Supplementary Presentation Material of FY2026 First Quarter Financial Results

ANEST IWATA Corporation

August 10, 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

Key Points of the Material

Results for FY2026 1Q

- Net sales was 13,700 million yen (+13.3% year-on-year)
  - Air energy business achieved increased revenue and profits. Air compressors drove overall growth. Sales of oil-free scroll air compressors remained strong, particularly in Europe
  - Coating business achieved increased revenue and profits. Sales of coating equipment in Europe and coating systems in Japan remained strong
- Operating profit was 1,234 million yen (+32.8% year-on-year)
  - Operating margin improved significantly to 9.0%, up 1.3 percentage points year on year, driven in part by higher revenue from oil-free compressors.
- Raised our first-half and full-year earnings forecasts, reflecting stronger-than-expected sales and effective SG&A management under the regional management structure.

Key Topics in Q1

Please refer to pages 7-8

- Responding to increasing AI demand
  - ✓ Increased inquiries for oil-free scroll compressors for data centers; continuing efforts to capture demand amid a buoyant AI and semiconductor market
  - ✓ Developing technology to digitize painting technicians' work processes. Going forward, we aim to leverage our high market share in spray guns to become a platform provider for painting data, helping customers automate processes, reduce labor requirements, and improve operational efficiency.
- Expanding into next-generation energy fields, including hydrogen, by acquiring new technologies in high-pressure and gas compression through M&A
- Developing painting equipment that reduces energy consumption in drying processes and shortens processing times, directly supporting customers' decarbonization efforts
- Progress on new product development, the Medium-Term Business Plan, and the Master Plan (Medium- to Long-Term Growth Strategy) is proceeding as planned

Financial Highlights

Net sales increased, driven primarily by sales of air compressors mainly in Europe and the Americas, and coating equipment in Europe. Profit increased due to an effective expense control and the impact of foreign exchange fluctuations.

- Upward revision of the first-half and full-year earnings forecasts due to sales growth and effective expense control.
  Compared with the first-half earnings forecasts for FY2026: Net sales +4.6%; Operating income +35.7%; Ordinary income +34.8%; Net income +31.4%.

		FY2025 1Q		FY2026 1Q		Year-on-year			1H result forecasts (revised)	
		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		12,088	—	13,700	—	+1,611	+13.3	—	30,500	44.9
Operating profit		929	7.7	1,234	9.0	+305	+32.8	+1.3	3,000	41.1
Ordinary profit		1,315	10.9	1,763	12.9	+447	+34.1	+2.0	3,800	46.4
Profit attributable to owners of parent		895	7.4	1,137	8.3	+241	+27.0	+0.9	2,300	49.4
Average exchange rate of yen to	USD	152.60 yen		156.86 yen		Depreciated by 4.26 yen			151.50 yen	
	EUR	160.50 yen		183.65 yen		Depreciated by 23.15 yen			175.00 yen	
	CNY	20.95 yen		22.66 yen		Depreciated by 1.71 yen			21.00 yen	

* Exchange rate assumptions unchanged

[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 50 million, EUR 50 million, and CNY 600 million 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.

Factors affecting net sales (by business)

All businesses recorded increased revenue

		FY2026 1Q	Year-on-year	
		(million yen)	(million yen)	(%)
Net sales		**13,700**	**+1,611**	**+13.3**
Air energy	Air compressors	7,325	+707	+10.7
	Vacuum equipment	691	+93	+15.7
	Subtotal	**8,017**	**+801**	**+11.1**
Coating	Coating equipment	4,889	+462	+10.4
	Coating systems	634	+342	+117.3
	Subtotal	**5,523**	**+804**	**+17.0**
Others	Subtotal	**159**	**+5**	**+3.8**

Note: The “others" business includes earnings from a consolidated subsidiary in Japan that sells consumer products and provides mobility after-sales services.

Primary factors for increase or decrease

Air compressors

- Japan: Strong sales of small and medium-sized air compressors, driven by a year-on-year increase in industry-wide shipment volumes
- Europe: Orders from OEM customers remained solid. Sales of oil-free scroll air compressors remained strong. Cultivation of other OEM customers is also progressing
- Americas: Sales of oil-free air compressors for in-vehicle mounting applications remained strong in the United States and Brazil
- India: Sales of small and medium-sized air compressors for the general-purpose market were strong
- China: Export sales remained solid, while domestic sales faced intensifying price competition

Vacuum

- Japan and Taiwan: Sales of vacuum pumps for SPE (semiconductor production equipment) manufacturers were strong
- China: Sales of vacuum pumps increased through the acquisition of new customers, particularly equipment manufacturers in the research and development sector

Coating equipment

- Japan: Sales growth was sluggish amid an industry downturn caused by a naphtha shortage
- Europe: Strong sales of spray guns for the car repair market
- China: Sales of equipment for the industrial coating market and spray guns for the car repair market were strong

Coating systems

- Japan: Sales of equipment items and environmental equipment increased following the completion of deliveries from the order backlog carried over from the beginning of the fiscal year

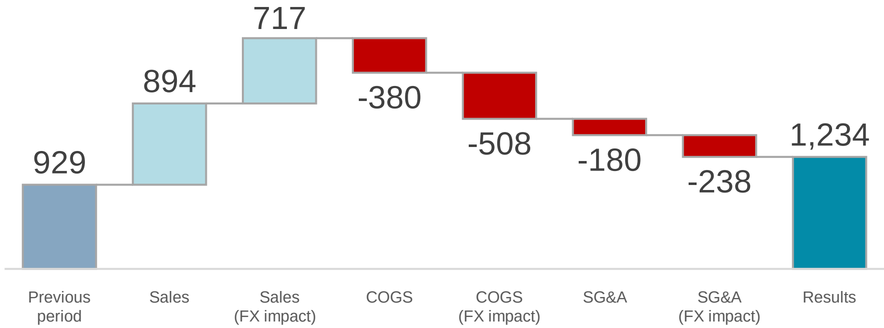
Others

- Other: The automotive repair shop opened in the previous fiscal year has been operating steadily, resulting in an increase in the number of vehicles serviced

Profit increased due to higher gross profit from sales growth and better-than-expected progress in expense control.

Factors affecting operating profit

(million yen)	FY2025 1Q		FY2026 1Q	
	Amount	Profit ratio*1	Amount	profit ratio
Air Energy	**478**	**6.6**	**683**	**8.5**
Coating	**533**	**11.3**	**602**	**10.9**
Others	**-82**	**-**	**-51**	**-**



Air Energy
- Improvement in product mix resulting from an increased sales ratio of high-margin small-sized air compressors

Coating
- Deterioration in product mix resulting from a higher sales ratio of low-margin coating systems

Others
- Although expenses were incurred for the launch of the Mobility After-Sales Service Business, the operating loss narrowed (previous period operating loss: 82 million yen)

Cost of sales
- Cost to sales ratio increased to 52.3% (+0.4 pt year-on-year) due to rise in raw material prices, etc.

SG&A expenses
- Although personnel expenses and M&A-related commission expenses increased, the SG&A expense ratio improved due to the effect of increased revenue: 38.7% (-1.7 pt year-on-year)
  - ― Personnel expenses: +248 million yen year-on-year
  - ― Commission expenses: +150 million yen year-on-year
  - ― Selling expenses: -2 million yen year-on-year

Operating profit
- Overall foreign exchange impact on operating profit: -29 million yen

Factors affecting ordinary profit and profit

(million yen)	FY2025 1Q		FY2026 1Q	
	Amount	profit ratio	Amount	profit ratio
Ordinary profit	**1,315**	**10.9**	**1,763**	**12.9**
Profit*2	**895**	**7.4**	**1,137**	**8.3**

Non-operating income
- Foreign exchange gains of 149 million yen on foreign-currency-denominated bond due to the appreciation of the euro. (+143 million yen year-on-year)
- Profit from equity-method investments amounted to 264 million yen (-19 million yen year-on-year)

Extraordinary losses
- Recorded a loss resulting from misconduct at overseas subsidiaries: 132 million yen

*1 (Image of product-wise profit ratio) Vacuum equipment > Coating equipment > Air compressors > Coating systems *2 Profit attributable to owners of parent

Capital Investment Plan and R&D Cost Status

Established the Manufacturing Innovation Center (MIC)*1 to accelerate development and reduce prototyping costs. The MIC will optimize production processes, accelerate new product development, and create new manufacturing processes.

Full-year plan remains unchanged.	FY2025	FY2026		
	1Q actual (million yen)	1Q actual (million yen)	Full year plan (million yen)	Progress rate (%)
Capital investment	**842**	**659**	**3,910**	**16.9**
Depreciation	**551**	**568**	**2,580**	**22.0**
R&D cost*2	**390**	**488**	**2,360**	**20.7**

Major capital investments

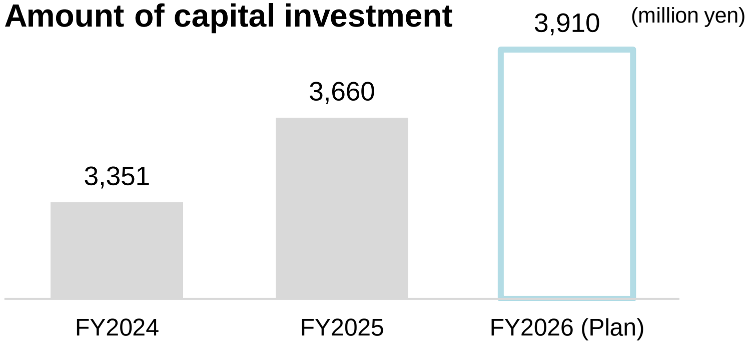
Actual

- Japan: Establishment of the MIC aimed at accelerating development speed and reducing prototyping costs
- All regions: Expansion of production facilities, primarily in Europe

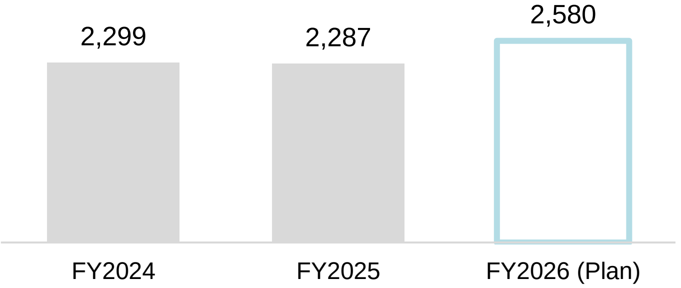
Plan

- Japan: • Building of digital infrastructure, including factory digitalization aimed at knowledge transfer and the reduction of design man-hours—and bringing In-house production of core processes and key components
- Expansion of production facilities across each region

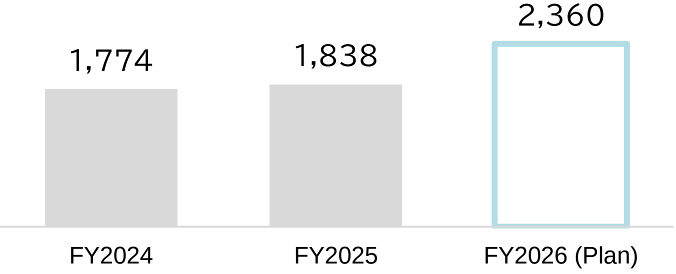
Amount of capital investment



Depreciation



R&D cost



*1 MIC (Manufacturing Innovation Center). Former name: Prototype Building. For details, refer to the press release issued on June 26 (redirected to external site).

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

Performance Forecasts for FY2026 (Revised)

Raised full-year earnings forecast, reflecting faster-than-expected growth in oil-free compressor sales, particularly in Europe and the Americas; higher revenue following the consolidation of SANWA Co., Ltd., ("SANWA") as a subsidiary; and tangible benefits from expense control after the launch of the regional management structure.

(Unit: million yen)		FY2025	FY2026					
		Actual value	Initial forecast	Revised forecast	Initial forecast comparison		Year-on-year	
					Variance	Increase/ decrease rate (%)	Variance	Increase/ decrease rate (%)
Net sales	**Total**	**55,909**	**60,000**	**60,700**	**+700**	**+1.2**	**+4,790**	**+8.6**
	Air Energy	33,683	35,650	36,350	+700	+2.0	+2,666	+7.9
	Coating	21,491	23,350	23,350	+0	+0.0	+1,858	+8.6
	Others	734	1000	1,000	+0	+0.0	+265	+36.2
Operating profit	**Total**	**5,563**	**5,200**	**5,400**	**+200**	**+3.8**	**-163**	**-2.9**
	Air Energy	3,313	2,950	3,150	+200	+6.8	-163	-4.9
	Coating	2,541	2,430	2,430	+0	+0.0	-111	-4.4
	Others	-291	-180	-180	+0	+0.0	+111	-38.3
Ordinary profit		**7,718**	**6,460**	**6,460**	**+0**	**+0.0**	**-1,258**	**-16.3**
Profit		**5,356**	**3,950**	**3,950**	**+0**	**+0.0**	**-1,406**	**-26.3**

Premises for Performance Forecasts

- **New product development:** The new oil-free medium-sized air compressor is scheduled to be launched in FY2026. The contribution to earnings is expected from the second half onward
- **Heightened tensions in the Middle East:** At present, the impact on business performance is expected to be limited. The earnings forecast does not incorporate the potential impact of rising material prices resulting from a prolonged situation
- **Foreign exchange movements:** The earnings forecast does not incorporate foreign exchange gains or losses
- **Selling, general, and administrative expenses:** Expenses related to the 100th-anniversary initiatives will be recorded as planned for the full year
- **Extraordinary income:** The gain from the sale of a domestic sales office recorded in the previous fiscal year will not be repeated. A decline is anticipated

Key Topics in Q1

Growing AI-Related Demand

ANEST IWATA Solution

Oil-free compressors essential to precision industries

Growing AI-related demand

▼

Expansion of data center capacity

▼

Increased production volumes

- Semiconductors
- Cooling equipment (chillers)
- SPE (Semiconductor production equipment)
- Power supply units

▼

As a manufacturer and supplier of oil-free compressors, we have long **supported production at data center-related companies**. In response to higher production volumes driven by growing AI-related demand, **deliveries to these companies have increased**.

Responding to the Declining Labor Force

ANEST IWATA Solution

Smart Spray: Digitizing Coating Expertise

Step1 — Current Status

Digitizing Coating Expertise for New Employee Training

Track coating motion data and other relevant parameters

▼

Quantify the techniques of skilled coating professionals and apply the data to training for new employees

Step2

Building a Coating Data Platform

Accumulate coating data across a wide range of applications and operating conditions to build a comprehensive coating database.

Step3 — Vision

Teaching for Automated Coating Robots Using Physical AI

Use the coating data platform and AI to supplement coating expertise that would otherwise be lost.

Key Topics in Q1

Gateway to the Gas Compression Market

ANEST IWATA Solution

Entered the gas compressor market—including hydrogen, CO_2, nitrogen, and other gases—by leveraging SANWA's technology

Total compressor market: approximately 1,991.0 billion yen

Air compressor market: approximately 1,154.5 billion yen

Current addressable market

Gas compressor market*1: approximately 836.5 billion yen

Expansion of the target market

Completed the acquisition of SANWA, which possesses high-pressure compression technology, and plan to expand into the gas compressor market through further technology-focused M&A

*1 GLOBAL PROCESS GAS COMPRESSOR MARKET ANALYSIS, 2025 – 2034 (Custom Market Insights, 2025)

Realizing a Decarbonized Society

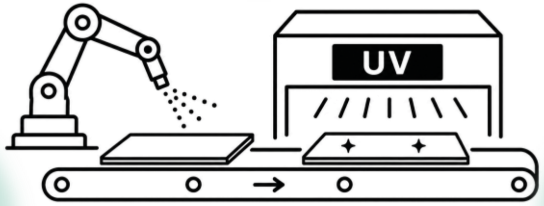
ANEST IWATA Solution

Decarbonizing coating processes through a solvent-free UV coating system

No drying oven required

Reducing CO_2 emissions

Paint curing via LED irradiation eliminates the need for electric drying ovens, which consume a significant amount of power, and gas-fired drying ovens



No VOCs*2

Reduced environmental impact

Eliminating the need to mix volatile solvents into the paint reduces environmentally harmful VOC* emissions

Reduced paint waste

Lower coating losses

The paint can be reused repeatedly until exposed to curing LEDs, reducing paint waste.

＊2 Volatile Organic Compounds

Appendix

<Appendix> Net Sales by Region

		FY2026 1Q	Year-on-year change*1				
Segments*2*3		Net sales (million yen)	Air compressors	Vacuum equipment	Coating equipment	Coating systems	Others
Total net sales		**13,700**	○	◎	○	◎	○
Reporting segments	Japan and Asia	**4,959**	○	◎	▼	◎	▼
	(Japan)	4,334	○	○	▼	◎	▼
	Europe, Australia, and Africa	**3,198**	◎	×	◎	－	－
	(Europe)	2,919	◎	●	◎	－	－
	Americas and India	**2,775**	◎	△	○	◎	－
	(Americas)	1,846	◎	△	▼	－	－
	China and ASEAN	**2,634**	●	◎	◎	◎	－
	(China)	2,341	●	◎	◎	◎	－
Others		**133**	－	－	－	－	○*4

*1. (Year-on-year change) ◎: +10% or more; O: +3% or more to less than +10%; △: +0% or more to less than +3%; ▼: negative margin less than 3%; ●: negative margin of 3% or more but less than 10%; ×: negative margin of 10% or more

2. In Japan and India, the year ends in March, while in other areas, it ends in December, resulting in a three-month gap in consolidated financial results
3. (Segment classification) Japan & Asia: Japan, South Korea and Taiwan, "Others": Business activities of certain subsidiaries not included in the reporting segments.
4. Includes earnings from a Japanese subsidiary established to build a third business pillar

＜Appendix＞Details of Statement of Income

	FY2025 1Q		FY2026 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	**12,088**	**—**	**13,700**	**—**	**+1,611**	**+13.3**	**—**
Cost of sales	6,275	51.9	7,163	52.3	+888	+14.2	+0.4
Gross profit	5,813	48.1	6,537	47.7	+723	+12.4	-0.4
SG&A expenses	4,884	40.4	5,302	38.7	+418	+8.6	-1.7
Operating profit	**929**	**7.7**	**1,234**	**9.0**	**+305**	**+32.8**	**+1.3**
Non-operating income	412	3.4	553	4.0	+140	+34.1	+0.6
Non-operating expenses	26	0.2	24	0.2	-2	-7.8	+0.0
Ordinary profit	**1,315**	**10.9**	**1,763**	**12.9**	**+447**	**+34.1**	**+2.0**
Extraordinary income	2	0.0	63	0.5	+61	+2,617.5	+0.5
Extraordinary losses	2	0.0	133	1.0	+130	+4,625.7	+1.0
Profit before income taxes	**1,314**	**10.9**	**1,693**	**12.4**	**+378**	**+28.8**	**+1.5**
Income taxes	235	1.9	327	2.4	+91	+39.0	+0.5
Profit attributable to non-controlling interests	183	1.5	228	1.7	+45	+24.8	+0.2
Profit attributable to owners of parent	**895**	**7.4**	**1,137**	**8.3**	**+241**	**+27.0**	**+0.9**

<Appendix> Overview of Balance Sheet

The equity ratio fell to 66.6% (-1.4 pt vs. FY2025 year-end) due to factors such as a decrease in retained earnings resulting from the payment of year-end dividends and an increase in non-current assets following the acquisition of an air compressors manufacturing and sales company as a subsidiary.

		FY2025 End of full year	FY2026 1Q	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	47,507	47,374	-132	-0.3	・Decrease in “Cash and deposits” -4,022 million yen ・Increase in “Securities” +1,041 million yen
	Non-current assets	27,133	27,807	+673	+2.5	・Increase in “Goodwill” +506 million yen
	Assets	**74,641**	**75,181**	**+540**	**+0.7**	
Liabilities and capital	Current liabilities	13,677	15,230	+1,552	+11.3	・Increase in “Dividends payable” included in “Other” Dividends payable +981 million yen
	Non-current liabilities	3,420	3,659	+238	+7.0	・Increase in “Retirement benefit liability” +68 million yen
	Liabilities	**17,098**	**18,890**	**+1,791**	**+10.5**	
	Shareholders' equity	44,308	43,299	-1,008	-2.3	・Decrease in “Retained earnings” -683 million yen
	Accumulated other comprehensive income	6,437	6,803	+366	+5.7	・Increase in “Foreign currency translation adjustment” +291 million yen
	Non-controlling interests	6,796	6,188	-608	-8.9	
	Net assets	**57,542**	**56,291**	**-1,250**	**-2.2**	
	Liabilities and net assets	**74,641**	**75,181**	**+540**	**+0.7**	

<Reference Information> FY2026 Changes in Business Results

[Cumulative Total]
Unit: Million yen

			FY2026			
			1Q	1～2Q	1～3Q	1～4Q
Net sales			13,700			
Year-on-year			+13.3%			
Air energy		**Air compressors**	7,325			
		Year-on-year	+10.7%			
		Vacuum equipment	691			
		Year-on-year	+15.7%			
	Net sales		8,017			
	Year-on-year		+11.1%			
Coating		**Coating equipment**	4,889			
		Year-on-year	+10.4%			
		Coating systems	634			
		Year-on-year	+117.3%			
	Net sales		5,523			
	Year-on-year		+17.0%			
Others	**Net sales**		159			
	Year-on-year		+3.8%			
Operating profit			1,234			
Year-on-year			+32.8%			
Air energy	**Operating profit**		683			
	Year-on-year		+42.9%			
Coating	**Operating profit**		602			
	Year-on-year		+12.9%			
Others	**Operating profit**		-51			
	Year-on-year		—			

[Quarterly] Unit: Million yen

			FY2026			
			1Q	2Q	3Q	4Q
Net sales			13,700			
Year-on-year			+13.3%			
Air energy		**Air compressors**	7,325			
		Year-on-year	+10.7%			
		Vacuum equipment	691			
		Year-on-year	+15.7%			
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	Year-on-year		+42.9%			
Coating	**Operating profit**		602			
	Year-on-year		+12.9%			
Others	**Operating profit**		-51			
	Year-on-year		—			

<Reference Information> Our Company's Origins and Current Business Overview

ANEST IWATA 100th Anniversary

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, N2 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

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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