May 12, 2026

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Notice Regarding Formulation of Long-Term Growth Strategy — Master Plan for Realization of Vision 2035 —

ANEST IWATA Group wishes to announce that it has formulated a long-term growth strategy toward the achievement of Vision 2035.

Please refer to the attached materials for further details.

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Long-Term Growth Strategy -Master Plan for Vision2035-

and Progress of First Medium-Term Business Plan

May 12, 2026
ANEST IWATA Corporation
Tokyo Stock Exchange Prime Market - Machinery
Securities Code 6381

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

ANEST IWATA Active with Newest Technology 100th Anniversary

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1. Representative Address

Representative Address

-Our Commitment toward Achieving Vision2035-

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

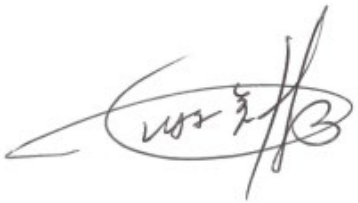
We see this year, our 100th anniversary, as the beginning of a new chapter in our history. While we continue to refine our existing operations, we are also growing into related disciplines and new areas in order to create new pillars of growth. At the same time, we will create a governance framework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

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

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

誠心

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



2. Master Plan for Realizing Vision2035

- Long-term growth strategy based on scenario analysis

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

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

Until now

Scenario analysis

- Forecasting and analyzing the future business environment

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

Main initiatives for FY2024

Announcement of first medium-term business plan

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

Formulation of master plan and strategies

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

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

Change of organizational structure

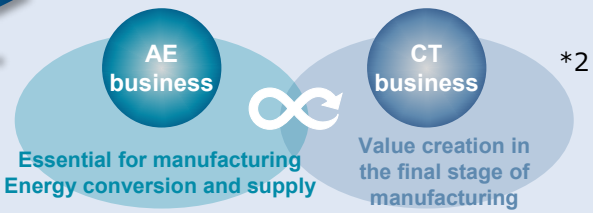
- Establishment of CxO positions and regional management functions, and the establishment of global governance*1

Formulation through back casting from the desired future state

[Vision2035] From FY2034

Becoming an Energy Solutions Manufacturer

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



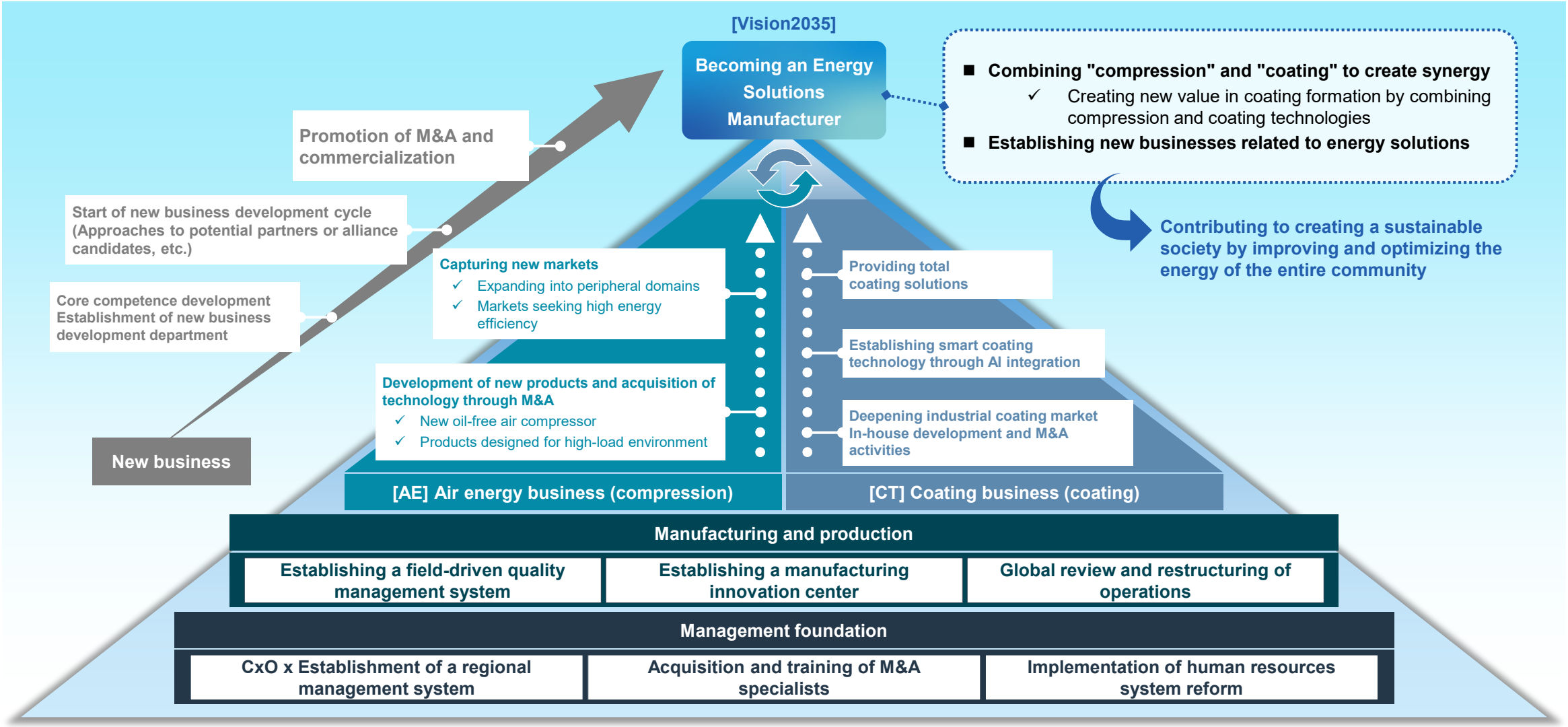
- A one-of-a-kind product that organically combines air energy and coating technology
- We provide energy solutions that support **value creation, primarily in the manufacturing and infrastructure sectors**
- We contribute to the creation of a sustainable society, including the reduction of environmental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

*1: Operations will begin in April 2026

*2: Air energy business/Coating business

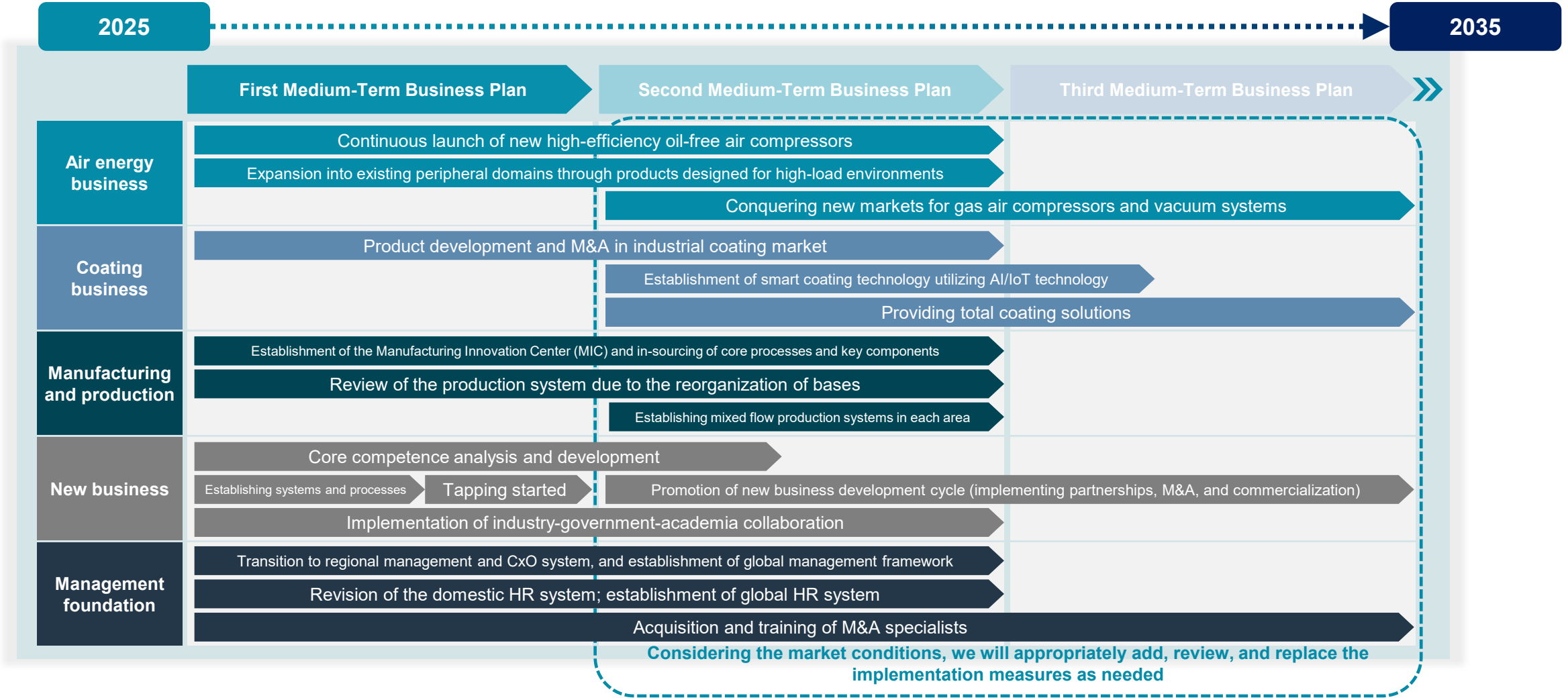
Vision2035: Our Desired Future and the Path Forward

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



Roadmap for implementation Vision2035 (Key Strategies)

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

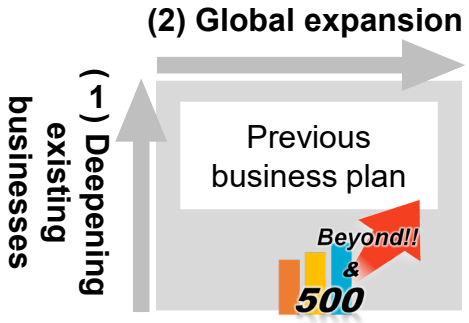


Growth strategy for achieving Vision2035

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

Until now

- Planar growth with 2 axes
- ① "Deepening existing businesses" (Product capacity x strengthening of customer base)
- ② "Global expansion" (regional expansion x local optimization)



Second founding period

Net sales 100 billion yen

- (3) Achieving multidimensional growth driven by the **"creation of new business areas"**

Using peripheral areas of the **AE/CT business as a springboard**, we will establish new businesses through M&A and other means

Vision2035

Vision2030 "Decorating the world and enriching the society with liquids and gases"

100th anniversary of establishment

(3) Creation of new areas

First Medium-Term Business Plan

Net Sales: 62 billion yen
ROE: 11%

Second Medium-Term Business Plan

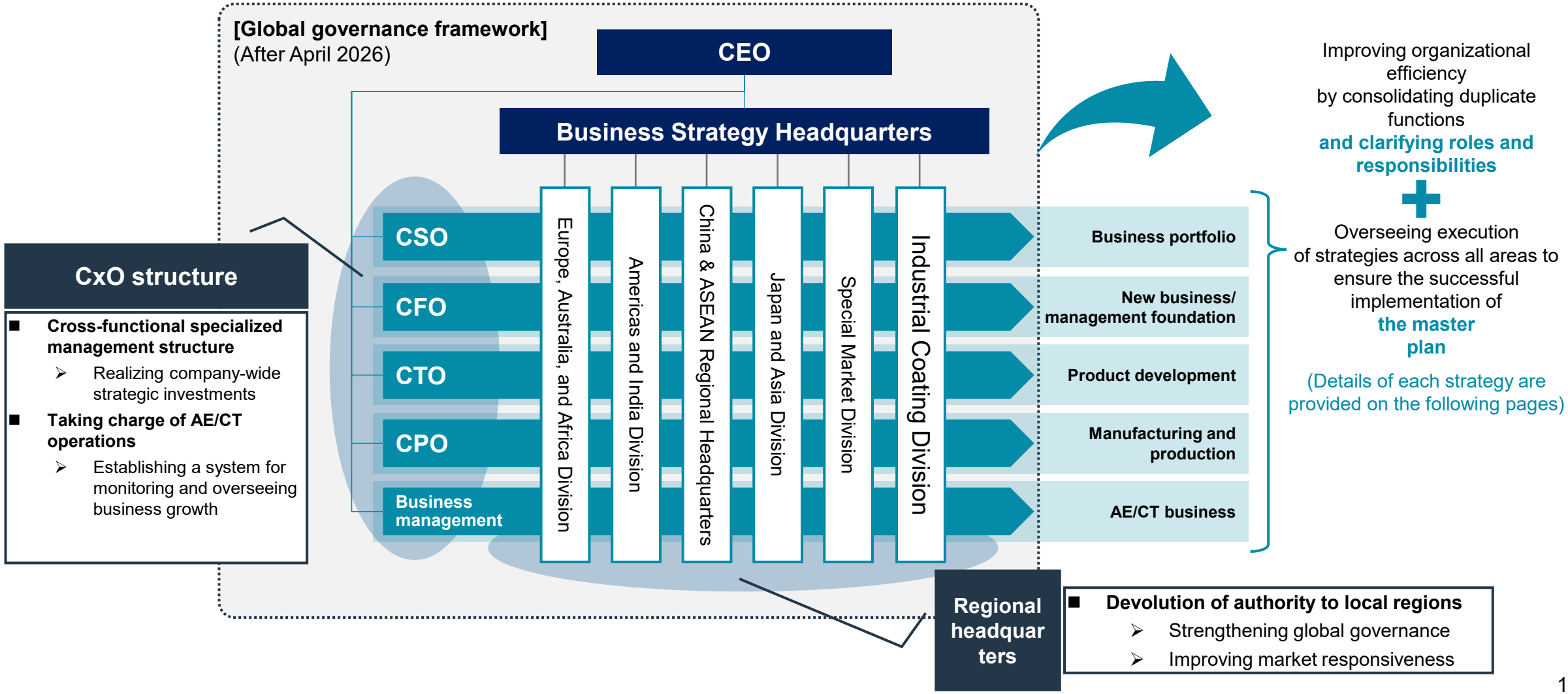
Tertiary Medium-Term Business Plan

Achieving discontinuous growth by capturing new markets while acquiring new technologies

FY2022 to FY2024 | FY2025 to FY2027 | FY2028 to FY2030 | FY2031 to FY2033

Change in organizational structure to realize Vision2035

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

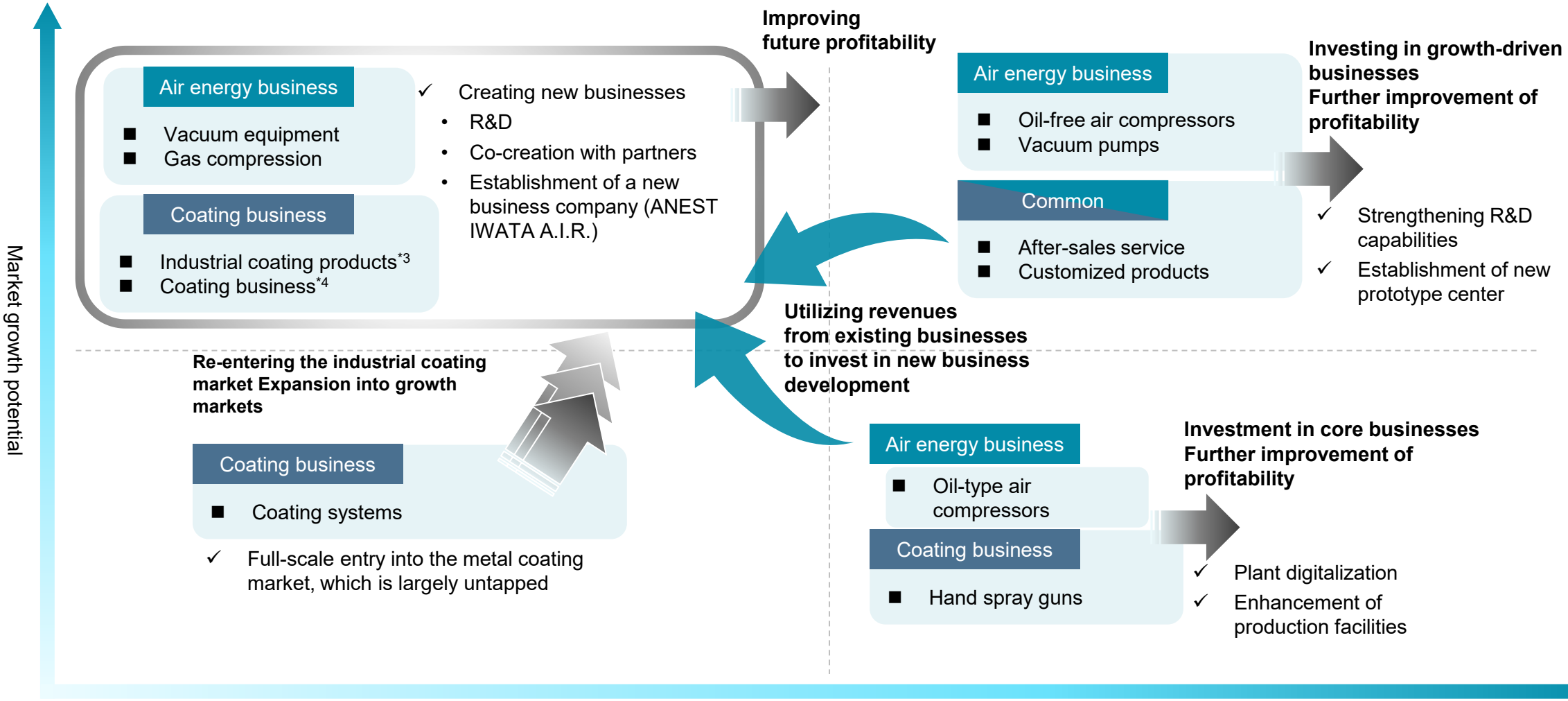


2-1. Key strategies in master plan

- Path to Vision2035 in each area

[Business portfolio] Vision and growth investment strategy

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



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

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

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

Major policies for realizing Vision2035

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

Target market

✓ Two new markets located near the current main markets

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

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

Product development policy

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

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

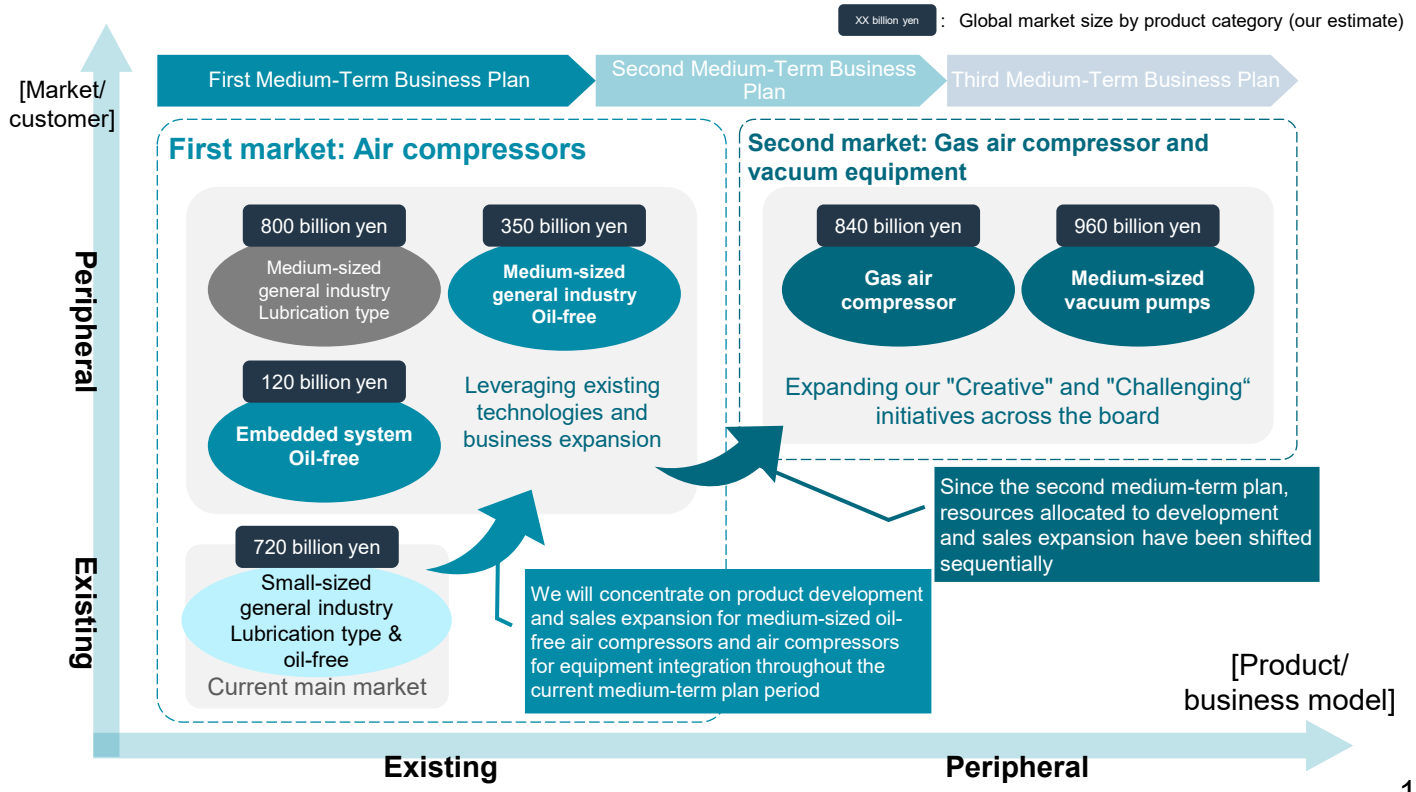
Sales expansion strategy

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

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

Market Capture Overview

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



[CT] Coating Business: Capturing Markets for Realizing Vision2035

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

Major policies for realizing Vision2035

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

Target market

- ✓ A vast untapped market that is larger than our current main areas of focus (automotive refinishing (hereinafter "self-repair") and airbrushing, etc.)
  - ① **Industrial coating equipment market**
  - ② **Metal coating systems market**

Product development policy

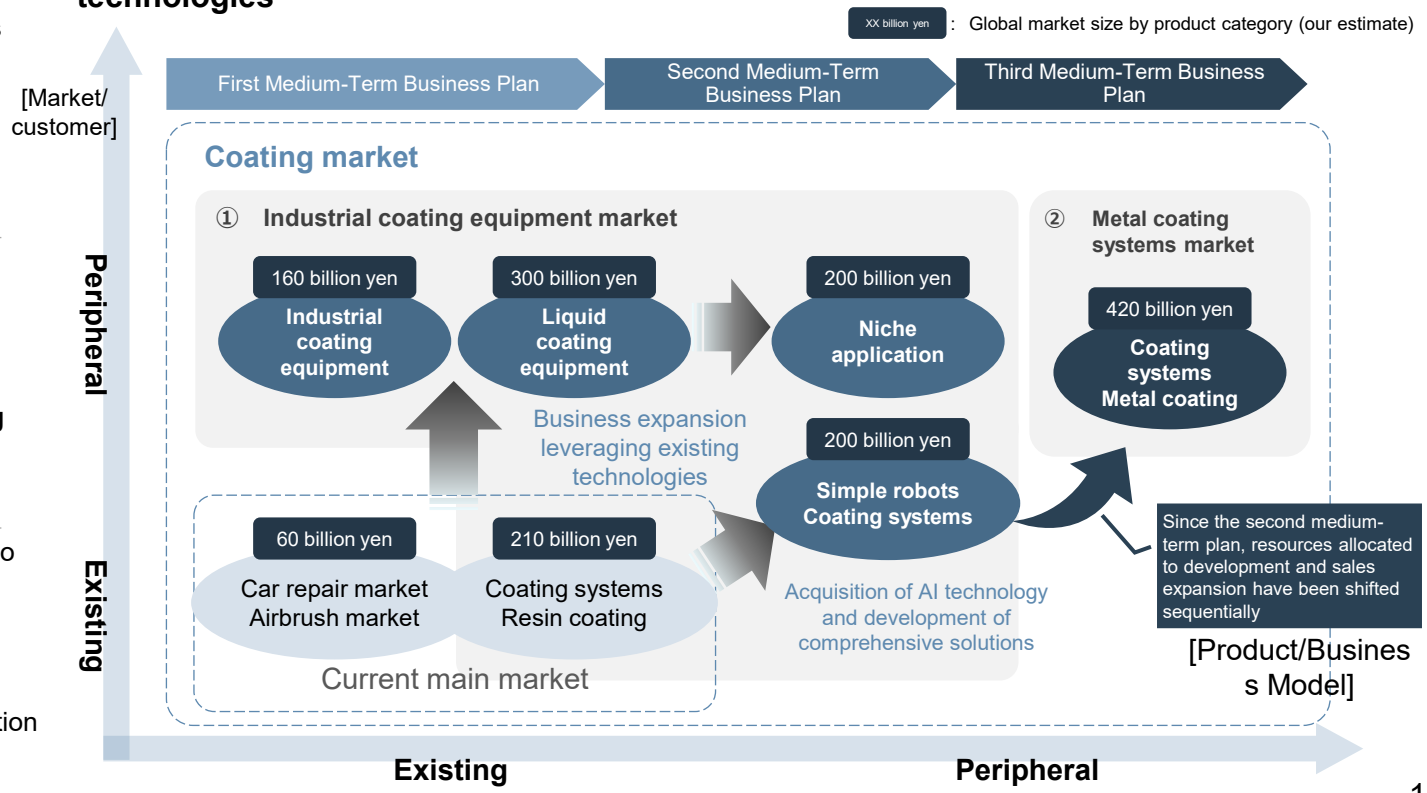
- ✓ **We develop products for the industrial and metal sectors to satisfy various niche needs by utilizing our exclusive atomization technology,** which permits the coating and application of a broad range of liquids
- ✓ **Through collaborations and M&A, we will obtain new coating technologies including electrostatic coating and supply, and** advance **application development**

Sales expansion strategy

- ✓ (As with the AE business) Establishing organizational structures to capture markets in each global region, implementing sales expansion strategies **and strengthening sales engineering capabilities through the "Coating Business"**
- ✓ Identifying potential customers with an eye toward future comprehensive solutions, offering integrated solutions in conjunction with the AE business and leveraging existing customer bases

Market Capture Overview

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



[Manufacturing & Production] Major Policies in Production Strategy

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

Major policies for realizing Vision2035

1 Enhancement of creativity and strengthening of development capabilities

Ability to create value

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

2 Site reorganization and maximization of asset efficiency

Ability to deliver value

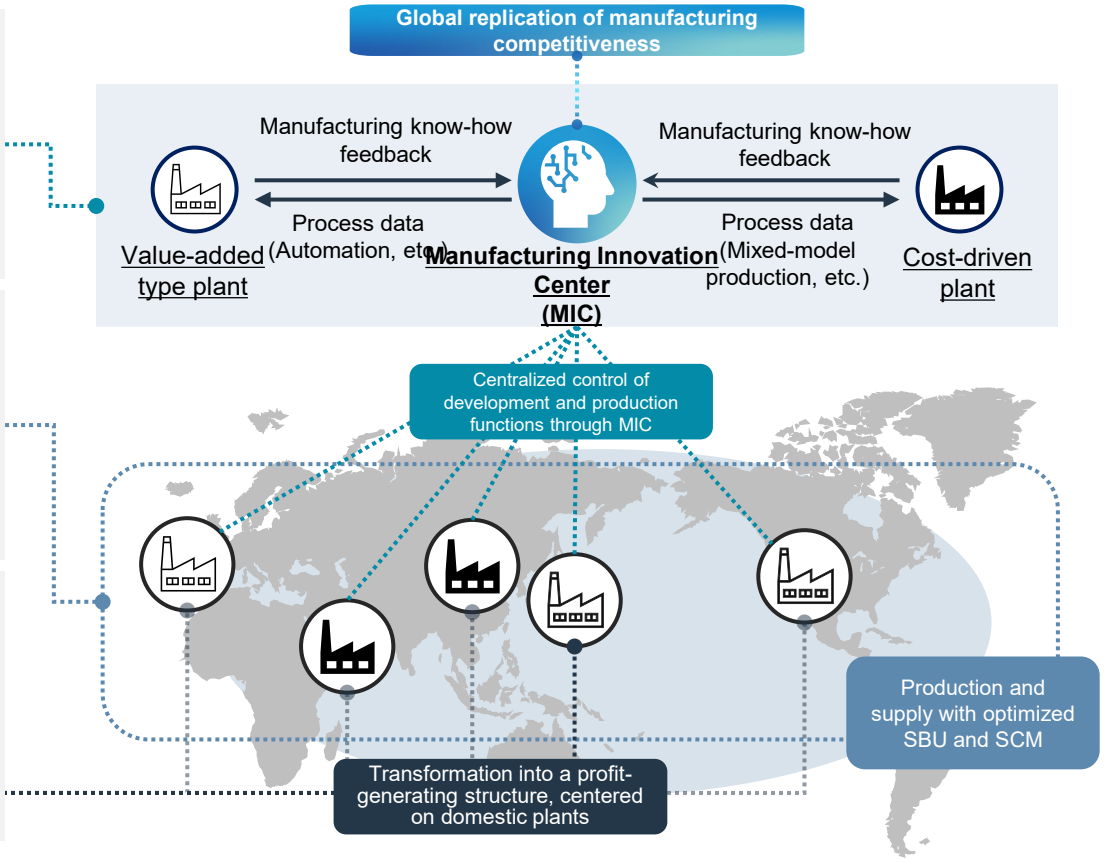
- Optimization of global production and distribution sites; **strengthening of production capabilities through the optimal allocation of production functions and the reinforcement of key areas**
- Establishment of mixed-model production systems at each site and strengthening of the global supply chain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

3 Quality improvement and profitability enhancement

Ability to fully realize value

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

Vision for the ideal global production framework



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

【Product Development】Key Product Development and Launch Roadmap

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

FY2025 ▶ FY2035

1st Medium-Term Business Plan | **2nd Medium-Term Business Plan** | **3rd Medium-Term Business Plan**

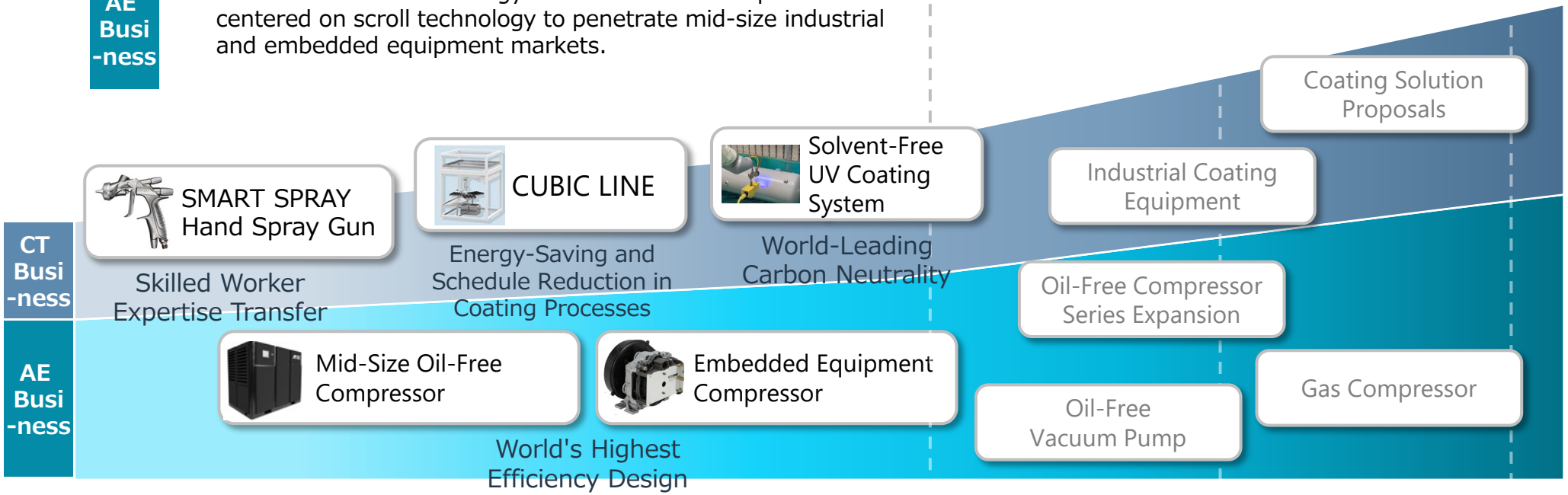
CT Business

- Develop and launch diverse coating systems using atomization technology—not just equipment—to strengthen industrial coatings market; advance next-gen products for launch from FY next.

AE Business

- Launch world's most energy-efficient oil-free compressors centered on scroll technology to penetrate mid-size industrial and embedded equipment markets.

- Focus resources on new market development.
- Launch new products maximizing energy efficiency from existing technology strengths.



[New Business] New Business Development Policy

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

Basic policy on new business development

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

Focus Areas

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

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

Method

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

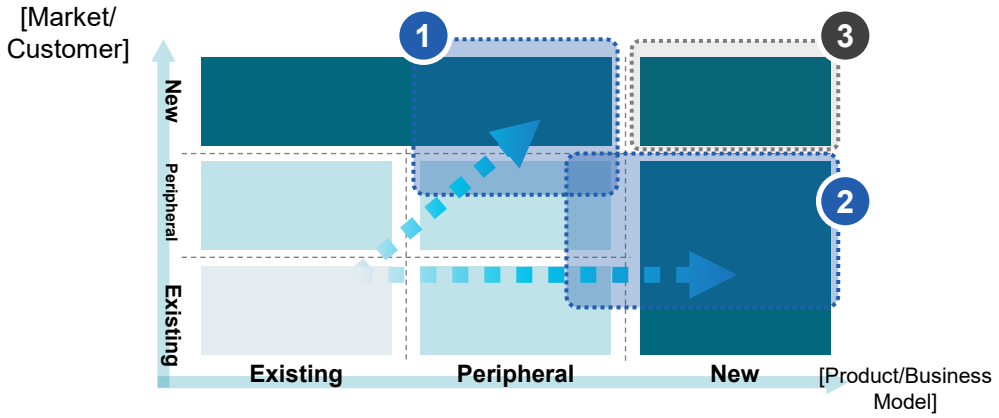
- Achieving early commercialization through all available means, including capital and business alliances, JV/CVC, minority investments, and industry-academia-government collaboration
- Exploring the utilization of external capabilities, including their integration with our existing core competencies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

Vision for new business development

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

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

※ Planning to expand into "detached" areas ③ in the future



[New Business] Promoting Inorganic Growth

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

New Business Development Framework

1st Medium-Term Business Plan | **2nd Medium-Term Business Plan** | **3rd Medium-Term Business Plan**

New business development structure/Cycle design and formulation → Implementation of the new business development cycle → Commercialization and expansion

Development of internal systems

■ **Establishment of a system**

✓ **Establishing a new business strategy organization** directly under the Corporate Planning Department under the supervision of the CFO

- Leading new business development centered around Corporate Planning Department General Manager

■ **Establishing a new business development cycle**

✓ **Define new business development process and cycle**: Core competency analysis → Business opportunity exploration → M&A strategy → Due diligence → Commercialization → Scaling

✓ Establishing an investment decision-making and monitoring process through regular reporting and recommendations submitted to the Investment Committee

External collaboration and exploration

■ **Explore acquisition and partnership opportunities**

✓ **Survey inorganic growth via M&A;** conduct outreach to targets

■ **Collaboration with industry, government, and academia** (Examples of initiatives below)

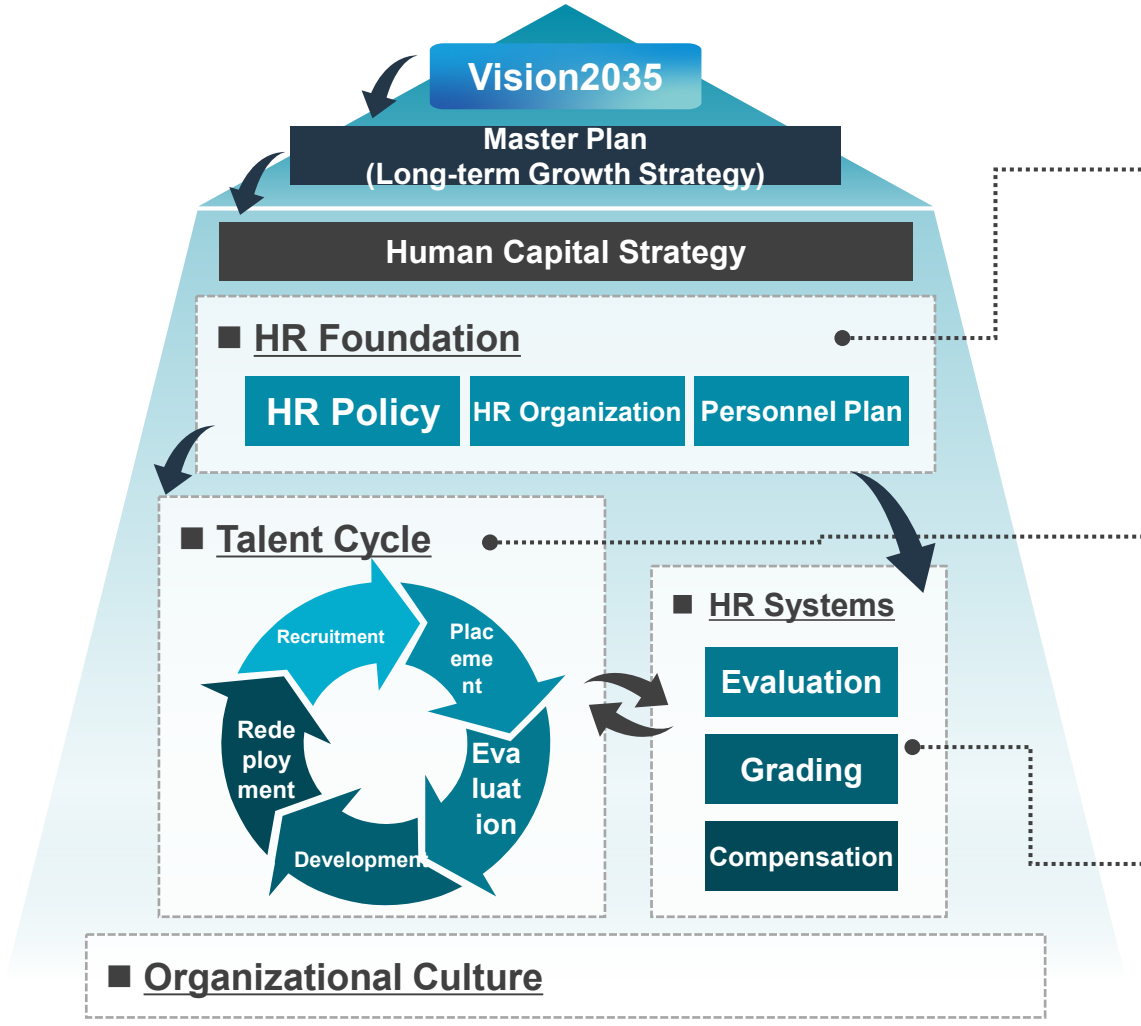
✓ 【Industry】Cross-industry collaboration, investment in venture capital, joint development with startups, etc.

✓ 【Government】 Participation in councils for the formulation of regulations and standards

✓ 【Academia】Joint research and demonstration projects with universities and research institutions

[Management Foundation] Human Capital Strategy

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



Establishing the HR foundation to realize Vision2035

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

Talent Cycle Linked to HR Foundation

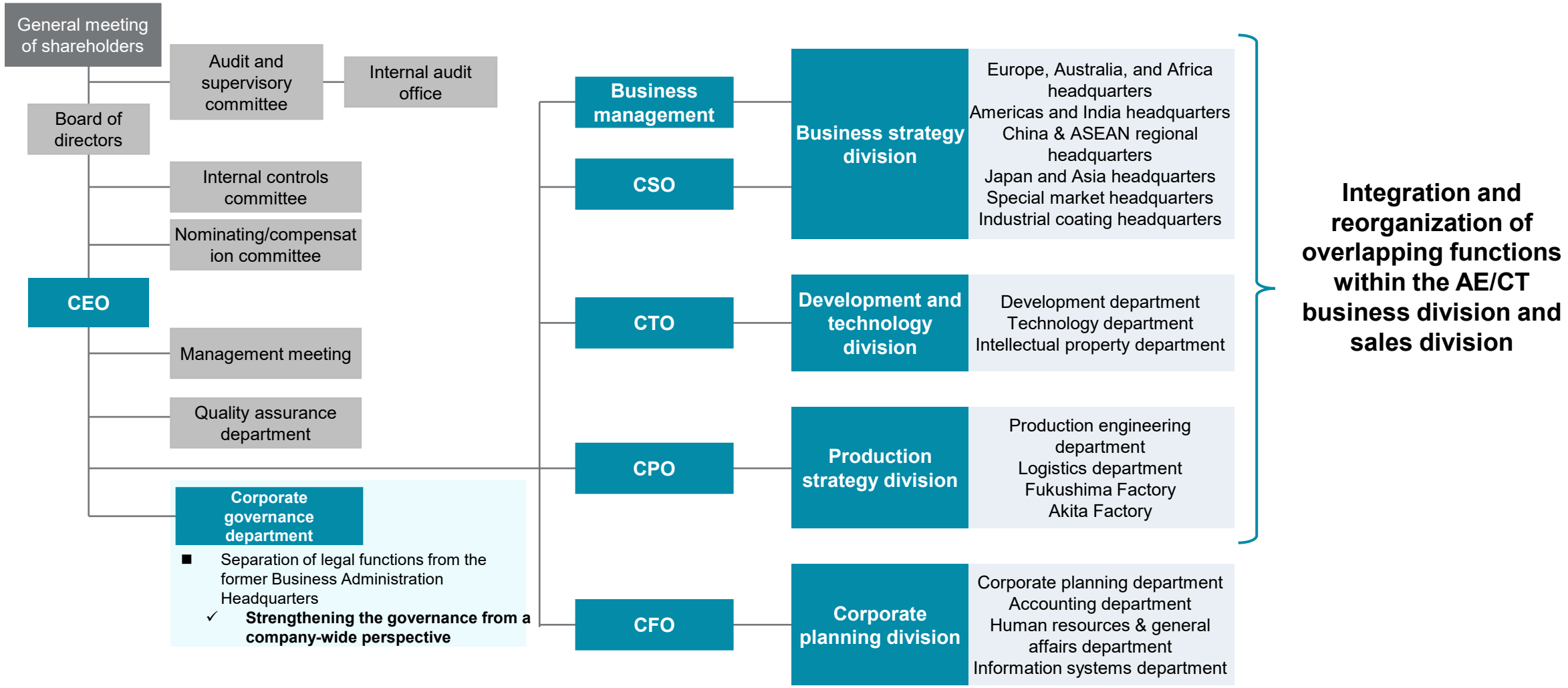
- ✓ Optimal talent allocation for growth strategy
  - • **Focus on M&A and PMI** for inorganic growth
- ✓ **Develop executives and global talent**
  - • Define and cultivate ideal executive profiles

Global HR System Redesign

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

[Management Foundation] Organizational Structure

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



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

Management Indicators in First Medium-Term Business Plan

One-time costs will temporarily impact FY2027 operating profit, but we remain committed to final-year targets of 62.0 billion yen revenue, 11.0% ROE, and 132 yen EPS through strategy execution and capital efficiency gains.

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

*7 Anniversary-related costs expected to depress FY2027 operating profit.
*8 1st Medium-Term Plan capital strategy centers on M&A acceleration; 11% ROE is organic growth baseline, with M&A targeting higher returns.

Summary of Initiatives under the First Medium-Term Business Plan

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

Business Strategy

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

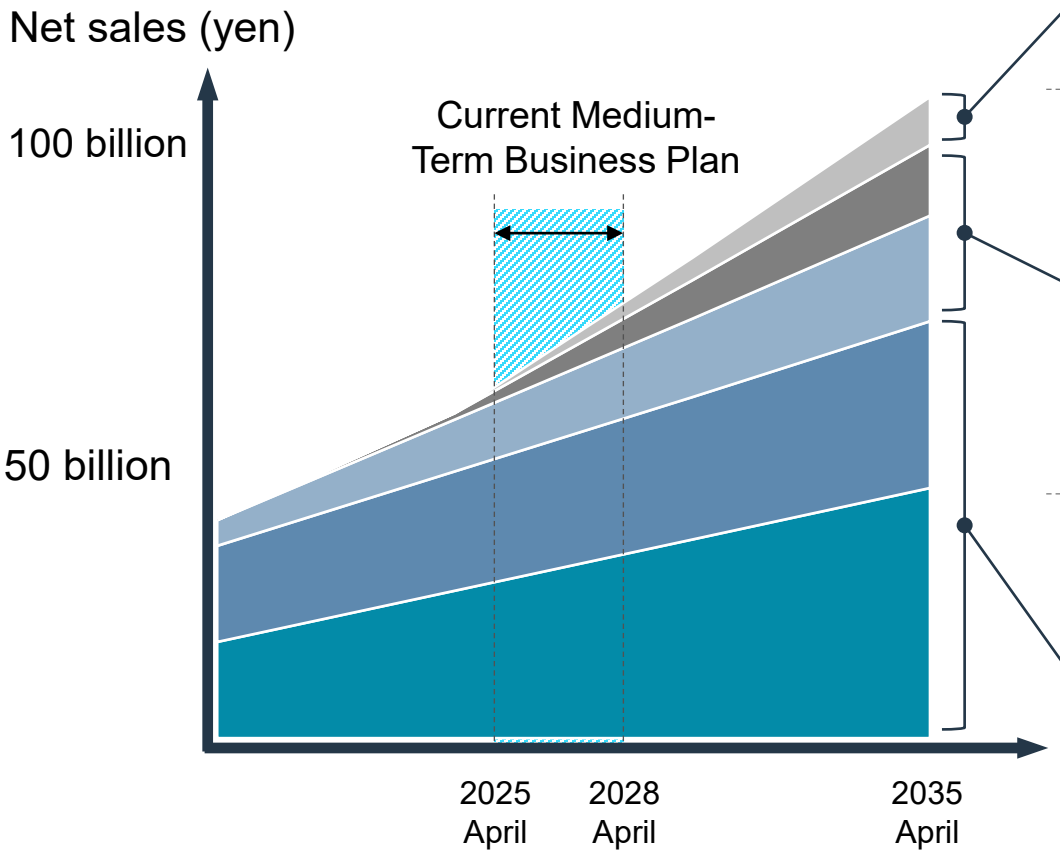
Capital Policy

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

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

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

■ Image of growth until achieving Vision2035



New business development

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

M&A implementation

New businesses

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

Existing businesses

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

Organic growth

Coating business

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

Air energy business

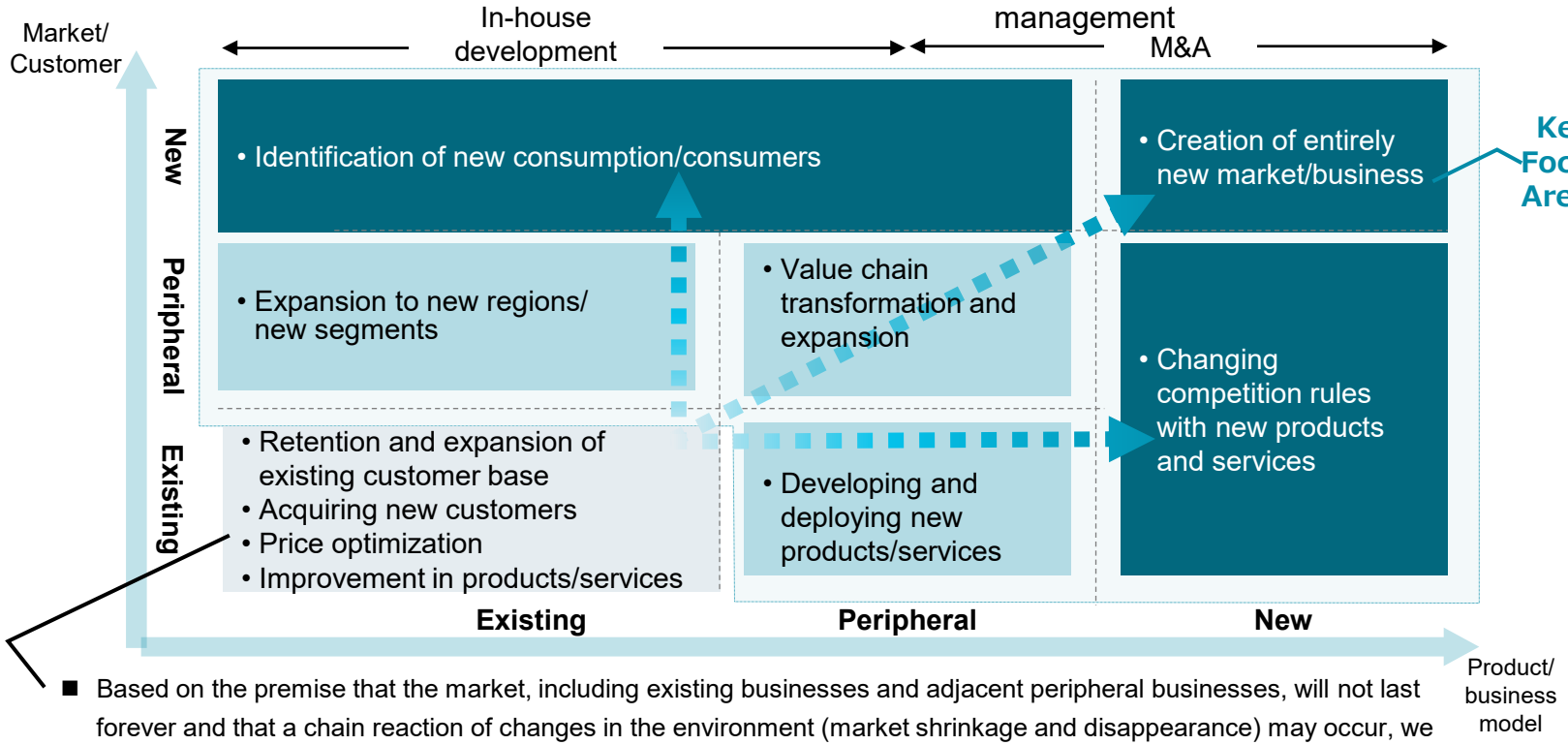
- Promoting development of new markets and development of new products and services by utilizing the core technologies and know-how we have cultivated so far

Focus Areas in the First Medium-Term Business Plan

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

Business strategy

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



Key Focus Areas

Area strategy

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

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

Business Strategy Initiatives Policy (1/2)

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

AE Business

Air compressors

Oil-free

- **Embedded applications**: We have allocated development resources as a top priority and are actively proceeding with development, and **plan to sequentially launch new products starting from the first half of the next fiscal year**
- **Medium-scale**: Like embedded applications, this is a priority area for development. **We plan to launch some products during the current medium-term plan period**
- **Large-scale**: We will proceed with the development using existing resources (including SCR), with an aim to launch products during the next fiscal year

Lubrication type

Gas air compressors and vacuum pumps

We will implement initial-stage development, including joint development, as a stepping stone to market entry. Some products are scheduled for launch in the next fiscal year or later

We plan to pursue a "market-in" approach in development while sequentially securing the necessary development resources

CT Business

Industrial Coating

Equipment

- **Car repair**: We aim to secure the No. 1 position in this market by refining our new product lineup and **deepening our market penetration across all regions**
- **Niche**: We provide solutions with an emphasis on speed **by customizing our existing base models**
- **For industrial use**: By preferentially allocating development resources, **we plan to sequentially launch competitive products during the current medium-term plan period**

System: We will establish a proposal framework for **AI integration and metal coating solutions**

Metal coating

We are conducting initial-stage development—including business alliances and joint development initiatives—to establish a foothold for market entry.

We plan to pursue a "market-in" approach in development while sequentially securing the necessary development resources

■ Europe, Australia, Africa

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

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

■ Japan, South Korea, Taiwan

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

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

■ China, ASEAN

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

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

■ Americas, India

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

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

Business Strategy Initiatives Policy (2/2)

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

Production and manufacturing

1 Enhancing creativity and development capabilities

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

2 Optimizing bases and maximizing asset efficiency

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

3 Improving quality and profitability

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

New business

1 Launching dedicated organization and cycles

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

2 Adjacent business expansion

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

management foundation

1 Deepening CxO × Regional Leadership System

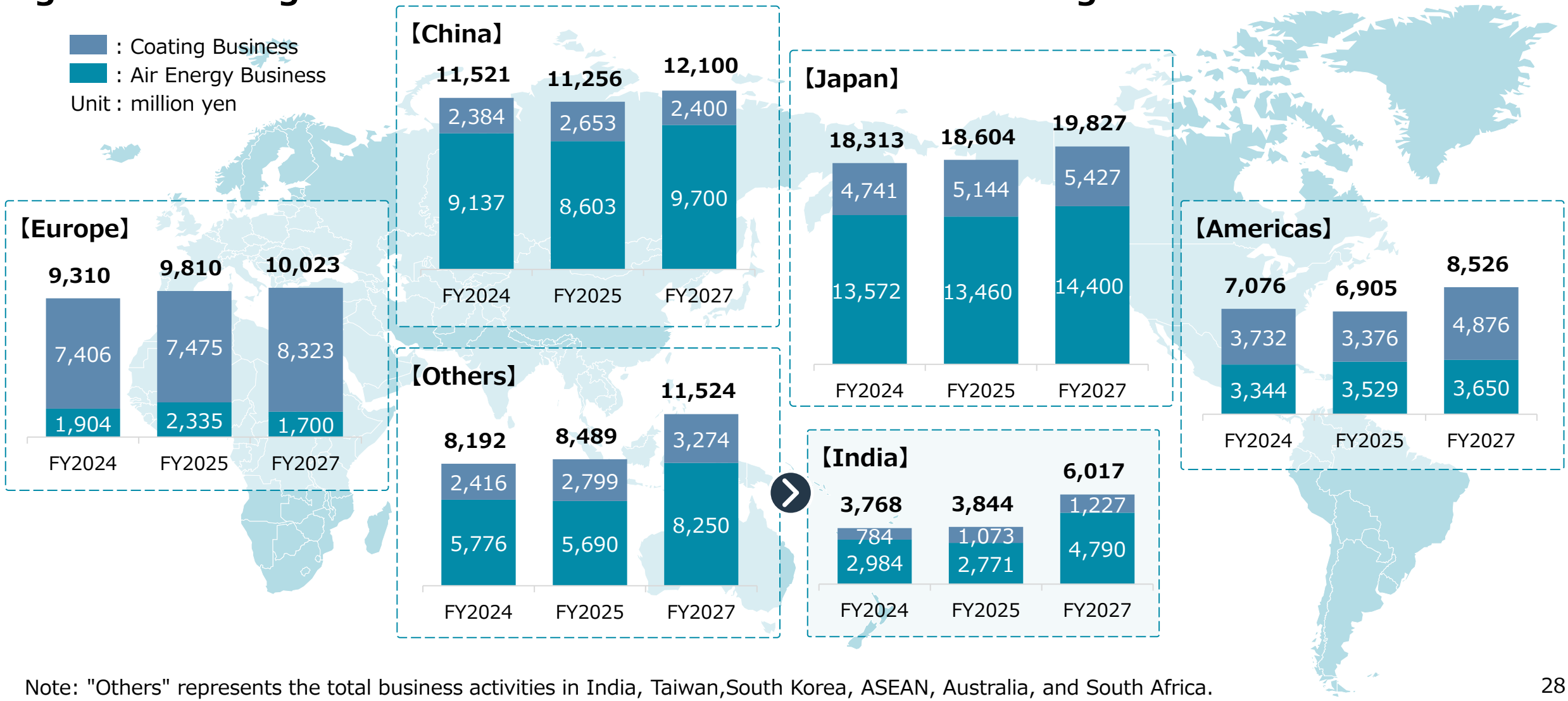
- **Enhanced next-gen candidate requirements and development**
  - ✓ Linked to executive/global talent training and succession planning

2 Building foundation and redesigning HR framework

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

Sales and Profit Plan by Area

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



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

Capital allocation policy (reproduced)

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

Investment policy

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

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

Shareholder return policy

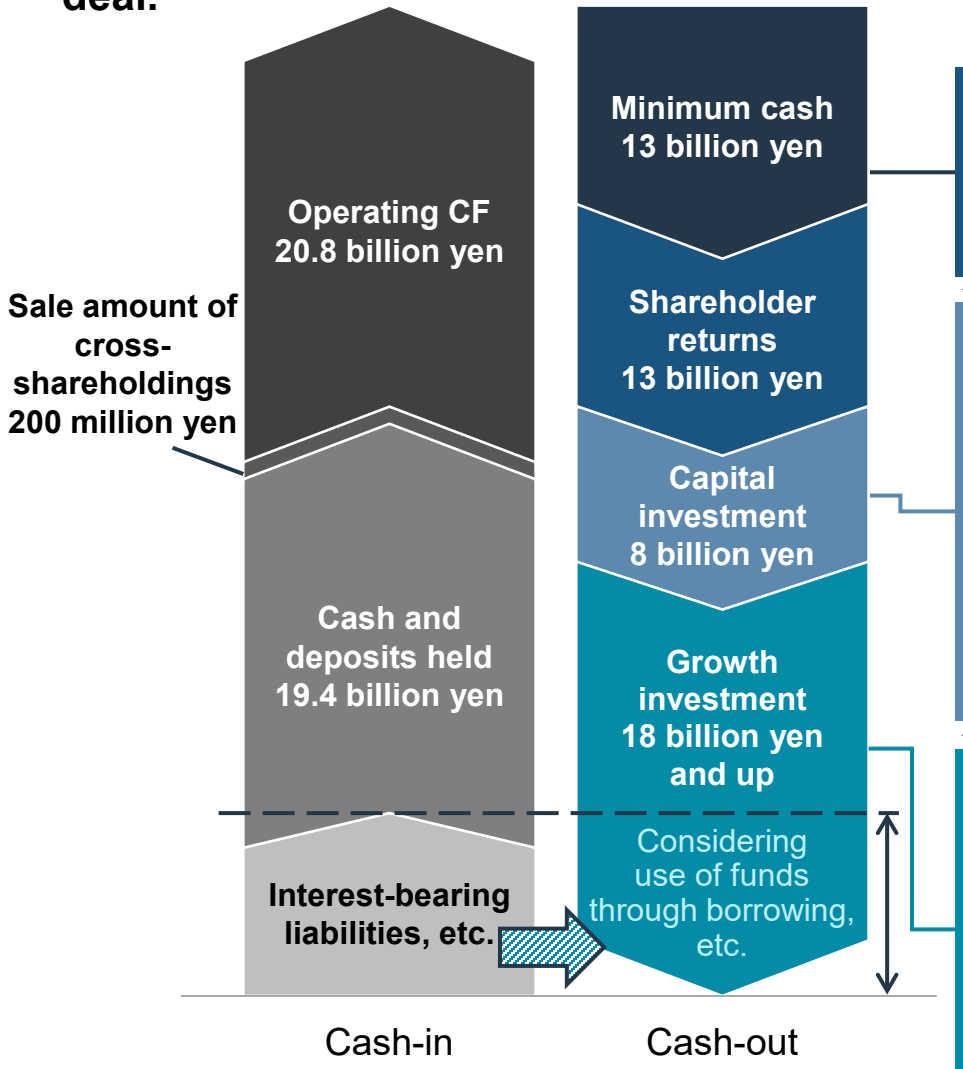
- From FY2025, setting **DOE** for the current Medium-Term Business Plan period at **7.0-7.5%**
  - Progressively increasing dividends with FY2025 as the lower limit
- Acquisition of treasury shares of **3 to 3.5 billion yen** during the current Medium-Term Business Plan period

Management with an emphasis on capital efficiency

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

Cash Allocation (reproduced)

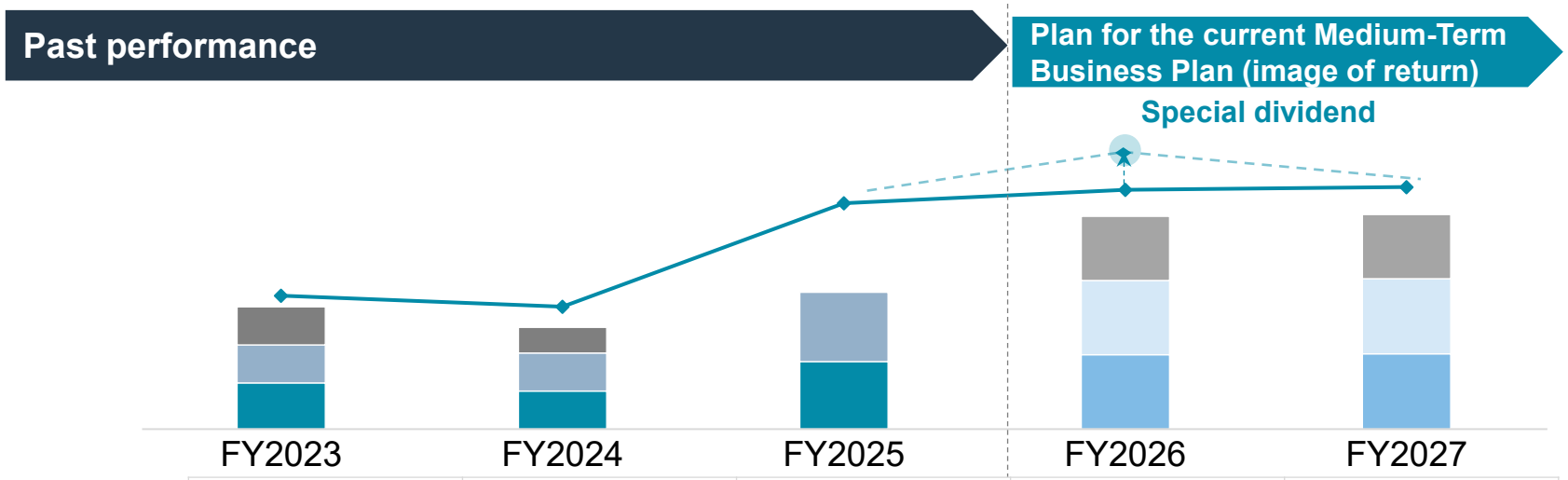
Cash allocation to shareholder returns, capital investments, and growth investments, while maintaining the minimum necessary level. In the case of M&A, we will consider financing through borrowing, etc., depending on the size of the deal.



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

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

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



	FY2023	FY2024	FY2025	FY2026	FY2027
Amount of Shares Repurchased	890 million yen	600 million yen	-	1,500 million yen	1,500 million yen
Year-end Dividend	890 million yen	890 million yen	1.82 billion yen*10	1.94 billion yen	DOE 7.0% to 7.5% dividend
Interim Dividend	1.08 billion yen	890 million yen	1.62 billion yen	1.67 billion yen	
Annual Dividend per Share	49.0 yen	45.0 yen	87.0 yen	93.0 yen*11	

*9 DOE target and floor exclude special factors such as commemorative dividends
*10 FY3/26 final dividend determined by resolution at the 80th Ordinary General Meeting of Shareholders
*11 Includes ¥5 per share 100th anniversary commemorative dividend

Composition of the Board of Directors and Skills Held

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

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

Updated in accordance with management policy

Composition ratio of independent directors **56%**

Composition ratio of female directors **22%**

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

Appendix

Definitions and Overview of Terms

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

History

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

1926 Founding of Iwata Seisakusho, the predecessor of our Company

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

1928 Began production and sales of small compressors

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

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

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

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

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

1993 Company name changed to "ANEST IWATA" on the 70th anniversary of the Company's founding

ANEST IWATA

1996 Developed the world's first oil-free scroll vacuum pump

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

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

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

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

2022 Transition to the Prime Market of the Tokyo Stock Exchange

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

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

Our Company's Origins and Current Business Overview

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

Founded in 1926 (Former company name: Iwata Seisakusho)

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

Spray gun

Coating hand gun

Atomizing paint with compressed air

Air compressor

Compressor

Started manufacturing of air compressors as power for spray guns

Product differentiation concept

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

- Oil-free
- Energy-saving

Diversification of products Development of new applications

Coating robot

Airbrush

Oil-free scroll vacuum pump

Oil-free scroll air compressor

Coating business

Coating equipment

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

Coating systems

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

Air energy business

Air compressors

- ✓ Machines that compress gas, mainly air
- ✓ Air compressors, N2 gas generators, and auxiliary equipment such as tanks

Vacuum equipment

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

On the occasion of our 100th anniversary

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

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

Compress the Passion

Compression

Ignition

100th Anniversary Year 2026

Release the Passion

Release

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

Notes on the descriptions about future prospects and other matters

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

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

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