collaboration between industry, government, and academia

New Business Development Framework

1st Medium-Term Business Plan	2nd Medium-Term Business Plan	3rd Medium-Term Business Plan
New business development structure/Cycle design and formulation	Implementation of the new business development cycle	Commercialization and expansion

Development of internal systems

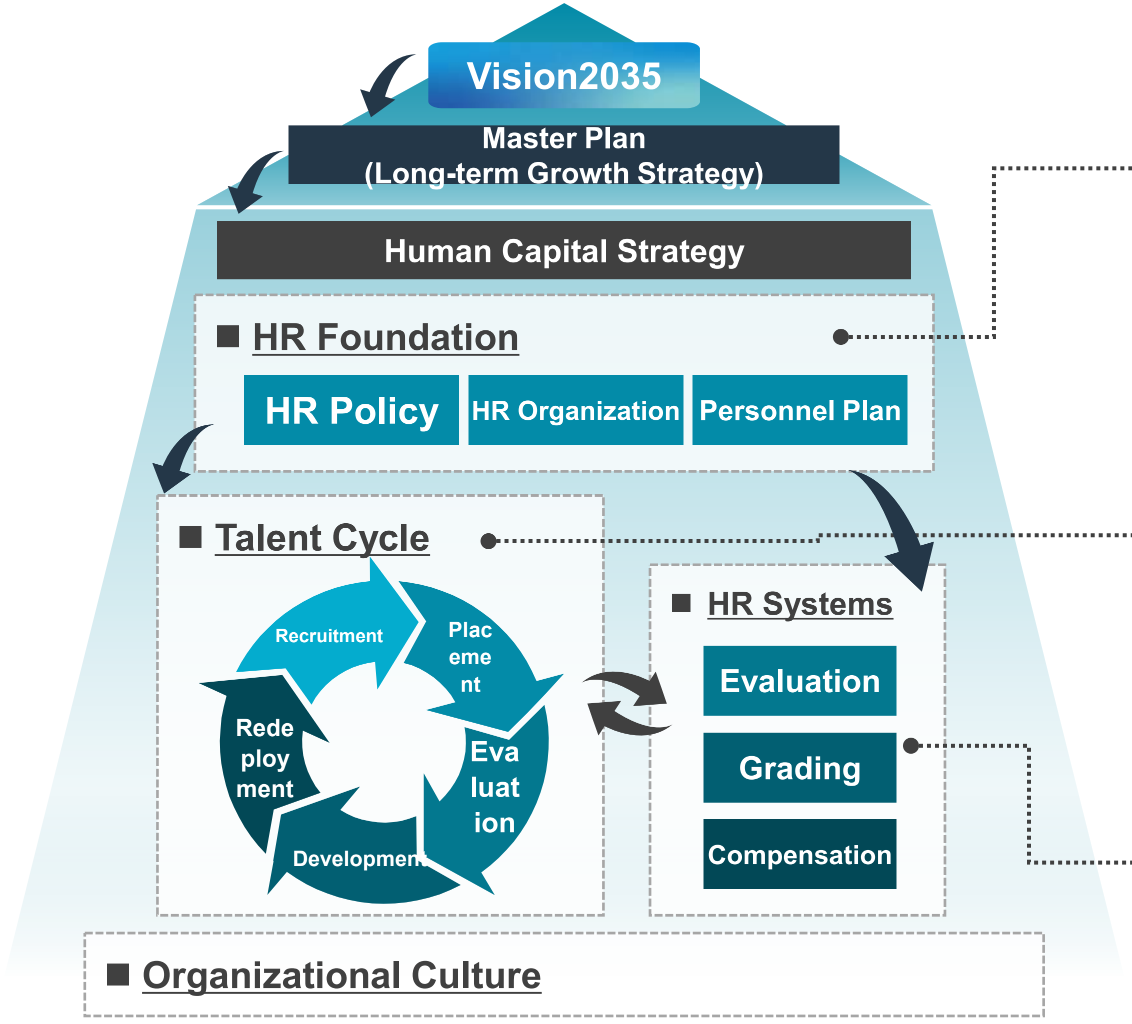
- **Establishment of a system**
  - ✓ **Establishing a new business strategy organization** directly under the Corporate Planning Department under the supervision of the CFO
    - Leading new business development centered around Corporate Planning Department General Manager
- **Establishing a new business development cycle**
  - ✓ **Define new business development process and cycle**: Core competency analysis → Business opportunity exploration → M&A strategy → Due diligence → Commercialization → Scaling
  - ✓ Establishing an investment decision-making and monitoring process through regular reporting and recommendations submitted to the Investment Committee

External collaboration and exploration

- **Explore acquisition and partnership opportunities**
  - ✓ **Survey inorganic growth via M&A;** conduct outreach to targets
- **Collaboration with industry, government, and academia** (Examples of initiatives below)
  - ✓ 【Industry】Cross-industry collaboration, investment in venture capital, joint development with startups, etc.
  - ✓ 【Government】 Participation in councils for the formulation of regulations and standards
  - ✓ 【Academia】Joint research and demonstration projects with universities and research institutions

[Management Foundation] Human Capital Strategy

We will build a human capital strategy aligned with Vision2035 and the Master Plan, defining ideal talent profiles, developing and securing talent for inorganic growth, redesigning global systems, and establishing a robust management foundation.



Establishing the HR foundation to realize Vision2035

- ✓ Policy Define organization and talent aligned with Vision2035
  - **Resilient, challenge-driven organization and talent**
- ✓ HR Organization Establish structure to oversee and execute human capital strategy
  - Execute HR strategy linked to growth; manage KPIs
- ✓ Workforce Planning Secure and develop talent based on growth strategy

Talent Cycle Linked to HR Foundation

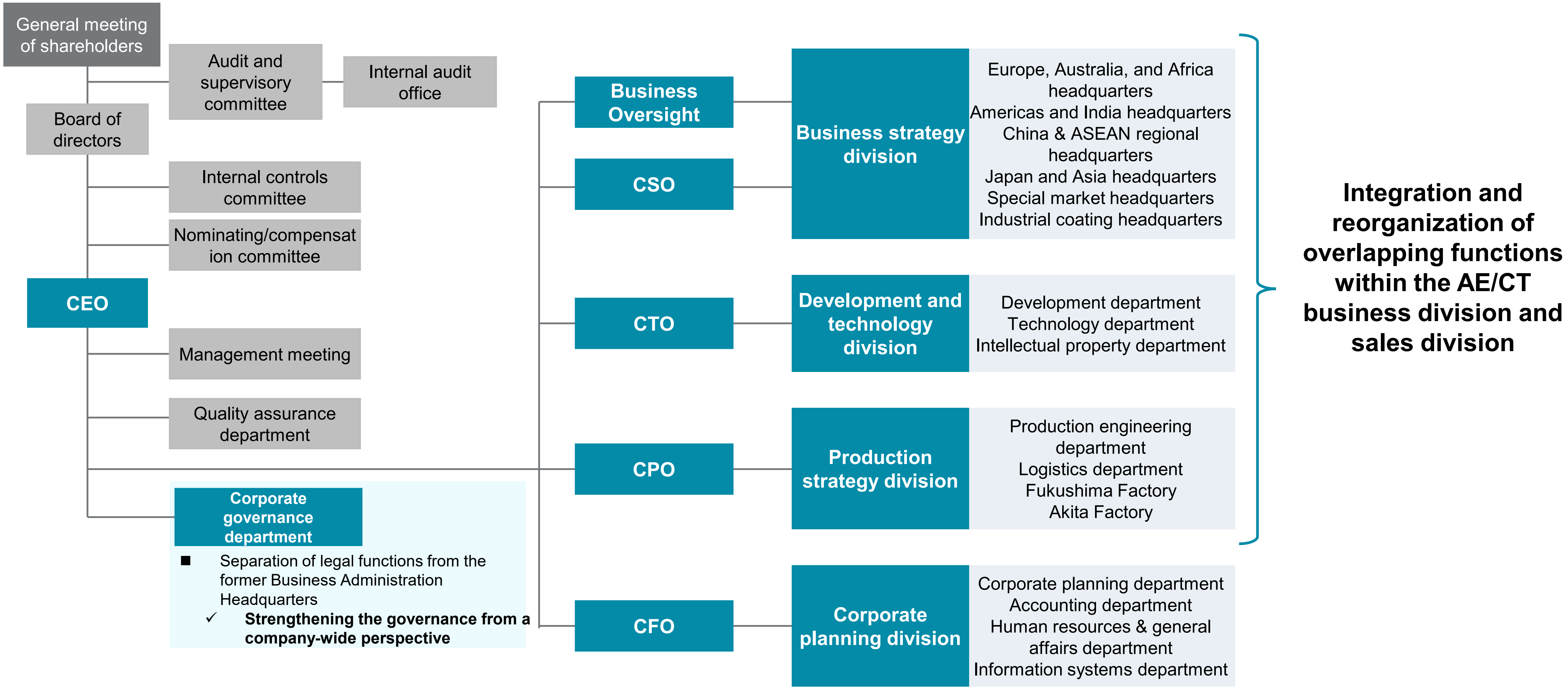
- ✓ Optimal talent allocation for growth strategy
  - **Focus on M&A and PMI** for inorganic growth
- ✓ **Develop executives and global talent**
  - Define and cultivate ideal executive profiles

Global HR System Redesign

- ✓ Redefine roles and grades, **emphasizing "role, results, market value"**; roll out globally in phases
  - Implement and operate **performance-linked compensation**
  - **Global talent management via unified HR systems**

[Management Foundation] Organizational Structure

Starting in April 2026, as part of the integration of overlapping functions, we will establish a new Corporate Governance Department with an independent legal function to strengthen the Group’s governance structure, including overseas subsidiaries



5. Progress of the First Medium-Term Business Plan 2025-2027

Management Indicators in First Medium-Term Business Plan

One-time costs will temporarily impact FY2026 operating profit, but we remain committed to final-year targets of 62.0 billion yen revenue, 11.0% ROE, and 132 yen EPS through strategy execution and capital efficiency gains.

KGI (Consolidated) Key goal indicators	FY2024 Result (Reference)	FY2025 Result	FY2026 Forecast	FY2027 Target
Net sales	54.4 billion yen	55.9 billion yen	60 billion yen	62 billion yen
Operating profit	5.90 billion yen	5.56 billion yen	5.20 billion yen	6.17 billion yen
Operating profit ratio	10.7%	10.0%	8.7%	10.0%
ROE	9.4%	11.0%	8.0%	11.0%
EPS	108.2 yen	136.0 yen	100.2 yen	132.0 yen

*7 Anniversary-related costs expected to depress FY2026 operating profit.
*8 1st Medium-Term Plan capital strategy centers on M&A acceleration; 11% ROE is organic growth baseline, with M&A targeting higher returns.

Summary of Initiatives under the First Medium-Term Business Plan

ANEST IWATA 100th Anniversary

We will fully accelerate our efforts to capture new markets by combining in-house development with strategic M&A, while further enhancing shareholder returns through the pursuit of greater capital efficiency

Business Strategy

- Implementation of back-casting based on the vision outlined in Vision2035 to formulate key strategies and policies
- Concrete initiatives during the current medium-term plan period (Key measures listed below)
  - ✓ Air energy business : Development and **sales expansion of oil-free air compressors** taking into account global environmental regulatory trends and the affinities cultivated through our existing operations
  - ✓ Coating business : Development of products for industrial applications **and acquisition of new capabilities through M&A** and collaborations **by leveraging our proprietary atomization technology**
  - ✓ New business : Launching new business projects, **defining the specific direction of new business initiatives, and starting identifying potential partners and acquisition targets**
  - ✓ Production : **Executing capital investments toward the establishment of the Manufacturing Innovation Center (MIC)**
  - ✓ management foundation : **Establishment of a CxO × Regional Management Structure** (to address company-wide optimization of production and manufacturing resources, etc.)
    Initiating DX investments in domestic manufacturing (production & quality), including Product Lifecycle Management (PLM) implementation

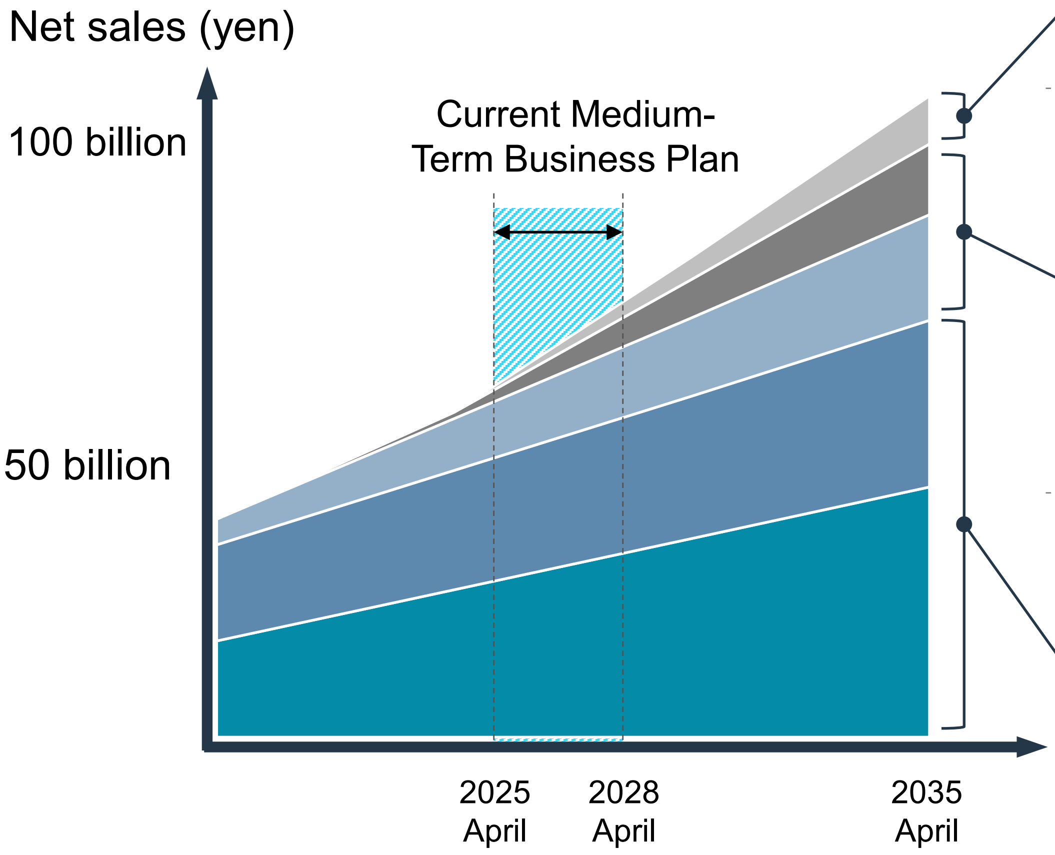
Capital Policy

- Maintaining the initial plan regarding investment policies and achievement targets
  - ✓ Investment policy: Investing a total of 26 billion yen or more
    - As part of our capital investment, we have already invested 0.3 billion yen in IT (specifically for PLM and plant DX)
    - Growth investments of approximately 4.1 billion yen deployed for R&D, new domain/business development, and M&A exploration
  - ✓ Performance Target: The ROE target at the end of the medium-term plan period is 11.0%
- With regards to the shareholder return policy, and driven by our pursuit of capital efficiency, **we will continue to adhere to our return policy of DOE 7.0% to 7.5%**
  - ✓ We plan to pay **a 100th anniversary dividend of 5 yen per share** in FY2026
  - ✓ Additionally, during FY2026, **we plan to execute treasury shares acquisition program** totaling approximately 1.5 billion yen

Overall Growth & Business Strategy (Positioning in 1st Medium-Term Plan)

In addition to the growth of existing businesses, we will make aggressive growth investments centered on M&A as the start year of "creation of new business areas" and build a bridgehead for achieving Vision2035.

■ **Image of growth until achieving Vision2035**



New business development

■ Development through methods other than M&A, including co-creation with other companies such as alliances

M&A implementation

- **New businesses**
- Existing businesses

■ **Acquiring new business models and creating new business areas through M&A to become the third pillar**

■ Expanding product portfolio areas in the air energy business and coating business

Organic growth

- Coating business
- Air energy business

■ Positioning overseas as a growth market and executing growth strategies formulated individually based on the characteristics of each area

■ Promoting development of new markets and development of new products and services by utilizing the core technologies and know-how we have cultivated so far

Focus Areas in the First Medium-Term Business Plan

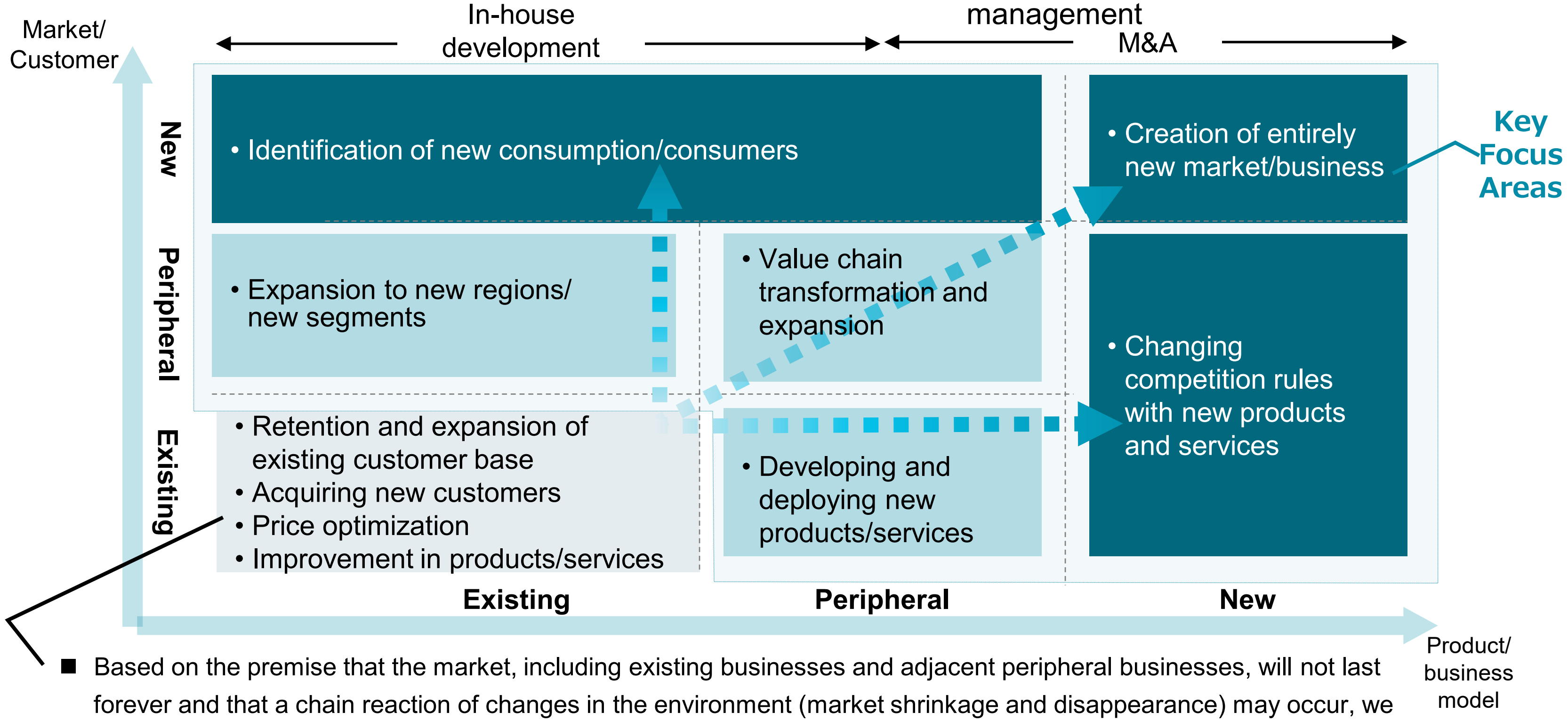
While keeping our focus on existing areas, we will not be bound by them and will begin inorganic "creation of new business areas" including M&A in peripheral areas and innovation hubs, as well as expanding sales channels mainly in overseas key areas.

Business strategy

Focus areas	• **Business in New Areas (Related + New Domains)**
Management policy	• **Utilization of inorganics** • High value-added route
Functions and skills to be strengthened	• New business planning and investment capabilities • Establishing M&A human resources and PMI structure • Value addition in total performance and services • Strengthening of supply chain management

Area strategy

Focus areas	• **Overseas** (Prioritizing resource allocation to existing areas rather than the development of new areas)
Management policy	• Decision making by area • Increased autonomy
Functions and skills to be strengthened	• **Overseas sales channel development capability** • Strengthening overseas governance • Strengthening management by office • Strengthening HQ function • Building area-wise value chains



■ Based on the premise that the market, including existing businesses and adjacent peripheral businesses, will not last forever and that a chain reaction of changes in the environment (market shrinkage and disappearance) may occur, we recognize the need to create new business areas in the medium to long term.

Business Strategy Initiatives Policy (1/2)

ANEST IWATA 100th Anniversary

During the current medium-term plan period, we will concentrate resources on existing adjacent areas to drive the development of new products and applications, while steadily expanding sales through region-specific initiatives

AE Business

Air compressors	Oil-free	built-in applications	We have allocated development resources as a top priority and are actively proceeding with development, and **plan to sequentially launch new products starting from the first half of the next fiscal year**
		Medium-scale	Like built-in applications, this is a priority area for development. **We plan to launch some products during the current medium-term plan period**
		Large-scale	We will proceed with the development using existing resources (including SCR), with an aim to launch products during the next fiscal year
	Lubrication type		
Gas air compressors and vacuum pumps			We will implement initial-stage development, including joint development, as a stepping stone to market entry. Some products are scheduled for launch in the next fiscal year or later We plan to pursue a "market-in" approach in development while sequentially securing the necessary development resources

CT Business

Industrial Coating	Equipment	Car repair	We aim to secure the No. 1 position in this market by refining our new product lineup and **deepening our market penetration across all regions**
		Niche	We provide solutions with an emphasis on speed **by customizing our existing base models**
		For industrial use	By preferentially allocating development resources, **we plan to sequentially launch competitive products during the current medium-term plan period**
	System		We will establish a proposal framework for **AI integration and metal coating solutions**
	Metal coating		We are conducting initial-stage development—including business alliances and joint development initiatives—to establish a foothold for market entry. We plan to pursue a "market-in" approach in development while sequentially securing the necessary development resources

■ Europe, Australia, Africa

AE
- ✓ Focus on developing relationships with set manufacturers
- ✓ Sales expansion of air compressors into the car repair market, where we have a strong presence in the CT business

CT
- ✓ Development of peripheral markets through business alliances
- ✓ Horizontal expansion of functional material coating products within the region

■ Japan, South Korea, Taiwan

AE
- ✓ Retaining existing customers through after-sales marketing strategies
- ✓ Launching new medium-sized oil-free machines into the market

CT
- ✓ Strengthening of relationship with paint manufacturers
- ✓ Practical application of SMART SPRAY
- ✓ Establishing a framework for metal coating system solutions

■ Americas, India

AE
- ✓ Market launch of new medium-size oil-free machines
- ✓ Market launch of air compressors for built-in applications
- ✓ Sales growth through knock-down production of screw air compressors

CT
- ✓ Custom suggestions in niche applications
- ✓ Expansion of coating system proposals in India

■ China, ASEAN

AE
- ✓ Commencing the supply of Anest Iwata unified-brand screw compressors
- ✓ Restructuring of new sales channels in each country

CT
- ✓ Custom suggestions in niche applications
- ✓ Exploration of car repair robots

Business Strategy Initiatives Policy (2/2)

Accelerating new business development cycles through dedicated organization while advancing manufacturing/production reforms and HR system transformation to strengthen sustainable value creation foundation

Production and manufacturing

1 Enhancing creativity and development capabilities

- **Full-scale equipment investment for Manufacturing Innovation Center (MIC) establishment in head office lab area**
- Defining core in-house processes and ratios; initiating production technology acquisition

2 Optimizing bases and maximizing asset efficiency

- **Commencing global base optimization centered** on European sites

3 Improving quality and profitability

- **Introducing site-led quality management model** covering anomaly detection through issue resolution
- Launching Meister system to systematize and standardize skilled craftsmen skills

New business

1 Launching dedicated organization and cycles

- **Strategic organization** under Corporate Planning **to lead new business development**
- Defined new business process/cycle; **outreach to M&A/partners started**

2 Adjacent business expansion

- Expanding car-repair scope
  - ✓ New self-repair services launched, incl. B to C carve-out from ANEST IWATA A.I.R.

management foundation

1 Deepening CxO × Regional Leadership System

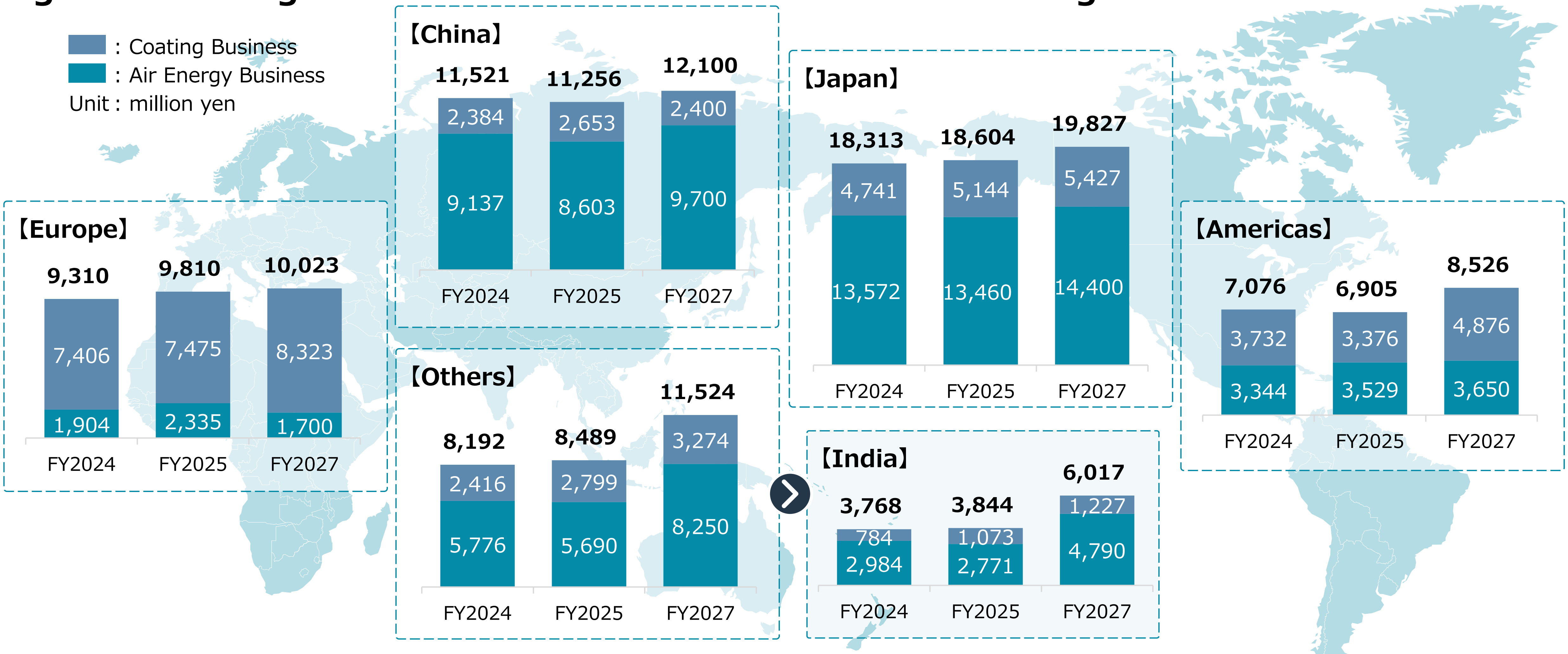
- **Enhanced next-gen candidate requirements and development**
  - ✓ Linked to executive/global talent training and succession planning

2 Building foundation and redesigning HR framework

- **Building foundation and redesigning HR framework**
- Established HR policy, organization/staffing plans
  - ✓ Revamped domestic HR systems; phased global rollout

Sales and Profit Plan by Area

We will clarify growth rates and sales targets for each major market and implement growth strategies tailored to the characteristics of each region.



Note: "Others" represents the total business activities in India, Taiwan,South Korea, ASEAN, Australia, and South Africa.

Capital allocation policy (reproduced)

We will balance ambitious growth investments and appropriate shareholder returns based on a capital policy that aligns, does not inhibit and supports "strengthening M&A promotion."

Investment policy

- Executing investments of **26 billion yen or more**, using cash and deposits held and operating CF
  - Capital investment (investment in production capacity enhancement, IT investment, etc.): 8 billion yen
  - Growth investment (R&D, new business development, M&A, etc.): 18 billion yen or more

    Note: Considering using interest-bearing liabilities such as loans in some cases when implementing M&A

Shareholder return policy

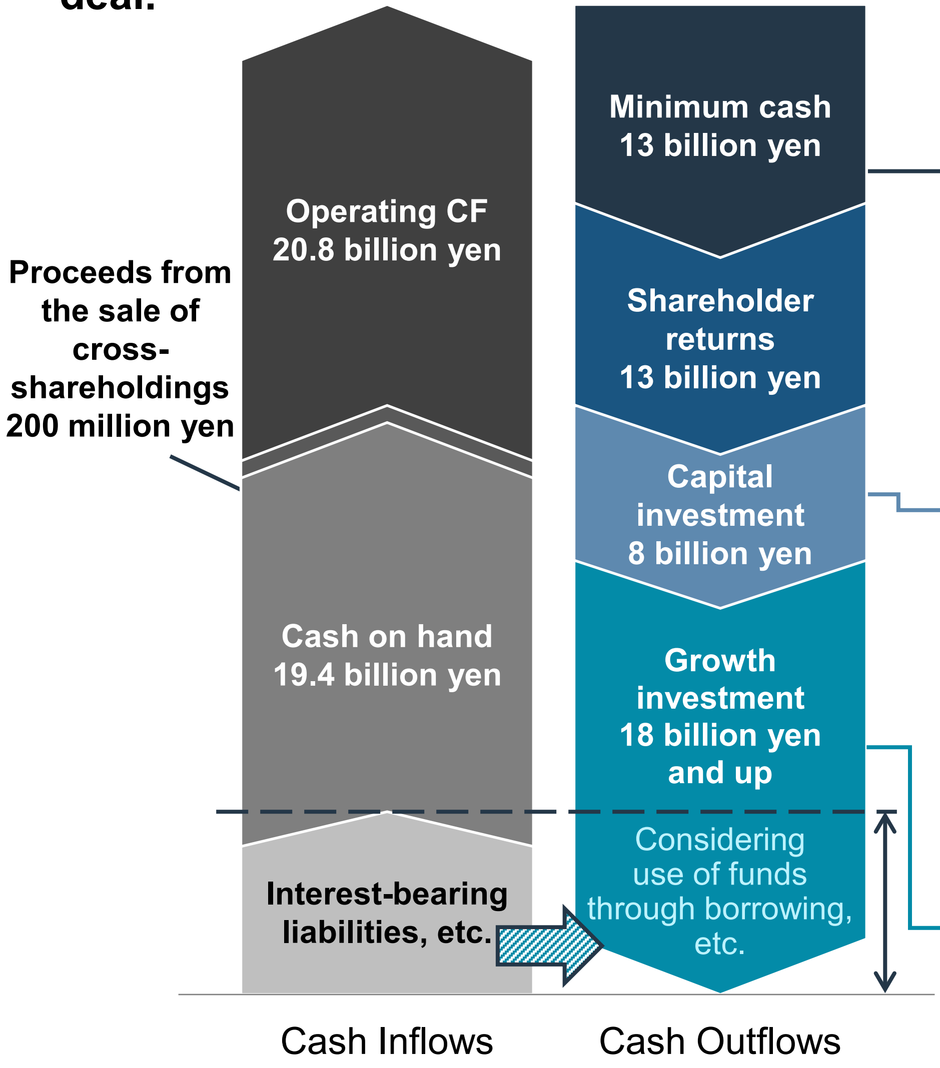
- From FY2025, setting **DOE** for the current Medium-Term Business Plan period at **7.0-7.5%**
  - Progressively increasing dividends with FY2025 as the lower limit
- Acquisition of treasury shares of **3 to 3.5 billion yen** during the current Medium-Term Business Plan period

Management with an emphasis on capital efficiency

- ROE target for the current Medium-Term Business Plan period is set at **11.0%.**

Cash Allocation (reproduced)

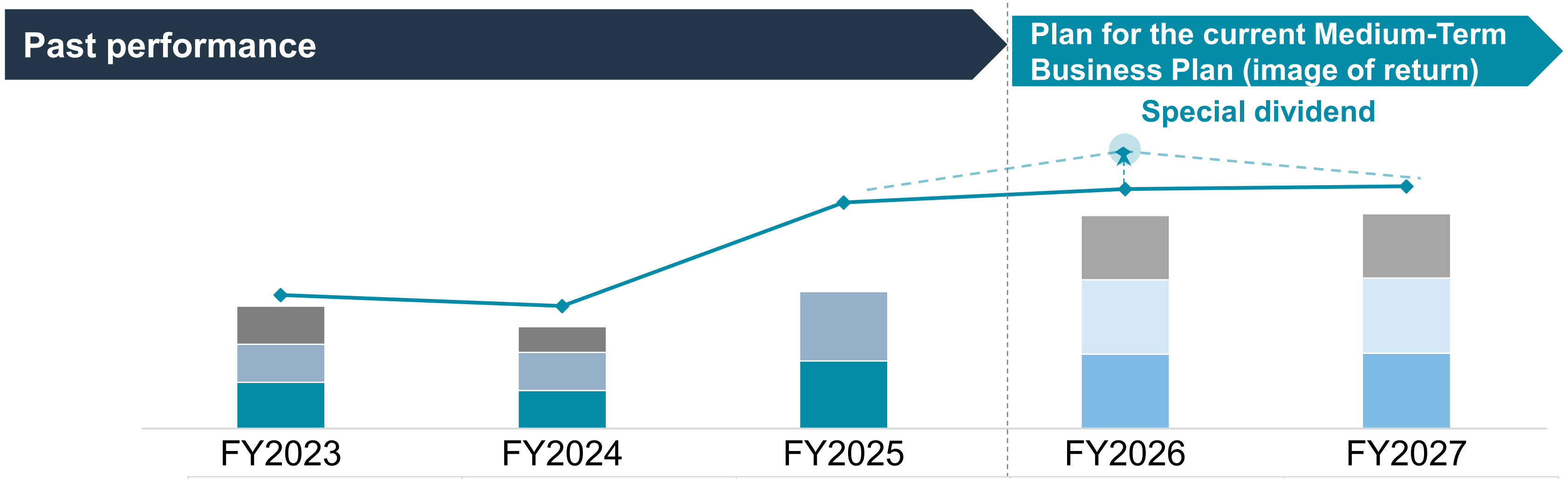
Cash allocation to shareholder returns, capital investments, and growth investments, while maintaining the minimum necessary level. In the case of M&A, we will consider financing through borrowing, etc., depending on the size of the deal.



Items	Monetary scale	Overview
Dividend	10 billion yen	■ DOE7.0 - 7.5%
Purchase of treasury shares	3 to 3.5 billion yen	■ About 5% of issued shares
Investment to increase production capacity	6 billion yen	■ Factory automation ■ Expansion of overseas factory facilities ■ Construction of overseas assembly buildings
IT investment	2 billion yen	■ Implementation of Product Lifecycle Management (PLM) ■ Factory DX ■ Consideration of ERP update
R&D	3 billion yen	■ Prototype building, etc., facility expansion ■ Joint research expenses ■ Prototype expenses
M&A	15 billion yen and up	■ Application development investment ■ Investment in peripheral business

During the period of the first Medium-Term Business Plan, a total of 13 billion yen will be returned to shareholders.

- In order to realize stable and greater returns to shareholders, we have adopted the **dividend on equity ratio (DOE)** as a new return indicator
- The target for this fiscal year is **7.0% to 7.5% DOE**. However, the dividend will not be lower than that of FY2025 and will be increased progressively during the period.*9
- Treasury shares buyback will be implemented for a total of **3 billion to 3.5 billion yen** (approximately 5% of issued shares) during the period.



	FY2023	FY2024	FY2025	FY2026	FY2027
Amount of Shares Repurchased	890 million yen	600 million yen	-	1,500 million yen	1,500 million yen ~
Year-end Dividend	890 million yen	890 million yen	1,820 million yen*10	1,940 million yen	DOE 7.0% to 7.5% dividend
Interim Dividend	1,080 million yen	890 million yen	1,620 million yen	1,670 million yen	
Annual Dividend per Share	49.0 yen	45.0 yen	87.0 yen	93.0 yen*11	

*9 DOE target and floor exclude special factors such as commemorative dividends
*10 FY2025 final dividend determined by resolution at the 80th Ordinary General Meeting of Shareholders
*11 Includes ¥5 per share 100th anniversary commemorative dividend

Composition of the Board of Directors and Skills Held

We will maintain a high level of governance and update the skills items and their definitions and evaluation criteria to ensure the implementation of business strategies and capital policies under the new structure.

Job		Name	Gender	Corporate Management	Global	Human Resources & Organizational Development	R&D	Manufacturing & Supply Chain	Sales & Marketing	Finance & Account	Legal & Risk Management	IT Digital	New Business Development & M&A
Directors	President, Representative Director and Chief Executive Officer (CEO)	Eisuke Miyoshi	Male	●	●	●			●	●		●	●
	Director, Senior Managing Executive Officer, CTO and General Manager of Development & Engineering Division	Kenichi Osawa	Male	●	●		●	●	●			●	●
	Director, Managing Executive Officer, CSO and General Manager of Business Strategy Division	Hitoshi Iwata	Male	●	●	●		●	●	●			●
	Independent Director	Makoto Shimamoto	Male	●	●		●	●					●
	Independent Director	Takahiro Kanayama	Male	●		●							
Directors, Audit and Supervisory Committee Members	Audit and Supervisory Committee Member (Full-time)	Katsumi Takeda	Male	●	●		●	●	●		●		
	Independent Director (Audit and Supervisory Committee Member)	Reiko Ohashi	Female							●	●	●	
	Independent Director (Audit and Supervisory Committee Member)	Yuko Shirai	Female			●					●		
	(New Appointment) Independent Director (Audit and Supervisory Committee Member)	Kazuhisa Fujita	Male		●						●	●	●

Updated in accordance with management policy

Composition ratio of independent directors	**56%**

Composition ratio of female directors	**22%**

Note: The above is the composition of the Board of Directors if candidates for directors (excluding directors, Audit and Supervisory Committee members) are elected at the Ordinary General Shareholders' Meeting in June 2026

Appendix

Definitions and Overview of Terms

No.	Terminology	Alias	Definition and Overview
1	AE Business	Air energy business	Business areas involving the manufacture and sale of air compressors and vacuum equipment
2	CT Business	Coating business	Business areas involving the manufacture and sale of coating equipment and coating systems
3	Car repair	-	Abbreviation for "Car repair"
4	Industrial coating	Industrial coating	Businesses targeting the general industrial (general manufacturing) coating market, excluding the car repair market
5	Coating service business		Contract coating business
6	SMART SPRAY	-	Spray guns utilizing smart coating technology integrated with AI
7	New business	-	Businesses that provide products or services in new fields distinct from existing businesses, with the aim of expanding profits and business scale. In principle, this refers to cases where either the [market/customer] or the [product/business model] is new
8	Related businesses	-	Areas adjacent to existing businesses with inherent continuity
9	Dejima	-	Areas among new businesses where existing products, technologies, or business models can be leveraged to reach new customers or enter new markets. Alternatively, areas where market expansion is expected through the acquisition of new technologies or products
10	Non-adjacent areas	-	Areas among new businesses where both the [market/customer] and the [product/business model] are new, and the business operates in isolation
11	MIC	Manufacturing Innovation Center	Manufacturing Innovation Center. A hub for research and development of production technologies and the management base for core and mass-production plants
12	QRQC	Quick Response Quality Control	Site-led, real-time approach to quality control

History

For nearly 100 years since our founding, we have been pursuing technological innovation in air compressors and coating equipment to solve the challenges faced by our customers around the world.

1926 Founding of Iwata Seisakusho, the predecessor of our Company

1927 Began production and sales of Japan's first spray guns

1928 Began production and sales of small compressors

1962 Installed new coating systems, and the Company entered the coating systems field

1973 Stock listed on the first section of the Tokyo Stock Exchange

1985 Developed the world's first electric, articulated painting robot

1987 Full-scale overseas expansion of manufacturing and sales bases for coating equipment, starting with Taiwan

1991 Developed the world's first oil-free scroll air compressor

1993 Developed the world's first oil-free scroll vacuum pump

1996 Company name changed to "ANEST IWATA" on the 70th anniversary of the Company's founding

2000 Full-scale overseas expansion of compressor manufacturing and sales bases, mainly in Asia

ANEST IWATA MOTHERSON Pvt. Ltd. (India)
Established in 2000

Shanghai Screw Compressor Co., Ltd. (China)
Capital participation in 2017

2017 Oil-free scroll air compressor F series received Energy-Saving Equipment Award

2022 Transition to the Prime Market of the Tokyo Stock Exchange

Launch of flagship model spray gun WS400SR2 with built-in digital pressure gauge

Establishment period → **Growth period** → **Technological innovation and overseas expansion** → **Global network construction**

Our Company's Origins and Current Business Overview

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.

Founded in 1926
(Former company name: Iwata Seisakusho)

Started manufacturing of spray guns using an American-made spray gun as a model

Spray gun

Coating hand gun

Atomizing paint with compressed air

Air compressor

Compressor

Started manufacturing of air compressors as power for spray guns

Product differentiation concept

- Environment-friendly
- Ability to present proposals for coating surface creation

- Oil-free
- Energy-saving

Coating robot

Airbrush

Diversification of products
Development of new applications

Oil-free scroll vacuum pump

Oil-free scroll air compressor

Coating business

Coating equipment

- ✓ Tools for atomizing paint and other liquids or machinery for conveying liquids
- ✓ Equipment units such as spray guns and paint supply pumps

Coating systems

- ✓ Equipment comprising a series of pre- and post-coating processes
- ✓ Systems combining coating equipment with coating robots, ventilation and drying equipment, etc.

Air energy business

Air compressors

- ✓ Machines that compress gas, mainly air
- ✓ Air compressors, N_2 gas generators, and auxiliary equipment such as tanks

Vacuum equipment

- ✓ Machines that suck in gas to reduce the pressure, creating a vacuum
- ✓ Vacuum pumps and auxiliary equipment such as valves

On the occasion of our 100th anniversary

<We will strengthen our internal branding initiatives in conjunction with our 100th anniversary>

Transform into a structure that contributes to the execution of management strategy

Compress the Passion

Compression

Ignition

100th

Anniversary

Year 2026

Release the Passion

Release

Reform of the "corporate structure," such as the behavior and attitude of each employee who is responsible for change, is important in the implementation of management strategy.
We define internal branding as "transforming into a structure that contributes to the execution of management strategy" and will promote it on the occasion of our 100th anniversary.

100th Anniversary

Details of Statement of Income

Equity in earnings of affiliates was 1,056 million yen (+119 million yen year-on-year). The performance of the equity-method affiliate that sells air compressors in the United States remained solid

	FY2024		FY2025		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	**54,411**	**100.0**	**55,909**	**100.0**	**+1,498**	**+2.8**	**—**
Cost of sales	29,091	53.5	29,766	53.2	+675	+2.3	-0.3
Gross profit	25,320	46.5	26,143	46.8	+822	+3.3	+0.3
SG&A expenses	19,417	35.7	20,580	36.8	+1,162	+6.0	+1.1
Operating profit	**5,903**	**10.8**	**5,563**	**10.0**	**-339**	**-5.8**	**-0.8**
Non-operating income	1,419	2.6	2,250	4.0	+831	+58.6	+1.4
Non-operating expenses	182	0.3	95	0.2	-87	-47.7	-0.1
Ordinary profit	**7,139**	**13.1**	**7,718**	**13.8**	**+579**	**+8.1**	**+0.7**
Extraordinary income	536	1.0	807	1.4	+271	+50.7	+0.4
Extraordinary losses	404	0.7	53	0.1	-350	-86.8	-0.6
Profit before income taxes	**7,271**	**13.4**	**8,472**	**15.2**	**+1,201**	**+16.5**	**+1.8**
Income taxes	1,904	3.5	2,159	3.9	+254	+13.3	+0.4
Profit attributable to non-controlling interests	1,089	2.0	957	1.7	-132	-12.1	-0.3
Profit attributable to owners of parent	**4,276**	**7.9**	**5,356**	**9.6**	**+1,079**	**+25.2**	**+1.7**

FY2025 Changes in Business Results

[Total] Unit: Million yen

			FY2025			
			1Q	1～2Q	1～3Q	1～4Q
Net sales			12,088	26,325	39,489	55,909
Year-on-year			-3.2%	-2.7%	-1.3%	+2.8%
Air energy		**Air compressors**	6,618	14,577	22,314	31,124
		Year-on-year	-3.2%	-3.3%	-2.2%	+1.1%
		Vacuum equipment	597	1,233	1,838	2,559
		Year-on-year	-20.2%	-18.2%	-15.3%	-9.3%
	Net sales		7,215	15,810	24,152	33,683
	Year-on-year		-4.9%	-4.7%	-3.3%	+0.2%
Coating		**Coating equipment**	4,427	8,771	12,859	17,941
		Year-on-year	+1.8%	-4.4%	-2.9%	0.0%
		Coating systems	291	1,310	1,927	3,550
		Year-on-year	-44.4%	+5.2%	+14.3%	+29.8%
	Net sales		4,719	10,082	14,785	21,491
	Year-on-year		-3.2%	-3.2%	-1.0%	+3.9%
Others	**Net sales**		153	432	551	734
	Year-on-year		+451.0%	+674.5%	+594.6%	+496.2%
Operating profit			929	2,511	3,796	5,563
Year-on-year			-8.7%	-15.2%	-18.1%	-5.8%
Air energy	**Operating profit**		478	1,409	2,289	3,313
	Year-on-year		-15.4%	-5.7%	-9.0%	-2.2%
Coating	**Operating profit**		533	1,237	1,735	2,541
	Year-on-year		+21.6%	-14.4%	-18.1%	-2.6%
Others	**Operating profit**		-82	-134	-229	-291
	Year-on-year		-	-	-	-

[Quarterly] Unit：Million yen

			FY2025			
			1Q	2Q	3Q	4Q
Net sales			12,088	14,236	13,163	16,421
Year-on-year			-3.2%	-2.3%	+1.8%	+13.9%
Air energy		**Air compressors**	6,618	7,958	7,737	8,810
		Year-on-year	-3.2%	-3.4%	+0.1%	+10.4%
		Vacuum equipment	597	635	605	720
		Year-on-year	-20.2%	-16.4%	-8.7%	+10.7%
	Net sales		7,215	8,594	8,341	9,531
	Year-on-year		-4.9%	-4.5%	-0.6%	+10.5%
Coating		**Coating equipment**	4,427	4,344	4,087	5,082
		Year-on-year	+1.8%	-9.9%	+0.4%	+8.1%
		Coating systems	291	1,018	616	1,623
		Year-on-year	-44.4%	+41.4%	+39.9%	+54.7%
	Net sales		4,719	5,363	4,703	6,706
	Year-on-year		-3.2%	-3.3%	+4.3%	+16.6%
Others	**Net sales**		153	278	118	183
	Year-on-year		+451.0%	+897.7%	+404.7%	+318.3%
Operating profit			929	1,582	1,284	1,767
Year-on-year			-8.7%	-18.6%	-23.2%	+39.2%
Air energy	**Operating profit**		478	930	880	1,023
	Year-on-year		-15.4%	+0.3%	-13.9%	+17.4%
Coating	**Operating profit**		533	703	498	805
	Year-on-year		+21.6%	-30.0%	-26.2%	+65.2%
Others	**Operating profit**		-82	-52	-95	-61
	Year-on-year		-	-	-	-

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.

Contact:

Investor Relations Group,
Corporate Planning Department, Corporate Planning Division,
ANEST IWATA Corporation
Phone: 045-591-9344
E-mail: ir_koho@anest-iwata.co.jp
URL : https://www.anestiwata-corp.com/