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[Documents to be submitted]	Semi-annual Securities Report
[Clause of stipulation]	Item 1 of the table in Article 24-5, Paragraph 1 of the Financial Instruments and Exchange Act
[Submit to]	Director-General of the Kanto Local Finance Bureau
[Date of submission]	November 12, 2024
[Semi-annual accounting period]	Interim period of 79th term (From April 1, 2024 to September 30, 2024)
[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]	Hitoshi Iwata, Managing Executive Officer, Chief Operating Officer of Business Admin. Div.
[Nearest contact location]	3176 Shinyoshida-cho, Kohoku-ku, Yokohama-shi, Kanagawa
[Telephone number]	Yokohama (045) 591-9344
[Administrative contact name]	Hitoshi Iwata, Managing Executive Officer, Chief Operating Officer of Business Admin. Div.
[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	78th term	79th term	78th term
Accounting period	Six months ended September 30, 2023	Six months ended September 30, 2024	Fiscal year ended March 31, 2024
Net sales (million yen)	25,898	27,060	53,425
Ordinary profit (million yen)	3,951	3,462	7,986
Profit attributable to owners of parent (million yen)	2,623	2,194	4,931
Comprehensive income (million yen)	5,100	5,175	8,169
Net assets (million yen)	49,062	53,474	50,074
Total assets (million yen)	64,080	69,131	66,144
Basic earnings per share (yen)	64.82	55.35	122.13
Diluted earnings per share (yen)	—	—	—
Equity ratio (%)	67.8	68.1	66.8
Cash flows from operating activities (million yen)	1,914	3,040	6,770
Cash flows from investing activities (million yen)	75	(2,437)	(1,260)
Cash flows from financing activities (million yen)	(1,534)	(2,194)	(3,584)
Cash and cash equivalents at end of period (million yen)	13,130	13,732	14,608

(Notes) 1. Since the Company prepares semi-annual 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 performance-based 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.

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 interim period. Changes in affiliated companies are as follows.

Japan

ANEST IWATA A.I.R. Co., Ltd., which was newly established on July 12, 2024, has been included in the scope of consolidation from the current consolidated interim period.

Europe

ANEST IWATA Italia S.r.l, which was a consolidated subsidiary in Italy, was excluded from the scope of consolidation because it was dissolved through an absorption-type merger with another consolidated subsidiary, ANEST IWATA STRATEGIC CENTER S.r.l. as the surviving company effective January 1, 2024.

As a result, as of September 30, 2024, the Group consists of our Company, 30 consolidated subsidiaries, and two affiliates.

Section 2 [Status of Business]

1. [Business risks]

During the current consolidated interim period, among the matters related to the status of business and accounting, etc. stated in this Semi-annual 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 interim period.

(1) Financial condition and results of operations

(i) Overview and results of operations

During the current consolidated interim period (April 1, 2024 to September 30, 2024), the global economy showed signs of a gradual recovery due to a steady inflation rate and declining interest rates. However, business confidence in many countries continued to lack strength due to factors such as the prolonged stagnation of the Chinese economy and sluggish growth in the manufacturing industry, excluding IT industries. In Japan, some automobile manufacturers that had suspended production have resumed shipments, and the economy has gradually recovered, supported by factors such as increased inbound demand. On the other hand, the recovery of capital investment in some small and medium-sized enterprises was stalled due to factors such as increased labor costs caused by wage hikes and pressure on corporate profits due to rising interest rates.

Under these circumstances, our business performance for the current consolidated interim period is as follows: net sales standing at 27,060 million yen (up 4.5% from the same period of the previous fiscal year), operating profit at 2,962 million yen (up 3.3%), ordinary profit at 3,462 million yen (down 12.4%) and profit attributable to owners of parent at 2,194 million yen (down 16.3%).

(Reference values) Results of each division

(Amount: million yen)

Division (Product category)		Six months ended September 30, 2024				
		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		16,642	4.2%	1,517	7.3%	
		Air Compressors	15,133			4.2%
		Vacuum Equipment	1,509			4.4%
Coating Division		10,417	4.9%	1,445	(0.5)%	
		Coating Equipment	9,172			10.7%
		Coating Systems	1,245			(24.4)%
Total		27,060	4.5%	2,962	3.3%	

(Notes) 1. The consolidated operating profit of each division is calculated with our Group's unique standard.

2. Product category has been changed from the current consolidated interim period. Previously, environmental equipment that improves the working environment during coating was classified as "coating equipment," but from the perspective of the nature of the product and sales system, etc., it has been reclassified as "coating systems" from the current consolidated interim period. For comparative information by product category, the comparison has been done by reclassifying the figures for the previous consolidated interim period into the new product categories.

(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. [Semi-annual consolidated financial statements] – [Notes]."

Japan

Net sales stood at 12,137 million yen (down 8.4% from the interim period of the previous consolidated fiscal year), and segment profit stood at 1,391 million yen (down 25.5%). The decline in profit was mainly due to a fall in net sales, as well as an increase in selling, general and administrative expenses, including labor costs.

In the air compressor field, sales generally grew due to successful sales promotion campaigns and steady sales of oil-free air compressors for medical use, despite the fact that capital investment demand weakened due to pressure on profits caused by rising labor costs and other factors among small and medium-sized enterprises, which are the Group's main customers.

In the vacuum equipment field, sales of vacuum pumps for semiconductor manufacturing-related equipment remained strong against the backdrop of expanding global demand for semiconductors due to increased investment in generative AI.

In the coating equipment field, there was a lasting impact of the discontinuation of sales of some spray gun models in September 2023 following a review of the Group's sales structure, but sales of equipment for applying liquids other than paints grew, supporting sales.

In the coating system field, sales decreased from the interim period of the previous consolidated fiscal year due to the reaction to the large-scale equipment projects recorded in the previous consolidated fiscal year.

Europe

Net sales stood at 5,257 million yen (up 15.3% from the interim period of the previous consolidated fiscal year), and segment profit stood at 562 million yen (up 7.3%). The reason why the increase in profit was slower than the increase in net sales was mainly due to a decrease in sales of oil-free air compressors, which have a high profit margin.

In the air compressor field, sales of oil-free air compressors decreased due to changes in demand trends from OEM customers.

In the coating equipment field, sales of spray guns for the car repair market and coating units for the woodworking market, where customer development is progressing, remained as strong as in the previous consolidated fiscal year, and sales increased across Europe.

Americas

Net sales stood at 3,918 million yen (up 11.0% from the interim period of the previous consolidated fiscal year), and segment profit stood at 560 million yen (up 19.2%).

In the air compressor field, sales of compressors for medical equipment and in-vehicle mounting increased in the United States.

In the vacuum equipment field, sales decreased due to the lack of large spot projects experienced in the interim period of the previous consolidated fiscal year.

In the coating equipment field, sales of airbrushes started to recover, and sales of spray guns for the car repair market and coating units for the woodworking market, which have been well received in Europe, were also favorable.

China

Net sales stood at 6,580 million yen (up 10.4% from the interim period of the previous consolidated fiscal year), and segment profit stood at 467 million yen (up 57.0%). The increase in profit was mainly due to the optimization of inventories and the improvement in cost ratio as a result of reviewing the procurement process at a Chinese subsidiary that manufactures and sells air compressors.

In the air compressor field, domestic demand continued to shrink, but export sales from the country remained strong.

In the vacuum equipment field, sales of vacuum pumps for electronic device manufacturing-related equipment increased.

In the coating equipment field, sales decreased because the recovery of the Chinese economy has remained slow, and the demand has continued to shrink.

In the coating system field, sales increased due to the completion of delivery of coating systems related to transportation equipment.

Others

Net sales stood at 4,705 million yen (down 1.2% from the interim period of the previous consolidated fiscal year), and segment profit stood at 640 million yen (down 16.3%). The decrease in profit was mainly due to the decreased sales mainly in Taiwan.

In the air compressor field, sales of oil-free air compressors increased in East Asia.

In the coating equipment field, sales of spray guns manufactured in Taiwan for the Chinese market decreased.

In the coating system field, sales of coating systems for coating of car parts increased as a result of strengthening sales activities in India.

(iii) Analysis of financial condition

For assets, our current assets stood at 42,267 million yen (up 4.2% from the previous consolidated fiscal year). This was mainly due to an increase of 1,314 million yen in "Notes and accounts receivable-trade." Our non-current assets stood at 26,863 million yen (up 5.0%). This was mainly because of an increase of 384 million yen in "Construction in progress" included in "Other, net" with the construction of medium-sized air compressor assembly plants and headquarters prototype buildings in India. As a result, our total assets stood at 69,131 million yen (up 4.5%).

For liabilities, our current liabilities stood at 12,275 million yen (down 4.0%). This was mainly due to a decrease of 609 million yen in "Income taxes payable." Our non-current liabilities stood at 3,380 million yen (up 3.1%). This was mainly due to an increase of 50 million yen in "Retirement benefit liability." As a result, our total liabilities stood at 15,656 million yen (down 2.6%).

Our net assets stood at 53,474 million yen (up 6.8%). This was mainly due to an increase of 2,207 million yen in "Foreign currency translation adjustment" owing to the depreciation of yen. Our equity capital, which is calculated by subtracting the non-controlling interests from the net assets, stood at 47,092 million yen, increasing our equity ratio by 1.3 percentage points to 68.1%, from 66.8% at the end of the previous consolidated fiscal year.

(2) Cash flow

Cash and cash equivalents (referred to as "funds" in the remainder of this document) for the current consolidated interim period decreased by 876 million yen from the end of the previous consolidated fiscal year, to 13,732 million yen (down 6.0% from the end of the previous consolidated fiscal year). Each cash flow in the current consolidated interim period, as well as the causes, are as described below.

(i) Cash flows from operating activities

As a result of operating activities, the fund balance shows earnings of 3,040 million yen (up 58.8% from the same period of the previous fiscal year), mainly due to an increase of 710 million yen in funds because of fluctuations in "Decrease (increase) in inventories."

(ii) Cash flows from investing activities

As a result of investing activities, the fund balance shows expenses of 2,437 million yen (compared to earnings of 75 million yen in the same period of the previous fiscal year), mainly due to an increase of 809 million yen in "Payments into time deposits" and a decrease of 777 million yen in "Proceeds from withdrawal of time deposits."

(iii) Cash flows from financing activities

As a result of financing activities, the fund balance shows expenses of 2,194 million yen (up 42.9% from the same period of the previous fiscal year), mainly due to an increase of 290 million yen in "Purchase of treasury shares" and an increase of 185 million yen in "Dividends paid."

(3) 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 58.0 billion yen or more, consolidated operating profit of 6.8 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 35.6 billion yen or more and consolidated operating profit of 3.68 billion yen or more

2) Coating business

Consolidated net sales of 22.4 billion yen or more and consolidated operating profit of 3.11 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 FY2023, 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

(4) 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 interim period.

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

Our Company has made major changes in the basic policies regarding persons who control decisions on financial and business policies in the current consolidated interim period. Details of this are as follows.

As a listed company, we uphold the free trade of our Company shares. The Board of Directors does not flatly deny so-called "hostile takeovers" carried out without its consent, as long as this benefits corporate value and common interests of shareholders. We believe the shareholders who own the Company's shares ultimately decide whether or not to sell their shares in response to a large-scale purchase by a specific person.

However, there are some types of large-scale share purchasers that do not contribute to the improving of corporate value of the target company and the common interests of its shareholders, such as those which

- i) could significantly damage corporate value and the common interests of shareholders when judged from their purpose;
- ii) may effectively compel shareholders to sell their shares;
- iii) do not provide sufficient time or information to the Board of Directors of the target company or shareholders to consider the details of the large-scale purchase of shares or for the Board of Directors of the target company to make an alternative proposal;
- iv) require the target company to negotiate with the buyer in order to provide conditions more favorable than those originally offered by the buyer. For this reason, at the Board of Directors meeting held on May 15, 2007, rules regarding large-scale purchase actions (hereinafter referred to as the "Policy") were introduced with the aim of protecting corporate value and the common interests of shareholders and ensuring that shareholders have the time and information to make an appropriate decision on whether or not to accept a purchase offer, and the continuation of the Policy was resolved at the 77th Ordinary General Shareholders' Meeting held on June 23, 2023. Since the introduction of the Policy, we have been working to build relationships of trust with the various stakeholders who support us, increase our corporate value, and ensure and improve the common interests of our shareholders.

In this environment, we have reviewed our capital policy, setting EPS (earnings per share) as a new management indicator, and have also taken into consideration the latest trends in discussions around the Corporate Governance Code and judicial decisions regarding large-scale purchase actions. As a result, it is concluded that the need for takeover defense measures has decreased compared to when the Policy was first introduced. Therefore, our Board of Directors has unanimously decided to discontinue (abolish) the Policy with the conclusion of the 78th Ordinary General Shareholders' Meeting.

Even after the expiration of the Policy, we will continue to work to improve our corporate value and secure and improve the common interests of shareholders by promoting business activities aimed at further improvement of our performance and the achievement of sustainable growth.

(6) Research and development activities

Total research and development expenses for the current consolidated interim period amounted to 527 million yen. Other expenses of 351 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 661 million yen out of the total of 878 million yen.

(7) Number of employees

(i) Status of the Company and its consolidated companies

(Persons)

Reporting segment	Japan	Europe	Americas	China	Others	Total
As of September 30, 2024	653	215	114	437	468	1,887
As of March 31, 2024	641	210	110	435	469	1,865

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

(ii) Status of the submitting company

(Persons)

As of September 30, 2024	613
As of March 31, 2024	606

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

(8) Status of production, orders received and sales

(i) Production results

(Amount: million yen)

Reporting segment	Japan	Europe	Americas	China	Others	Total
Six months ended September 30, 2024	9,048	2,123	596	4,209	2,940	18,919
Six months ended September 30, 2023	10,708	1,491	654	3,770	3,070	19,695

(Note) The growth in Europe is mainly due to the increased production of coating equipment.

(ii) Orders received and order backlog

(Amount: million yen)

Reporting segment	Japan	Europe	Americas	China	Others	Total
Orders received in the current consolidated interim period	775	—	—	114	88	977
Order backlog in the current consolidated interim period	274	—	—	68	46	389
Orders received in the previous consolidated interim period	974	—	3	143	246	1,367
Order backlog in the previous consolidated interim period	566	—	—	113	431	1,111

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

2. We have made changes to the product categories from the current consolidated interim period. Previously, environmental equipment that improves the working environment during coating was classified as "coating equipment," but from the perspective of the nature of the products and sales system, we have changed it to "coating systems" from the current consolidated interim period. Note that the figures in the comparative

information by product category for the previous consolidated interim period have been reclassified to reflect the new product categories for comparison.

3. Decrease in order backlog in Japan was mainly due to a slowdown in the acquisition of capital investment projects related to the production of environmental equipment and industrial machinery.
4. Order backlog in Other decreased mainly due to a slowdown in the acquisition of capital investment projects related to automobile production in India, and the completion of delivery of large-scale projects in Indonesia.

(iii) Sales results

(Amount: million yen)

Reporting segment	Japan	Europe	Americas	China	Others	Total
Six months ended September 30, 2024	8,814	4,705	3,693	5,951	3,896	27,060
Six months ended September 30, 2023	9,085	4,184	3,316	5,445	3,866	25,898

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 interim period (shares) (September 30, 2024)	Number of shares issued as of the date of submission (shares) (November 12, 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)
September 30, 2024	—	41,745,505	—	3,354	—	1,380

(5) [Status of major shareholders]

As of September 30, 2024

Name	Address	Number of shares held (thousand shares)	Ratio of number of shares held to total number of shares issued (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	1-8-1 Akasaka, Minato-ku, Tokyo	5,008	12.6
The Dai-ichi Life Insurance Company, Limited	1-13-1 Yurakucho, Chiyoda-ku, Tokyo	2,272	5.7
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	2,178	5.5
ANEST IWATA Customers' Stockholding	3176 Shinyoshida-cho, Kohoku-ku, Yokohama-shi	1,951	4.9
ANEST IWATA Suppliers' Stockholding	3176 Shinyoshida-cho, Kohoku-ku, Yokohama-shi	1,860	4.7
The Bank of New York 133652 (Standing proxy: Settlement & Clearing Service Department, Mizuho Bank, Ltd.)	Boulevard Anspach 1, 1000 Brussels, Belgium (2-15-1 Konan, Minato-ku, Tokyo)	1,593	4.0
Meiji Yasuda Life Insurance Company	2-1-1 Marunouchi, Chiyoda-ku, Tokyo	1,520	3.8
Bnymstanv Re Mil Re Fsi lcvc-St Iv Asia Pac And Jn Su Fd (Standing proxy: MUFG Bank, Ltd.)	Finsbury Circus Hous E. 15 Finsbury Circus Lomdon Ec2m 7eb (1-4-5 Marunouchi, Chiyoda-ku, Tokyo)	1,172	2.9
ANEST IWATA Employees' Stockholding	3176 Shinyoshida-cho, Kohoku-ku, Yokohama-shi	877	2.2
KIA Fund 136 (Standing proxy: Citibank, N.A., Tokyo Branch)	Minitries Complex PO Box 64 Satat 13001 Kuwait (6-27-30 Shinjuku, Shinjuku-ku, Tokyo)	801	2.0
Total	—	19,235	48.4

(Notes) 1. In addition to the above, the Company owns 2,015 thousand treasury shares.

2. The change report for the report on large volume holdings submitted by the Mitsubishi UFJ Financial Group (Joint owners: Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Asset Management Co., Ltd., and First Sentier Investors (UK) IM Limited) on July 1, 2024, mentions that as of June 24, 2024, the company owned 3,471,800 shares. However, the company has not been included in the above major shareholders as we have been unable to confirm the actual number of shares held by the company as of September 30, 2024.

(6) [Status of voting rights]

(i) [Shares issued]

As of September 30, 2024

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 2,015,600	—	—
Shares with full voting rights (other)	Common shares 39,653,200	396,532	—
Shares constituting less than one unit	Common shares 76,705	—	Shares less than one unit (100 shares)
Total number of shares issued	41,745,505	—	—
Voting rights of all shareholders	—	396,532	—

(ii) [Treasury shares, etc.]

As of September 30, 2024

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	2,015,600	—	2,015,600	4.83
Total	—	2,015,600	—	2,015,600	4.83

2. [Status of officers]

There were no changes in officers during the current interim 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 semi-annual consolidated financial statements

The semi-annual consolidated financial statements of the Company conform to the "Regulations on Terminology, Forms and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Ordinance No. 28 of 1976, hereinafter referred to as "Consolidated Financial Statement Regulations").

In addition, the Company falls under the category of a company listed in the upper column of item 1 of the table in Article 24-5, Paragraph 1 of the Financial Instruments and Exchange Act, and has prepared Type 1 semi-annual consolidated financial statements in accordance with Parts 1 and 3 of the Consolidated Financial Statement Regulations.

2. About audit certification

Fujimi Audit Corporation has reviewed the semi-annual consolidated financial statements for the consolidated interim period (from April 1, 2024 to September 30, 2024) in accordance with the provisions of Article 193-2 Paragraph 1 of the Financial Instruments and Exchange Act.

1. [Semi-annual consolidated financial statements]

(1) [Semi-annual consolidated balance sheet]

(Amount: million yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	16,931	17,205
Notes and accounts receivable-trade	9,795	11,110
Merchandise and finished goods	7,004	6,757
Work in process	967	1,225
Raw materials and supplies	4,178	4,496
Other	2,062	1,895
Allowance for doubtful accounts	(368)	(423)
Total current assets	40,571	42,267
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,978	6,223
Other, net	7,737	8,448
Total property, plant and equipment	13,715	14,671
Intangible assets		
Goodwill	733	710
Other	2,532	2,659
Total intangible assets	3,266	3,370
Investments and other assets		
Investment securities	6,269	6,243
Other	2,331	2,587
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	8,590	8,821
Total non-current assets	25,573	26,863
Total assets	66,144	69,131

(Amount: million yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,686	5,878
Short-term borrowings	1,146	1,141
Income taxes payable	1,195	586
Provision for bonuses	841	820
Other provisions	445	417
Other	3,474	3,432
Total current liabilities	12,789	12,275
Non-current liabilities		
Retirement benefit liability	1,170	1,220
Provision for share awards for directors (and other officers)	202	212
Other	1,907	1,947
Total non-current liabilities	3,280	3,380
Total liabilities	16,069	15,656
Net assets		
Shareholders' equity		
Share capital	3,354	3,354
Capital surplus	1,008	1,007
Retained earnings	37,425	38,541
Treasury shares	(2,051)	(2,332)
Total shareholders' equity	39,737	40,571
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	999	911
Foreign currency translation adjustment	3,208	5,415
Remeasurements of defined benefit plans	212	193
Total accumulated other comprehensive income	4,421	6,520
Non-controlling interests	5,915	6,382
Total net assets	50,074	53,474
Total liabilities and net assets	66,144	69,131

(2) [Semi-annual consolidated statement of income and comprehensive income]
[Semi-annual consolidated statement of income]

(Amount: million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	25,898	27,060
Cost of sales	14,277	14,637
Gross profit	11,620	12,423
Selling, general and administrative expenses	*8,754	*9,460
Operating profit	2,866	2,962
Non-operating income		
Interest and dividend income	100	141
Foreign exchange gains	561	—
Share of profit of entities accounted for using equity method	398	498
Other	67	77
Total non-operating income	1,128	717
Non-operating expenses		
Interest expenses	27	45
Foreign exchange losses	—	120
Other	15	50
Total non-operating expenses	43	217
Ordinary profit	3,951	3,462
Extraordinary income		
Gain on sale of non-current assets	6	3
Gain on sale of investment securities	14	—
Total extraordinary income	20	3
Extraordinary losses		
Loss on sale and retirement of non-current assets	10	3
Total extraordinary losses	10	3
Profit before income taxes	3,961	3,462
Income taxes - current	1,152	962
Income taxes - deferred	(232)	(167)
Total income taxes	920	795
Profit	3,041	2,666
Profit attributable to non-controlling interests	417	471
Profit attributable to owners of parent	2,623	2,194

[Semi-annual consolidated statement of comprehensive income]

(Amount: million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	3,041	2,666
Other comprehensive income		
Valuation difference on available-for-sale securities	266	(88)
Foreign currency translation adjustment	1,523	2,170
Remeasurements of defined benefit plans, net of tax	4	(18)
Share of other comprehensive income of entities accounted for using equity method	263	446
Total other comprehensive income	2,058	2,508
Comprehensive income	5,100	5,175
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,289	4,294
Comprehensive income attributable to non-controlling interests	810	880

(3) [Semi-annual consolidated statement of cash flows]

(Amount: million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	3,961	3,462
Depreciation	946	1,095
Amortization of goodwill	116	93
Increase (decrease) in allowance for doubtful accounts	136	18
Increase (decrease) in provision for bonuses	(55)	(36)
Increase (decrease) in provision for product warranties	(7)	32
Increase (decrease) in retirement benefit liability	36	18
Decrease (increase) in retirement benefit asset	0	(7)
Increase (decrease) in provision for bonuses for directors (and other officers)	(37)	(57)
Increase (decrease) in provision for share awards for directors (and other officers)	(4)	10
Interest and dividend income	(100)	(141)
Interest expenses	27	45
Share of loss (profit) of entities accounted for using equity method	(120)	344
Loss (gain) on sale and retirement of non-current assets	3	(0)
Loss (gain) on sale of investment securities	(14)	—
Decrease (increase) in trade receivables	(656)	(513)
Decrease (increase) in inventories	(54)	655
Increase (decrease) in trade payables	(348)	(670)
Other	(868)	181
Subtotal	2,961	4,532
Interest and dividends received	101	141
Interest paid	(27)	(45)
Income taxes paid	(1,120)	(1,587)
Net cash provided by (used in) operating activities	1,914	3,040
Cash flows from investing activities		
Payments into time deposits	(1,352)	(2,162)
Proceeds from withdrawal of time deposits	1,845	1,067
Purchase of property, plant and equipment	(785)	(1,160)
Proceeds from sale of property, plant and equipment	12	4
Purchase of intangible assets	(206)	(164)
Proceeds from sale of investment securities	263	—
Proceeds from redemption of investment securities	300	—
Loan advances	(3)	(0)
Proceeds from collection of loans receivable	5	9
Other	(1)	(31)
Net cash provided by (used in) investing activities	75	(2,437)

(Amount: million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(17)	(59)
Repayments of lease liabilities	(154)	(160)
Repayments of long-term borrowings	(88)	(56)
Purchase of treasury shares	(0)	(290)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(4)
Dividends paid	(893)	(1,078)
Dividends paid to non-controlling interests	(381)	(545)
Net cash provided by (used in) financing activities	(1,534)	(2,194)
Effect of exchange rate change on cash and cash equivalents	593	714
Net increase (decrease) in cash and cash equivalents	1,049	(876)
Cash and cash equivalents at beginning of period	12,080	14,608
Cash and cash equivalents at end of period	*13,130	*13,732

[Notes]

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

Effective from the current consolidated interim period, ANEST IWATA Italia S.r.l., which was a consolidated subsidiary, was dissolved through an absorption-type merger on January 1, 2024, with ANEST IWATA STRATEGIC CENTER S.r.l. as the surviving company. Therefore, it was excluded from the scope of consolidation.

In addition, the newly established ANEST IWATA A.I.R. Co., Ltd. has been included in the scope of consolidation.

(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 153 million yen, and the number of shares is 154,200. At the end of the current consolidated interim period, the book price of the treasury shares is 145 million yen, and the number of shares is 145,400.

(Related to semi-annual consolidated balance sheet)

Notes receivable endorsed

	As of March 31, 2024	As of September 30, 2024
	1,075 million yen	1,019 million yen

(Related to semi-annual consolidated statement of income)

* Major selling, general and administrative expenses

	Six months ended September 30, 2023	Six months ended September 30, 2024
Remuneration, salaries and allowances for directors (and other officers)	2,704 million yen	3,157 million yen
Provision for bonuses	462 million yen	479 million yen
Provision for bonuses for directors (and other officers)	45 million yen	41 million yen
Provision for share awards for directors (and other officers)	24 million yen	22 million yen
Retirement benefit expenses	107 million yen	86 million yen
Provision for product warranties	82 million yen	150 million yen
Provision of allowance for doubtful accounts	147 million yen	19 million yen

(Related to semi-annual consolidated statement of cash flows)

* Relationship between cash and cash equivalents at end of period and amounts for items mentioned in the semi-annual consolidated balance sheet

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash and deposits	15,315 million yen	17,205 million yen
Time deposits with maturities of more than three months	(1,912) million yen	(3,186) million yen
Derivative deposits	(271) million yen	(286) million yen
Cash and cash equivalents	13,130 million yen	13,732 million yen

(Related to shareholders' equity, etc.)

Six months ended September 30, 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

(Note) The total amount of dividends includes the dividend of 3 million yen for the Company shares owned by the "Board Benefit Trust (BBT)."

2. Of the dividends whose record date belongs to the six months ended September 30, 2023, the effective date of the dividend is after September 30, 2023

Resolution	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date	Source of dividend
November 9, 2023 Board of Directors meeting	Common shares	894	22.0	September 30, 2023	December 7, 2023	Retained earnings

(Note) The total amount of dividends includes the dividend of 3 million yen for the Company shares owned by the "Board Benefit Trust (BBT)."

3. Significant changes to the shareholders' equity

There are no relevant matters.

Six months ended September 30, 2024

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 25, 2024 Ordinary general shareholders' meeting	Common shares	1,078	27.0	March 31, 2024	June 26, 2024	Retained earnings

(Note) The total amount of dividends includes the dividend of 4 million yen for the Company shares owned by the "Board Benefit Trust (BBT)."

2. Of the dividends whose record date belongs to the six months ended September 30, 2024, the effective date of the dividend is after September 30, 2024

Resolution	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date	Source of dividend
November 11, 2024 Board of Directors meeting	Common shares	874	22.0	September 30, 2024	December 9, 2024	Retained earnings

(Note) The total amount of dividends includes the dividend of 3 million yen for the Company shares owned by the "Board Benefit Trust (BBT)."

3. Significant changes to the shareholders' equity

There are no relevant matters.

(Segment information, etc.)

[Segment information]

I Six months ended September 30, 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	9,085	4,184	3,316	5,445	3,866	25,898
Sales to external customers	9,085	4,184	3,316	5,445	3,866	25,898
Internal sales or transfers between segments	4,171	373	213	514	898	6,171
Total	13,256	4,558	3,529	5,959	4,765	32,069
Segment profit	1,866	524	469	297	764	3,923

(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 semi-annual 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	3,923
Company-wide expenses (Note)	(583)
Inter-segment transactions erased	(474)
Operating profit in the semi-annual consolidated statement of income	2,866

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

II Six months ended September 30, 2024

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	8,814	4,705	3,693	5,951	3,896	27,060
Sales to external customers	8,814	4,705	3,693	5,951	3,896	27,060
Internal sales or transfers between segments	3,322	551	225	628	809	5,538
Total	12,137	5,257	3,918	6,580	4,705	32,598
Segment profit	1,391	562	560	467	640	3,621

(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 semi-annual 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	3,621
Company-wide expenses (Note)	(470)
Inter-segment transactions erased	(189)
Operating profit in the semi-annual consolidated statement of income	2,962

(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	Six months ended September 30, 2023	Six months ended September 30, 2024
Basic earnings per share	64.82 yen	55.35 yen
(Basis for calculation)		
Profit attributable to owners of parent (million yen)	2,623	2,194
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common shares (million yen)	2,623	2,194
Average number of common shares outstanding in the period (shares)	40,475,459	39,652,848

(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 165,629 shares for the previous consolidated interim period and 150,429 shares for the current consolidated interim period.

(Important subsequent events)

There are no relevant matters.

2 [Others]

At the Board of Directors meeting held on November 11, 2024, a resolution was made to pay the following interim dividend to the shareholders listed or registered in the Shareholder Registry as of September 30, 2024.

- | | |
|---|------------------|
| (i) Total amount of interim dividend | 874 million yen |
| (ii) Interim dividend per share | 22.00 yen |
| (iii) Effective date for payment claim and payment start date | December 9, 2024 |

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

There are no relevant matters.

(English Translation)

Independent Auditor's Interim Review Report on Semi-annual Consolidated Financial Statements

November 12, 2024

To the Board of Directors of
ANEST IWATA Corporation

Fujimi Audit Corporation
Tokyo Office

Designated and Engagement Partner
Certified Public Accountant: Miho Toriumi

Designated and Engagement Partner
Certified Public Accountant: Masao Bessho

Auditor's Conclusion

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we conducted an interim review of semi-annual consolidated financial statements, that is, the semi-annual consolidated balance sheet, semi-annual consolidated statement of income, semi-annual consolidated statement of comprehensive income, semi-annual consolidated statement of cash flows and notes of ANEST IWATA Corporation ("the Company"), which is listed in the "Status of Accounting" section for the consolidated interim period (April 1, 2024 to September 30, 2024) of the consolidated fiscal year from April 1, 2024 to March 31, 2025.

In the interim review conducted by our audit firm, the above semi-annual consolidated financial statements are in accordance with the corporate accounting standards 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 September 30, 2024, and the operating results for the consolidated interim period ending the same day, are not fairly stated with regards to all important points.

Basis of Auditor's Conclusions

We conducted our interim review in accordance with the interim review standards generally accepted in Japan. Our responsibilities under the interim review standards are described in "Responsibility of the Auditor in the Interim Review of the Semi-annual 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 Semi-annual Consolidated Financial Statements

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

While preparing semi-annual consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare semi-annual consolidated financial statements based on the premise of a going concern and for disclosing matters related to going concern in accordance with the corporate accounting standards 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 Interim Review of the Semi-annual Consolidated Financial Statements

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

The auditor shall exercise professional judgment and maintain professional skepticism when implementing the following throughout the course of the interim review in accordance with the interim 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 interim review procedures. The interim 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 semi-annual consolidated financial statements that could lead to the belief that they are not properly presented in accordance with the corporate accounting standards generally accepted in Japan. In addition, in cases where significant uncertainty regarding the premise of a going concern is found, the interim review report shall draw attention towards the notes in the semi-annual consolidated financial statements, and in cases where the notes in the semi-annual consolidated financial statements regarding significant uncertainty are not appropriate, the semi-annual 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 interim 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 semi-annual consolidated financial statements do not conform to the corporate accounting standards 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 semi-annual consolidated financial statements, including the related notes, as well as the transactions and accounting events on which the semi-annual 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 to serve as the basis for expressing a conclusion on the semi-annual consolidated financial statements. The auditor is responsible for directing, supervising, and performing the interim review of the semi-annual 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 interim review, the timing of its implementation, and important findings of the interim 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 engagement partners.

Regards

(Notes) 1. The original of the above interim review report is kept separately by the Company (the company submitting the semi-annual securities report).

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