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[Documents to be submitted]	Quarterly Securities Report
[Clause of stipulation]	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act
[Submit to]	Director-General of the Kanto Local Finance Bureau
[Date of submission]	February 13, 2024
[Quarterly accounting period]	Third quarter of 78th term (From October 1, 2023 to December 31, 2023)
[Company name]	ANEST IWATA Kabushiki Kaisha
[English name]	ANEST IWATA Corporation
[Title and name of representative]	Shinichi Fukase, President, Representative Director and Chief Executive Officer
[Location of head office]	3176 Shinyoshida-cho, Kohoku-ku, Yokohama-shi, Kanagawa
[Telephone number]	Yokohama (045) 591-9344
[Administrative contact name]	Eisuke Miyoshi, Director and Managing Executive Officer, Chief Operating Officer of Business Administration Division
[Nearest contact location]	3176 Shinyoshida-cho, Kohoku-ku, Yokohama-shi, Kanagawa
[Telephone number]	Yokohama (045) 591-9344
[Administrative contact name]	Eisuke Miyoshi, Director and Managing Executive Officer, Chief Operating Officer of Business Administration Division
[Places for public inspection]	Tokyo Stock Exchange, Inc.  (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

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.

Part 1 [Corporate Information]

Section 1 [Company Overview]

1. [Trends in major management indicators, etc.]

Term		77th term	78th term	77th term
Accounting period		Nine months ended December 31, 2022	Nine months ended December 31, 2023	Fiscal year ended March 31, 2023
Net sales	(million yen)	34,832	38,970	48,515
Ordinary profit	(million yen)	4,852	5,856	7,043
Profit attributable to owners of parent	(million yen)	3,069	3,635	4,381
Comprehensive income	(million yen)	6,684	6,841	7,064
Net assets	(million yen)	44,926	49,888	45,255
Total assets	(million yen)	60,110	64,978	60,136
Basic earnings per share	(yen)	75.82	89.81	108.25
Diluted earnings per share	(yen)	—	—	—
Equity ratio	(%)	65.9	67.5	66.6

Term		77th term	78th term
Accounting period		Three months ended December 31, 2022	Three months ended December 31, 2023
Basic earnings per share	(yen)	27.08	24.99

(Notes) 1. Since the Company prepares quarterly consolidated financial statements, the trends in major management indicators, etc. of the submitting company are not described.

2. Diluted earnings per share is not stated because there are no diluted shares.

3. The Company has introduced the "Board Benefit Trust (BBT)," a stock compensation plan, since the 74th consolidated fiscal year. Accordingly, in the calculation of the basic earnings per share, the Company shares owned by the Trust are included in the treasury shares, which are deducted in the calculation of the number of treasury shares at the period-end and the average number of shares outstanding in the period.

4. Effective from the first three months of the 78th term, the monetary presentation unit has been changed from thousand yen to million yen. In order to facilitate comparison, the figures for the first nine months of the 77th term along with 77th term are also presented in the units of million yen.

## 2. [Business description]

There has been no significant change in the content of business activities of the Group (the Company and its affiliated companies) during the current consolidated cumulative third quarter. Changes in affiliated companies are as follows.

ANEST IWATA USA, Inc., which was a consolidated subsidiary in the U.S., was excluded from the scope of consolidation because it was dissolved through an absorption-type merger with another consolidated subsidiary, ANEST IWATA AIR ENGINEERING, Inc. as the surviving company effective January 1, 2023. The surviving company, ANEST IWATA AIR ENGINEERING, Inc. changed its name to ANEST IWATA Americas, Inc.

ANEST IWATA MOTHERSON COATING EQUIPMENT Pvt. Ltd., which was a consolidated subsidiary in India, was dissolved on April 1, 2022 through an absorption-type merger with ANEST IWATA MOTHERSON Pvt. Ltd. as the surviving company. Therefore, it is excluded from the scope of consolidation. In accordance with the merger system in India, the reference date for the merger (April 1, 2022) was set retroactively from the date of application for merger registration.

As a result, as of December 31, 2023, the Group consists of our Company, 30 consolidated subsidiaries, and two affiliates.

## Section 2 [Status of Business]

### 1. [Business risks]

During the current consolidated cumulative third quarter, among the matters related to the status of business and accounting, etc. stated in this Quarterly Securities Report, there were no major risks that the management recognized as having the potential to have a significant impact on the financial condition, results of operations and cash flow of the consolidated companies, or any significant changes to the "Business Risks" stated in the Annual Securities Report for the previous fiscal year. There were no important events, etc.

### 2. [Management's analysis of financial condition, results of operations and cash flow]

Matters related to the future appearing in this text have been judged by our Group as of the last day of the current consolidated third quarter.

#### (1) Financial condition and results of operations

##### (i) Overview and results of operations

During the current consolidated cumulative third quarter, the global economy faced further instability in international affairs, while inflationary trends continued because of the impact of ongoing monetary tightening and other factors, that increased the uncertainty of the future. Despite a lull in capital investment, the Japanese economy remained stable overall, mainly because price hikes showed signs of settling down and personal consumption continued to recover moderately.

Under these circumstances, our business performance for the current consolidated cumulative third quarter is as follows: net sales standing at 38,970 million yen (up 11.9% from the same consolidated cumulative quarter of the previous fiscal year), operating profit at 4,494 million yen (up 9.2%), ordinary profit at 5,856 million yen (up 20.7%) and profit attributable to owners of parent at 3,635 million yen (up 18.4%).

#### (Reference values) Results of each division

(Amount: million yen)

Division	(Product category)	Nine months ended December 31, 2023			
		Consolidated net sales	Change from the corresponding period of the previous fiscal year	Consolidated operating profit	Change from the corresponding period of the previous fiscal year
Air Energy Division		24,653	14.9%	2,544	6.3%
	Air Compressors	22,438	13.8%		
	Vacuum Equipment	2,215	26.5%		
Coating Division		14,316	7.1%	1,950	13.3%
	Coating Equipment	12,905	6.1%		
	Coating Systems	1,411	16.6%		
Total		38,970	11.9%	4,494	9.2%

(Note) The consolidated operating profit of each division is calculated with our Group's unique standard.

##### (ii) Results of operations by segment

Results of operations by regional segment, which our Group adopts, are as described below. For details, refer to (Segment information, etc.) in "Section 4 [Status of Accounting] – 1. [Quarterly consolidated financial statements] – [Notes]."

#### Japan

Net sales stood at 19,426 million yen (up 10.8% from the same consolidated cumulative quarter of the previous fiscal year), and segment profit stood at 2,609 million yen (up 5.1%). The cause of a slowdown in profit ratio compared to increased ratio of net sales was mainly due to increased selling, general and administrative expenses.

In the air compressor field, sales of reciprocating compressors increased because of the optimized delivery response and favorable sales in the dental market.

In the vacuum equipment field, demand for vacuum pumps for semiconductor production-related equipment increased.

In the coating equipment field, sales of hand spray guns decreased due to the discontinuation of some models; on the other hand, orders for environmental equipment increased due to the thorough property management, because of which the overall sales remained strong.

In the coating system field, sales of coating systems for automotive parts increased.

## Europe

Net sales stood at 6,773 million yen (up 24.0% from the same consolidated cumulative quarter of the previous fiscal year) and segment profit stood at 735 million yen (up 79.2%). The increase in profit is largely due to higher sales of coating equipment and the completion of amortization of goodwill of a subsidiary acquired in 2017.

In the air compressor field, sales of oil-free air compressors were satisfactory because of the ongoing demands from OEM customers.

In the vacuum equipment field, sales increased as a result of the development of sales channels, including in Eastern Europe.

In the coating equipment field, sales of spray guns, mainly for the car repair market, remained strong amid weak business sentiments in the European economy.

## Americas

Net sales stood at 5,361 million yen (up 15.6% from the same consolidated cumulative quarter of the previous fiscal year), and segment profit stood at 722 million yen (up 35.8%).

In the air compressor field, sales were driven by the continued favorable sales of air compressors required for vehicle installation in the U.S. and Brazil.

In the vacuum equipment field, sales were favorable, because of the continuous demand for switching from other company products due to their predominance in terms of delivery and increase in the motivation for capital investment toward the end of the fiscal year.

In the coating equipment field, mainly the sales of spray guns increased, because of the development in the industrial coating market.

## China

Net sales stood at 9,085 million yen (up 11.9% from the same consolidated cumulative quarter of the previous fiscal year), and segment profit stood at 522 million yen (down 16.8%). The decline in profit was due to higher purchasing prices at the local subsidiaries, a decline in net sales, and increase in labor costs.

In the air compressor field, sales increased due to continued strong export sales by Shanghai Screw Compressor Co., Ltd.

In the vacuum equipment field, sales remained strong because of the support by sales of vacuum pumps for lithium-ion battery manufacturing, despite the impact of the sluggishness of the semiconductor market.

In the coating equipment field, sales declined due to a slow recovery in demand by the impact of the lack of momentum and other factors in the Chinese economy.

In the coating system field, sales declined due to the continued passive stand of companies towards capital investments.

## Others

Net sales stood at 7,365 million yen (up 4.1% from the same consolidated cumulative quarter of the previous fiscal year), and segment profit stood at 1,219 million yen (up 12.2%).

In the air compressor field, we are further promoting sales through measures to strengthen the sales capacities of local subsidiaries in Southeast Asian countries, starting with Thailand, in addition to an increase in sales in India against a backdrop of business sentiments.

In coating equipment field, sales of spray guns in India and sales of coating material feeding equipment in Southeast Asia increased.

In the coating system field, sales decreased as a reaction to the projects delivered in the previous consolidated fiscal year, but the order backlog is showing an increasing trend.

## (iii) Analysis of financial condition

For assets, our current assets stood at 40,069 million yen (up 9.0% from the previous consolidated fiscal year). This was mainly due to increases of 2,223 million yen in "Cash and deposits," 812 million yen in "Notes and accounts receivable-trade" and 689 million yen in "Raw materials and supplies." Our non-current assets stood at 24,908 million yen (up 6.6%). This was mainly due to an increase of 496 million yen in "Investment securities." As a result, our total assets stood at 64,978 million yen (up 8.1%).

For liabilities, our current liabilities stood at 11,765 million yen (up 0.4%). This was mainly due to an increase of 497 million yen in "Notes and accounts payable-trade." Our non-current liabilities stood at 3,324 million yen (up 5.2%). This was mainly due to an increase of 161 million yen in "Lease liabilities (Non-current)" included in "Other." As a result, our total liabilities stood at 15,089 million yen (up 1.4%).

Our net assets stood at 49,888 million yen (up 10.2%). This was mainly because of an increase of 1,847 million yen in "Retained earnings" and an increase of 1,740 million yen in the "Foreign currency translation adjustment" due to depreciation of yen. Our equity capital, which is calculated by subtracting the non-controlling interests from the net assets, stood at 43,888 million yen, increasing our equity ratio by 0.9 percentage points to 67.5%, from 66.6% at the end of the previous consolidated fiscal year.

(2) Management policy and strategy, etc.

The Company has started business activities based on a new three-year Medium-Term Business Plan from the fiscal year ended March 31, 2023.

Based on this plan, we have positioned overseas as our growth market and will continue to provide "product development that impresses all customers" and "high performance and high quality" as a "true development-oriented company."

Outline of the new Medium-Term Business Plan

(i) Numerical targets

Key Goal Indicators (KGIs) for the fiscal year ending March 31, 2025  
Consolidated net sales of 55.5 billion yen or more, consolidated operating profit of 6.5 billion yen or more, ROE of 10% or more  
(Based on organic growth. The following reference values indicate the breakdown.)



1) Air energy business

Consolidated net sales of 33.5 billion yen or more and consolidated operating profit of 3.65 billion yen or more

2) Coating business

Consolidated net sales of 22.0 billion yen or more and consolidated operating profit of 2.85 billion yen or more

(ii) Concept

As a specialized manufacturer, it is our mission to create products and technologies that can contribute to solving social issues in our target markets and provide a wide range of products and technologies to society, and in this way, pursuing social value and capturing new business opportunities will lead to our growth.

(iii) Basic strategy

- 1) Create "ONLY ONE" products appropriate for each region in the world and capture "NUMBER ONE" market share
- 2) Maximize synergy among subsidiaries to demonstrate effectiveness
- 3) Expand service business in Japan and reform business model
- 4) Develop new businesses
- 5) Strengthen sustainability management
  - a. As a specialized manufacturer, our Company's emphasis on each of E, S, and G has been the driving force behind our achievement of the highest earnings in FY2022, and the continuation and strengthening of this emphasis is the central idea behind "500 & Beyond." Under "VISION 2030 (Adding color to the world and bringing about an enriched society with fluid and air technologies)," we have examined materiality and set sustainable goals
  - b. Investment in and development of human resources
    - In the current Medium-Term Business Plan period, we will emphasize investment in human resources, strengthen "each individual's earning power" by adopting total personnel cost management, and improve labor productivity
    - Continued evolution of work style reforms and health management to enhance corporate value
  - c. Product development from the perspective of SDGs and contribution to society

(3) Businesses and financial issues to be addressed on priority

There were no significant changes in the issues to be addressed by the Group during the current consolidated cumulative third quarter.

(4) Basic policy regarding persons who control decisions on financial and business policies

There were no changes in this policy during the current consolidated cumulative third quarter.

(5) Research and development activities

Total research and development expenses for the current consolidated cumulative third quarter amounted to 650 million yen. Other expenses of 451 million yen used for product improvement and modification are included in manufacturing expenses. The reporting segments are Japan, Europe and China, and Japan accounts for 878 million yen out of the total of 1,102 million yen.

(6) Number of employees

(i) Status of consolidated companies

(Persons)

Reporting segment	Japan	Europe	Americas	China	Others	Total
As of December 31, 2023	637	207	104	441	471	1,860
As of March 31, 2023	625	198	109	417	450	1,799

(Note) The number of employees is the number of full-time employees.

(ii) Status of the submitting company

(Persons)

As of December 31, 2023	604
As of March 31, 2023	601

(Note) The number of employees is the number of full-time employees.

(7) Status of production, orders received and sales

(i) Production results

(Amount: million yen)

Reporting segment	Japan	Europe	Americas	China	Others	Total
Nine months ended December 31, 2023	15,495	1,981	899	6,125	4,639	29,141
Nine months ended December 31, 2022	13,581	1,681	581	5,593	4,151	25,588

(Note) The increase in Americas is mainly due to the results of a subsidiary in Brazil that manufactures air compressors and vacuum equipment.

(ii) Orders received and order outstanding

(Amount: million yen)

Reporting segment	Japan	Europe	Americas	China	Others	Total
Orders received in the current consolidated cumulative third quarter	727	—	3	160	285	1,177
Order outstanding in the current consolidated cumulative third quarter	460	—	—	126	401	987
Orders received in the previous consolidated cumulative third quarter	610	—	7	227	264	1,110
Order outstanding in the previous consolidated cumulative third quarter	1,492	—	—	121	207	1,822

(Notes) 1. These orders received and order outstanding are for coating system products. Orders received and order outstanding are not subject to management because of the short time from order to sale, except for coating system products.

2. The decrease in order outstanding in Japan is mainly due to decreased capital investment related to automobile manufacturing.

3. The decrease in order received in China is mainly due to a slowdown in the acquisition of capital investment projects related to automobile manufacturing.

4. The increase in order outstanding in Others is mainly due to increased capital investment related to automobile manufacturing in India.

(iii) Sales results

(Amount: million yen)

Reporting segment	Japan	Europe	Americas	China	Others	Total
Nine months ended December 31, 2023	13,400	6,241	5,046	8,321	5,959	38,970
Nine months ended December 31, 2022	12,109	5,272	4,318	7,441	5,690	34,832

3. [Important business contracts, etc.]

There are no relevant matters.



## Section 3 [Status of the Submitting Company]

### 1. [Status of shares, etc.]

#### (1) [Total number of shares, etc.]

##### (i) [Total number of shares]

Class	Total number of shares authorized to be issued (shares)
Common shares	189,290,000
Total	189,290,000

##### (ii) [Shares issued]

Class	Number of shares issued as of the end of the third quarter (shares) (December 31, 2023)	Number of shares issued as of the date of submission (shares) (February 13, 2024)	Name of listed stock exchange or registered authorized financial instruments firms association	Description
Common shares	41,745,505	41,745,505	Prime Market of Tokyo Stock Exchange	Number of shares constituting one unit: 100 shares
Total	41,745,505	41,745,505	—	—

#### (2) [Status of subscription rights to shares, etc.]

##### (i) [Details of the stock option plan]

There are no relevant matters.

##### (ii) [Status of other subscription rights to shares, etc.]

There are no relevant matters.

#### (3) [Status of exercise of bonds with subscription rights to shares with exercise price amendment clause, etc.]

There are no relevant matters.

#### (4) [Changes in the total number of shares issued, share capital, etc.]

Date	Changes in the total number of shares issued (shares)	Balance of the total number of shares issued (shares)	Changes in share capital (million yen)	Balance of share capital (million yen)	Changes in legal capital surplus (million yen)	Balance of legal capital surplus (million yen)
December 31, 2023	—	41,745,505	—	3,354	—	1,380

#### (5) [Status of major shareholders]

This quarterly accounting period is the third quarter accounting period, so there are no matters to be stated.

(6) [Status of voting rights]

(i) [Shares issued]

As of December 31, 2023

Classification	Number of shares (shares)	Number of voting rights (units)	Description
Non-voting shares	—	—	—
Shares with restricted voting rights (treasury shares, etc.)	—	—	—
Shares with restricted voting rights (other)	—	—	—
Shares with full voting rights (treasury shares, etc.)	(Treasury shares) Common shares 1,104,400	—	—
Shares with full voting rights (other)	Common shares 40,630,200	406,302	—
Shares constituting less than one unit	Common shares 10,905	—	Shares less than one unit (100 shares)
Total number of shares issued	41,745,505	—	—
Voting rights of all shareholders	—	406,302	—

(ii) [Treasury shares, etc.]

As of December 31, 2023

Name of owner	Address of owner	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total number of shares held (shares)	Ratio of number of shares held to total number of shares issued (%)
(Treasury shares) ANEST IWATA Corporation	3176 Shinyoshida-cho, Kohoku-ku, Yokohama-shi	1,104,400	—	1,104,400	2.65
Total	—	1,104,400	—	1,104,400	2.65

2. [Status of officers]

There were no changes in officers during the current quarterly cumulative period after the date of submission of the Annual Securities Report for the previous fiscal year.

## Section 4 [Status of Accounting]

### 1. Method of preparation of quarterly consolidated financial statements

- (1) The quarterly consolidated financial statements of the Company are prepared in accordance with the "Regulations Concerning Terms, Forms and Preparation Method of Quarterly Consolidated Financial Statements" (Cabinet Office Ordinance No. 64, 2007).
- (2) Previously, the amounts for accounts presented in the Company's quarterly consolidated financial statements and other items were presented in the units of thousand yen. However, we have changed it to the units of million yen from the first quarter of the consolidated accounting period and the first quarter of the consolidated cumulative period. In order to facilitate comparison, the figures for the previous consolidated fiscal year and the third quarter of the previous consolidated cumulative period are also presented in the units of million yen.

### 2. About audit certification

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, the quarterly consolidated financial statements pertaining to the third quarter consolidated accounting period (from October 1, 2023 to December 31, 2023) and the third quarter consolidated cumulative period (from April 1, 2023 to December 31, 2023) have been reviewed by Fujimi Audit Corporation.

Seinan Audit Corporation, from which the Company has traditionally received audit certification, merged with Sohken Nichiei Audit Corporation and Nagoya Audit Corporation on October 2, 2023, and changed its name to Fujimi Audit Corporation on the same date.

1. [Quarterly consolidated financial statements]

(1) [Quarterly consolidated balance sheet]

(Amount: million yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	14,512	16,735
Notes and accounts receivable-trade	9,102	9,914
Merchandise and finished goods	6,842	6,664
Work in process	1,261	890
Raw materials and supplies	3,740	4,429
Other	1,693	1,950
Allowance for doubtful accounts	(377)	(515)
Total current assets	36,773	40,069
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,590	5,935
Other, net	6,870	7,374
Total property, plant and equipment	12,461	13,309
Intangible assets		
Goodwill	757	815
Other	2,447	2,602
Total intangible assets	3,204	3,418
Investments and other assets		
Investment securities	5,464	5,960
Other	2,243	2,230
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	7,696	8,180
Total non-current assets	23,363	24,908
Total assets	60,136	64,978

(Amount: million yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	5,355	5,853
Short-term borrowings	908	996
Income taxes payable	888	708
Provision for bonuses	844	502
Other provisions	268	244
Other	3,452	3,459
<b>Total current liabilities</b>	<b>11,719</b>	<b>11,765</b>
Non-current liabilities		
Retirement benefit liability	1,188	1,267
Provision for share awards for directors (and other officers)	181	190
Other	1,791	1,866
<b>Total non-current liabilities</b>	<b>3,161</b>	<b>3,324</b>
<b>Total liabilities</b>	<b>14,881</b>	<b>15,089</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,354	3,354
Capital surplus	1,008	1,008
Retained earnings	34,282	36,130
Treasury shares	(1,179)	(1,159)
<b>Total shareholders' equity</b>	<b>37,466</b>	<b>39,333</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	527	774
Foreign currency translation adjustment	2,034	3,775
Remeasurements of defined benefit plans	(3)	4
<b>Total accumulated other comprehensive income</b>	<b>2,558</b>	<b>4,554</b>
Non-controlling interests	5,229	6,000
<b>Total net assets</b>	<b>45,255</b>	<b>49,888</b>
<b>Total liabilities and net assets</b>	<b>60,136</b>	<b>64,978</b>

(2) [Quarterly consolidated statement of income and comprehensive income]  
[Quarterly consolidated statement of income]  
[Consolidated cumulative third quarter]

(Amount: million yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	34,832	38,970
Cost of sales	19,657	21,353
Gross profit	15,174	17,617
Selling, general and administrative expenses	11,060	13,122
Operating profit	4,114	4,494
Non-operating income		
Interest and dividend income	100	168
Foreign exchange gains	267	538
Share of profit of entities accounted for using equity method	336	602
Other	94	128
Total non-operating income	798	1,437
Non-operating expenses		
Interest expenses	34	49
Other	25	26
Total non-operating expenses	60	75
Ordinary profit	4,852	5,856
Extraordinary income		
Gain on sale of non-current assets	4	10
Gain on sale of investment securities	—	14
Gain on liquidation of subsidiaries	* 56	—
Total extraordinary income	61	24
Extraordinary losses		
Loss on sale and retirement of non-current assets	6	12
Total extraordinary losses	6	12
Profit before income taxes	4,908	5,867
Income taxes - current	1,258	1,636
Income taxes - deferred	(43)	(176)
Total income taxes	1,214	1,460
Profit	3,693	4,407
Profit attributable to non-controlling interests	624	772
Profit attributable to owners of parent	3,069	3,635

[Quarterly consolidated statement of comprehensive income]

[Consolidated cumulative third quarter]

(Amount: million yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	3,693	4,407
Other comprehensive income		
Valuation difference on available-for-sale securities	103	247
Foreign currency translation adjustment	2,334	1,813
Remeasurements of defined benefit plans, net of tax	7	7
Share of other comprehensive income of entities accounted for using equity method	545	365
Total other comprehensive income	2,990	2,433
Comprehensive income	6,684	6,841
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,513	5,630
Comprehensive income attributable to non-controlling interests	1,170	1,210

[Notes]

(Changes in the scope of consolidation or application of the equity method)

Effective from the first quarter of the current consolidated fiscal year, ANEST IWATA USA, Inc., which was a consolidated subsidiary, was dissolved through an absorption-type merger on January 1, 2023, with ANEST IWATA AIR ENGINEERING, Inc. as the surviving company. Therefore, it was excluded from the scope of consolidation. The surviving company, ANEST IWATA AIR ENGINEERING, Inc. changed its name to ANEST IWATA Americas, Inc.

Effective from the third quarter of the current consolidated fiscal year, ANEST IWATA MOTHERSON COATING EQUIPMENT Pvt. Ltd., which was a consolidated subsidiary, was dissolved on April 1, 2022 through an absorption-type merger with ANEST IWATA MOTHERSON Pvt. Ltd. as the surviving company. Therefore, it is excluded from the scope of consolidation. In accordance with the merger system in India, the reference date for the merger (April 1, 2022) was set retroactively from the date of application for merger registration.

(Additional information)

(Performance-based stock compensation plan for directors and corporate officers)

In accordance with a resolution at the 73rd ordinary general shareholders' meeting, held on June 25, 2019, we have introduced a performance-based stock compensation plan, "Board Benefit Trust (BBT)" (referred to as "this plan" in the remainder of this document), targeted at our directors (excluding audit and supervisory committee members and independent directors) and corporate officers who do not concurrently serve as directors (referred to collectively as "directors and others"), for the purposes of improving mid- to long-term results of operations, increasing our corporate value, and promoting management awareness that puts shareholders first.

(1) Overview of this plan

This plan is a performance-based stock compensation plan whereby the trust established by us (the trust established in accordance with this plan is referred to as "this trust" in the remainder of this document) acquires Company shares by using the money contributed by us as a fund and through this trust, Company shares and money equivalent to the amount of money resulting from translating Company shares at market value (referred to collectively as "Company shares, etc." in the remainder of this document) to directors and others according to the rules for granting shares. The time at which directors and others can be granted Company shares, etc. is, in principle, the time at which the directors and others retire.

(2) Company shares that remain in the trust

Company shares that remain in the trust are recorded as treasury shares in Net assets at the book value (excluding the amount of money of incidental costs) in the trust. At the end of the previous consolidated fiscal year, the book price of the treasury shares is 173 million yen, and the number of shares is 174,200. At the end of the current consolidated fiscal third quarter, the book price of the treasury shares is 153 million yen, and the number of shares is 154,200.

(Related to quarterly consolidated balance sheet)

Notes receivable endorsed

	As of March 31, 2023	As of December 31, 2023
Notes receivable endorsed	1,168 million yen	1,206 million yen

(Related to quarterly consolidated statement of income)

\* Gain on liquidation of subsidiaries

Nine months ended December 31, 2022

This is from the liquidation of our consolidated subsidiary ANEST IWATA (DONGGUAN) Corporation.



(Related to quarterly consolidated statement of cash flows)

Quarterly consolidated statement of cash flows for the current consolidated cumulative third quarter has not been prepared. Depreciation (includes amortization related to intangible assets excluding goodwill) and amortization of goodwill for the third quarter consolidated cumulative period are as follows.

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Depreciation	1,310 million yen	1,452 million yen
Amortization of goodwill	211 million yen	177 million yen

(Related to shareholders' equity, etc.)

Nine months ended December 31, 2022

1. Dividends paid

Resolution	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date	Source of dividend
June 24, 2022 Ordinary general shareholders' meeting	Common shares	694	17.0	March 31, 2022	June 27, 2022	Retained earnings
November 9, 2022 Board of Directors meeting	Common shares	650	16.0	September 30, 2022	December 6, 2022	Retained earnings

(Notes) 1. The total amount of dividends determined by the resolution of the ordinary general shareholders' meeting held on June 24, 2022 includes dividends of 3 million yen for the Company's shares held by the "Board Benefit Trust (BBT)."

2. The total amount of dividends determined by the resolution of the Board of Directors meeting held on November 9, 2022 includes dividends of 2 million yen for the Company's shares held by the "Board Benefit Trust (BBT)."

2. Of the dividends whose record date belongs to the nine months ended December 31, 2022, the effective date of the dividend is after December 31, 2022

There are no relevant matters.

3. Significant changes to the shareholders' equity

There are no relevant matters.

Nine months ended December 31, 2023

1. Dividends paid

Resolution	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date	Source of dividend
June 23, 2023 Ordinary general shareholders' meeting	Common shares	894	22.0	March 31, 2023	June 26, 2023	Retained earnings
November 9, 2023 Board of Directors meeting	Common shares	894	22.0	September 30, 2023	December 7, 2023	Retained earnings

(Notes) 1. The total amount of dividends determined by the resolution of the ordinary general shareholders' meeting held on June 23, 2023 includes dividends of 3 million yen for the Company's shares held by the "Board Benefit Trust (BBT)."

2. The total amount of dividends determined by the resolution of the Board of Directors meeting held on November 9, 2023 includes dividends of 3 million yen for the Company's shares held by the "Board Benefit Trust (BBT)."

2. Of the dividends whose record date belongs to the nine months ended December 31, 2023, the effective date of the dividend is after December 31, 2023  
There are no relevant matters.
3. Significant changes to the shareholders' equity  
There are no relevant matters.

(Segment information, etc.)

[Segment information]

I Nine months ended December 31, 2022

1. Information about the amounts of net sales and profit in each reporting segment and information about the disaggregation of revenue

(Amount: million yen)

	Reporting segment					Total
	Japan	Europe	Americas	China	Others (Note)	
Net sales						
Revenue from contracts with customers	12,109	5,272	4,318	7,441	5,690	34,832
Sales to external customers	12,109	5,272	4,318	7,441	5,690	34,832
Internal sales or transfers between segments	5,423	189	321	677	1,383	7,994
Total	17,532	5,461	4,640	8,119	7,074	42,827
Segment profit	2,482	410	531	628	1,086	5,139

(Note) The "Others" category addresses the business activities of local subsidiaries in Taiwan, India, Thailand, South Korea, Vietnam, Indonesia, Australia and South Africa.

2. Difference between the total amounts of profit of the reporting segments and the amount reported in the quarterly consolidated statement of income, as well as the main items of the difference (matters related to difference adjustment)

(Amount: million yen)

Profit	Amount
Reporting segment total	5,139
Company-wide expenses (Note)	(692)
Inter-segment transactions erased	(332)
Operating profit in the quarterly consolidated statement of income	4,114

(Note) Company-wide expenses are mainly selling, general and administrative expenses that cannot be attributed to the reporting segments.

II Nine months ended December 31, 2023

1. Information about the amounts of net sales and profit in each reporting segment and information about the disaggregation of revenue

(Amount: million yen)

	Reporting segment					Total
	Japan	Europe	Americas	China	Others (Note)	
Net sales						
Revenue from contracts with customers	13,400	6,241	5,046	8,321	5,959	38,970
Sales to external customers	13,400	6,241	5,046	8,321	5,959	38,970
Internal sales or transfers between segments	6,025	532	314	764	1,406	9,042
Total	19,426	6,773	5,361	9,085	7,365	48,012
Segment profit	2,609	735	722	522	1,219	5,809

(Note) The "Others" category addresses the business activities of local subsidiaries in Taiwan, India, Thailand, South Korea, Vietnam, Indonesia, Australia and South Africa.

2. Difference between the total amounts of profit of the reporting segments and the amount reported in the quarterly consolidated statement of income, as well as the main items of the difference (matters related to difference adjustment)

(Amount: million yen)

Profit	Amount
Reporting segment total	5,809
Company-wide expenses (Note)	(813)
Inter-segment transactions erased	(501)
Operating profit in the quarterly consolidated statement of income	4,494

(Note) Company-wide expenses are mainly selling, general and administrative expenses that cannot be attributed to the reporting segments.

(Related to revenue recognition)

Information that breaks down revenue from contracts with customers is presented in "Notes (Segment information, etc.)."

(Per share information)

Basic earnings per share and calculation basis are as follows.

Item	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Basic earnings per share	75.82 yen	89.81 yen
(Basis for calculation)		
Profit attributable to owners of parent (million yen)	3,069	3,635
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common shares (million yen)	3,069	3,635
Average number of common shares outstanding in the period (shares)	40,482,689	40,478,877

(Notes) 1. Diluted earnings per share is not stated because there are no diluted shares.

2. The shares of the Company remaining in the "Board Benefit Trust (BBT)," which are recorded as treasury shares in shareholders' equity, are included in the treasury shares deducted when calculating the average number of shares outstanding in the period for the calculation of basic earnings per share.

The average number of treasury shares in the period, which was deducted when calculating the basic earnings per share was 180,000 shares for the previous consolidated cumulative third quarter and 162,200 shares for the current consolidated cumulative third quarter.

(Important subsequent events)

(Purchase of treasury shares)

At a meeting of the Board of Directors held on January 10, 2024, the matters concerning the acquisition of treasury shares pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph (3) of the same Act.

(1) Reason for acquisition of treasury shares

As part of its shareholder return and capital policy, the Company pursues a policy of using share repurchases in a flexible and targeted manner while maintaining the financial base necessary to execute its growth strategy. Based on this policy, the Company intends to further enhance shareholder returns and improve capital efficiency through share repurchases.

(2) Details of matters related to acquisition

(i) Class of shares to be acquired Common shares

(ii) Total number of shares to be acquired 1,500,000 shares (upper limit)

(3.69% of total number of issued shares (excluding treasury shares))

(iii) Total amount of share acquisition costs	1,500 million yen (upper limit)
(iv) Acquisition period	January 11, 2024 to June 28, 2024
(v) Method of acquisition	Market purchases on the Tokyo Stock Exchange

## 2 [Others]

At the Board of Directors meeting held on November 9, 2023, a resolution was made to pay the following interim dividend to the shareholders listed or registered in the Shareholder Registry as of September 30, 2023.

(i) Total amount of interim dividend	894 million yen
(ii) Interim dividend per share	22.00 yen
(iii) Effective date for payment claim and payment start date	December 7, 2023

## Part 2 [Information on Guarantee Companies, etc. of the Submitting Company]

There are no relevant matters.

(English Translation)  
Independent Auditor's Quarterly Review Report

February 13, 2024

To the Board of Directors of  
ANEST IWATA Corporation

Fujimi Audit Corporation  
Tokyo Office

Engagement Partner  
Certified Public Accountant: Toshio Saito

Engagement Partner  
Certified Public Accountant: Miho Toriumi

#### Auditor's Conclusion

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we conducted a quarterly review of quarterly consolidated financial statements, that is, the quarterly consolidated balance sheet, quarterly consolidated statement of income, quarterly consolidated statement of comprehensive income and notes of ANEST IWATA Corporation ("the Company"), which is listed in the "Status of Accounting" section for the third quarter consolidated accounting period (October 1, 2023 to December 31, 2023) and third quarter consolidated cumulative period (April 1, 2023 to December 31, 2023) of the consolidated fiscal year from April 1, 2023 to March 31, 2024.

In the quarterly review conducted by our audit firm, the above quarterly consolidated financial statements are in accordance with the standards for preparation of quarterly consolidated financial statements generally accepted in Japan. Nothing has come to our attention that causes us to believe that the financial position of the Company and its consolidated subsidiaries as of December 31, 2023, and the operating results for the third quarter of the consolidated cumulative period ending the same day, are not fairly stated with regards to all important points.

#### Basis of Auditors' Conclusions

We conducted our quarterly review in accordance with the quarterly review standards generally accepted in Japan. Our responsibilities under the quarterly review standards are described in "Responsibility of the Auditor in the Quarterly Review of the Quarterly Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries and have fulfilled our other ethical responsibilities as auditors in accordance with the rules of professional ethics in Japan. We believe that the evidence we have obtained provides a basis for our conclusions.

#### Responsibility of Management and the Audit and Supervisory Committee for Quarterly Consolidated Financial Statements

Management is responsible for preparing and fairly presenting quarterly consolidated financial statements in accordance with standards generally accepted in Japan for preparing quarterly consolidated financial statements. This includes establishing and operating such internal control deemed necessary by management to enable the preparation and fair presentation of the quarterly consolidated financial statements that are free from hypocritical representations due to fraud or error.

While preparing quarterly consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare quarterly consolidated financial statements based on the premise of a going concern and for disclosing matters related to going concern in accordance with the standards for preparation of quarterly consolidated financial statements generally accepted in Japan, if necessary.

The responsibility of the Audit and Supervisory Committee is to monitor the execution of duties by directors in the development and operation of the financial reporting process.

#### Responsibility of the Auditor in the Quarterly Review of the Quarterly Consolidated Financial Statements

The responsibility of the auditor is to express a conclusion on the quarterly consolidated financial statements from an independent standpoint in the quarterly review report based on the quarterly review conducted by the auditor.

The auditor shall exercise professional judgment and maintain professional skepticism when implementing the following throughout the course of the quarterly review in accordance with the quarterly review standards generally accepted in Japan.

- The auditor shall primarily conduct interviews with the management and the persons responsible for the matters concerning finance and accounting, etc., analytical procedures and other quarterly review procedures. The quarterly review procedure is more limited than the annual financial statement audit conducted in accordance with auditing standards generally accepted in Japan.
- In the event that the auditor determines that there are material uncertainties regarding events or circumstances that may cast significant doubt on the premise of a going concern, the auditor shall conclude based on the evidence obtained that whether there are any matters in the quarterly consolidated financial statements that could lead to the belief that they are not properly presented in accordance with the standards for preparing quarterly consolidated financial statements generally accepted in Japan. In addition, in cases where significant uncertainty regarding the premise of a going concern is found, the quarterly review report shall draw attention towards the notes in the quarterly consolidated financial statements, and in cases where the notes in the quarterly consolidated financial statements regarding significant uncertainty are not appropriate, the quarterly consolidated financial statements are required to express a qualified conclusion or a negative conclusion. Although the auditor's conclusions are based on evidence available up to the date of the quarterly review report, future events or circumstances may prevent the entity to cease to exist as a going concern.
- The auditor shall assess whether there are any matters that would lead us to believe that the presentation and the notes in the quarterly consolidated financial statements do not conform to the standards used for preparing the quarterly consolidated financial statements generally accepted in Japan and assess whether there are any matters that would lead us to believe that the presentation, composition and content of the quarterly consolidated financial statements, including the related notes, as well as the transactions and accounting events on which the quarterly consolidated financial statements are based, are not fairly represented.
- The auditor shall obtain evidence concerning the financial information of the Company and its consolidated subsidiaries in order to express a conclusion on the quarterly consolidated financial statements. The auditor is responsible for directing, supervising, and performing the quarterly review of the quarterly consolidated financial statements. The auditor is solely responsible for the auditor's conclusions.

The auditor shall report to the Audit and Supervisory Committee on the scope of the planned quarterly review, the timing of its implementation, and important findings of the quarterly review.

The auditor shall report to the Audit and Supervisory Committee that the auditor has complied with Japan's code of professional ethics regarding independence as well as on matters reasonably believed to affect the independence of the auditor and any measures taken to eliminate disincentives or safeguards applied to reduce disincentives to an acceptable level.

#### Conflict of Interests

There is no interest that should be noted pursuant to the provisions of the Certified Public Accountant Act between the Company or its consolidated subsidiaries and our audit firm or between the Company or its consolidated subsidiaries and the managing partners.

Regards

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(Notes) 1. The original of the above quarterly review report is kept separately by the Company (the company submitting the quarterly report).

2. XBRL data is not included in the scope of the quarterly review.