



FY2021 First Quarter Consolidated Financial Results [Japan GAAP] (April 1, 2021 through June 30, 2021)

August 10, 2021

Company Name	: ANEST IWATA Corporation
Stock Exchanges on which the shares are listed	: Tokyo Stock Exchange in Japan
Code Number	: 6381
URL	: http://www.anest-iwata.co.jp/english
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Filing Date of Quarterly Securities Report	: August 11, 2021
Payment Date of Cash Dividends	: -
Supplemental Materials Prepared for Quarterly Results	: Yes
Earnings Announcement for Quarterly Financial Results	: None

(Amounts are rounded to the nearest million yen)

1. Consolidated Results for FY2021 (April 1, 2021 through June 30, 2021)

(1) Consolidated Financial Results (% of change from previous 1st Quarter)

	Net Sales		Operating Income		Ordinary Income		Quarterly Net Income Attributable to Parent Company Shareholders	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2021 1st Quarter	9,100	31.6	893	117.8	1,114	98.5	700	61.0
FY2020 1st Quarter	6,914	(20.3)	410	(43.7)	561	(33.0)	435	(18.0)

(Note) Quarterly Comprehensive Income: FY2021 1st Quarter 1,733 million yen (—%), FY2020 1st Quarter (53) million yen (down 108.7%)

	Net Income per share - Basic	Net Income per share - Diluted
FY2021 1st Quarter	Yen 17.05	Yen —
FY2020 1st Quarter	10.47	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million Yen	Million Yen	%
FY2021 1st Quarter	50,260	37,237	65.9
FY2020	49,458	36,133	65.2

(Note) Equity capital: FY2021 1st Quarter 33,136 million yen, FY2020 32,242 million yen.

2. Cash Dividends

	Annual Cash Dividends per share				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2020	—	12.00	—	12.00	24.00
FY2021	—				
FY2021 (forecast)		12.00	—	12.00	24.00

(Note) Revisions to the forecast of cash dividends since latest announcement: None

3. Forecast of Consolidated Results for FY2021 (April 1, 2021 through March 31, 2022)

(% of change from FY2020)

	Net Sales		Operating Income		Ordinary Income		Current Net Income Attributable to Parent Company Shareholders		Net Income per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
FY2021 half year (total)	19,000	14.9	1,750	22.4	2,000	13.7	1,250	10.5	30.30
FY2021	38,500	8.2	3,600	4.5	4,100	(3.6)	2,515	(4.1)	60.96

(Note) Revisions to the forecast of consolidated results since latest announcement: None

* Note

(1) Changes in significant subsidiaries during FY2021 1st quarter: None

(Changes in specified subsidiaries that caused a change in scope of consolidation)

New: Company (company name) Excluded: Company (company name)

(2) Application of account processing specific to the creation of quarterly consolidated financial statements: None

(3) Change in accounting policy, change and restatement of accounting estimates

(i) Change in accounting policy due to the revision of accounting standards, etc.: Yes

(ii) Change in accounting policy for other reasons: None

(iii) Change in accounting estimates: None

(iv) Restatement: None

(Note) For details, see "(3) Notes on quarterly consolidated financial statements - (Change of accounting policy)" on page 8 of Attachment.

(4) Number of shares issued and outstanding (common share)

(i) Number of shares issued and outstanding at the end of each fiscal year (including treasury shares)

(ii) Number of treasury shares at the end of each fiscal year

(iii) Average number of shares outstanding in the period (quarterly total)

FY2021 1st Quarter	41,745,505 shares	FY2020	41,745,505 shares
FY2021 1st Quarter	667,357 shares	FY2020	667,323 shares
FY2021 1st Quarter	41,078,157 shares	FY2020 1st Quarter	41,558,802 shares

(Note) We have introduced the performance-based stock compensation plan, "Board Benefit Trust (BBT)", since FY2019. Accordingly, in the calculation of the net income 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 end of each fiscal year and the average number of shares outstanding in the period.

* These quarterly financial results are not subject to quarterly reviews by certified public accountants or audit corporations.

* Explanation of the appropriate use of the expected results of operations, other special notes

Forecasts for operations and other descriptions about the future that are contained in this document are based on the information acquired at the time of publication, as well as certain premises that we judge reasonable. The actual results of operations and so on may change greatly as a result of various factors. For information about the conditions acting as the premise for the expected results of operations and notes on the use of the expected results of operations, see "(2) Explanation for the information on future prospects including the expected consolidated results of operations" on page 3 of Attachment.

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1. Qualitative information for financial results of the current quarter

(1) Explanation for results of operations and financial condition

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

(i) Overview and results of operations

During the current consolidated cumulative first quarter, the world economy has been impacted by coronavirus disease 2019 (COVID-19), continuing from the previous consolidated fiscal year. However, because of a pickup in consumption associated with the promotion of vaccination in China, the United States, and some other countries, for example, the world economy is now in a recovery trend on the whole although there are differences in recovery level among the countries. In contrast, in emerging countries such as India and Brazil and in ASEAN countries, there has been a delay in economic recovery due to, for example, the re-expansion of infection, and uncertainty has continued. The Japanese economy has been on a recovery trend on the whole although the pace of recovery has slowed down due to, for example, the repeated declarations of a state of emergency.

Under such circumstances, our business performance for the current consolidated cumulative first quarter is as follows: sales standing at 9,100 million yen (up 31.6% from the same consolidated cumulative quarter of the previous fiscal year), operating income at 893 million yen (up 117.8%), ordinary income at 1,114 million yen (up 98.5%), and quarterly net income attributable to the parent company shareholders at 700 million yen (up 61.0%). Note that because of the application of the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc., sales are down 67 million yen and operating income and ordinary income are down 4 million yen each.

(Reference values) Situation of each division

Division	(Product Category)	Current consolidated cumulative first quarter April 1, 2021 - June 30, 2021			
		Consolidated net sales		Consolidated operating income	
		Million Yen	%	Million Yen	%
Air Energy Division		5,473	35.4	447	123.6
	Air Compressors	5,061	34.2		
	Vacuum Equipment	411	52.0		
Coating Division		3,627	26.3	446	112.2
	Coating Equipment	3,311	22.3		
	Coating Systems	316	92.3		
Total		9,100	31.6	893	117.8

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

(ii) Results of operations by segment

Results of operations by regional segment, which our group adopts, are as described below. For details of the results of our operations by segment, refer to (Segment information, etc.) in "2. Quarterly consolidated financial statements and main notes - (3) Notes on quarterly consolidated financial statements".

Japan

Sales stood at 5,215 million yen (up 26.4% from the same consolidated cumulative quarter of the previous fiscal year) and segment income stood at 685 million yen (up 34.1%).

In the air compressor field, the sales of oil-free scroll air compressors have grown due to, for example, increasing demand for products for food manufacture and the success of campaigns.

In the vacuum equipment field, the sales of vacuum pumps for semiconductor manufacture-related equipment have grown steadily due to an increase in semiconductor demand.

In the coating equipment field, the sales of environmental equipment have mainly grown due to economic recovery.

In the coating system field, operating activities have been restricted due to the impact of COVID-19, but the sales have grown because, for example, the products ordered until the previous consolidated fiscal year have been delivered without fail.

Europe

Sales stood at 1,437 million yen (up 20.1% from the same consolidated cumulative quarter of the previous fiscal year) and segment

income stood at 180 million yen (up 78.2%).

In the air compressor field, the sales of air compressors for use in milking and for the generic market have grown, continuing from the previous consolidated fiscal year.

In the vacuum equipment field, the sales of vacuum pumps have been on slight increase due to economic recovery.

In the coating equipment field, the sales of spray guns for the car repair market, where the promotion activities have been successful, have grown, as well as the sales of airbrushes, for which stay-at-home demand continues.

Asia

Sales stood at 3,378 million yen (up 60.0% from the same consolidated cumulative quarter of the previous fiscal year) and segment income stood at 232 million yen (up 5,094.5%). The increase in income is mainly due to an increase in sales in China.

In the air compressor field, the distribution of products of Shanghai Screw Compressor Co., Ltd. for China, Europe, Asia, and North America have expanded, so that the sales have grown.

In the vacuum equipment field, the sales of vacuum pumps for semiconductor manufacture-related equipment have grown steadily due to an increase in semiconductor demand in China and other East Asian countries.

In the coating equipment field, the sales of general-purpose equipment, mainly spray guns, have grown mainly in China although there has been a delay in economic recovery due to the impact of COVID-19 in Southeast Asia.

In the coating system field, sales have grown on the whole because the orders for coating systems for the coating of car parts have grown steadily along with economic recovery despite the impact of delays in customer's construction plans, for example.

Other

Sales stood at 1,394 million yen (up 11.1% from the same consolidated cumulative quarter of the previous fiscal year) and segment income stood at 154 million yen (up 118.1%).

In the air compressor field, the sales of medical air compressors in Brazil have grown, as well as the sales of vehicle-mounted air compressors in the United States, although the recovery of the general industrial market is slow.

In the vacuum equipment field, sales have grown, continuing from the previous consolidated fiscal year, due to an increase in semiconductor demand and the success in the development of equipment manufacturers in the United States.

In the coating equipment field, in North America, where part of a business was transferred from a distributor in the United States, and in other countries, the sales of coating equipment for the car repair market have grown, as well as the sales of airbrushes, for which stay-at-home demand continues.

In the coating system field, sales have decreased in Mexico because operating activities have been restricted due to, for example, the impact of COVID-19.

(iii) Analysis of financial condition

For assets, our current assets stood at 29,372 million yen (up 1.7% from the previous consolidated fiscal year), mainly due to an increase of 498 million yen in the "raw materials and supplies". Our noncurrent assets stood at 20,888 million yen (up 1.6%), mainly due to an increase of 139 million yen in the "goodwill" due to the transfer of part of a business to a subsidiary in the United States. As a result, our total assets stood at 50,260 million yen (up 1.6%).

For liabilities, our current liabilities stood at 9,268 million yen (down 3.5%). Our noncurrent liabilities stood at 3,754 million yen (up 1.0%). As a result, our total liabilities stood at 13,023 million yen (down 2.3%).

Our net assets stood at 37,237 million yen (up 3.1%). Note that because of the application of the Accounting Standard for Revenue Recognition, etc., the balance of retained earnings at the beginning of the current period is down 22 million yen. Our equity capital, which is calculated by subtracting the non-controlling shareholders' equity from the net assets, stood at 33,136 million yen, increasing our equity ratio by 0.7 percentage points to 65.9%, from 65.2% at the end of the previous consolidated fiscal year.

(2) Explanation for the information on future prospects including the expected consolidated results of operations

At present, the expected consolidated results of operations and the expected dividend for the full year announced on May 10, 2021 remain unchanged.

2. Quarterly consolidated financial statements and main notes
 (1) Quarterly consolidated balance sheets

(Amount: thousand yen)

	FY2020 (As of March 31, 2021)	FY2021 (As of June 30, 2021)
Assets		
Current assets		
Cash and deposits	12,900,314	12,608,480
Notes and accounts receivable-trade	6,636,359	6,775,967
Securities	299,992	99,995
Merchandise and finished goods	4,468,215	4,677,768
Work in process	1,138,424	1,219,472
Raw materials and supplies	2,433,388	2,931,827
Other	1,254,136	1,310,019
Allowance for doubtful accounts (current)	(237,777)	(251,205)
Total current assets	28,893,053	29,372,325
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	5,099,178	5,192,440
Other, net	6,255,755	6,151,658
Total property, plant and equipment	11,354,933	11,344,099
Intangible assets		
Goodwill	973,798	1,113,697
Other	1,795,143	1,959,239
Total intangible assets	2,768,942	3,072,937
Investments and other assets		
Investment securities	4,464,876	4,568,662
Other	1,987,598	1,913,334
Allowance for doubtful accounts (noncurrent assets)	(10,725)	(10,725)
Total investments and other assets	6,441,749	6,471,271
Total noncurrent assets	20,565,625	20,888,307
Total assets	49,458,678	50,260,633

(Amount: thousand yen)

	FY2020 (As of March 31, 2021)	FY2021 (As of June 30, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,104,589	4,523,624
Short-term loans payable	1,072,130	1,070,302
Income taxes payable	677,692	317,825
Provision for bonuses	718,884	346,834
Provision for other	305,467	246,126
Other	2,728,130	2,763,492
Total current liabilities	9,606,895	9,268,205
Noncurrent liabilities		
Net defined benefit liability	2,181,792	2,186,448
Provision for share-based remuneration for directors	83,041	97,652
Other	1,453,046	1,470,807
Total noncurrent liabilities	3,717,880	3,754,907
Total liabilities	13,324,776	13,023,113
Net assets		
Shareholders' equity		
Capital stock	3,354,353	3,354,353
Capital surplus	1,017,080	1,017,080
Retained earnings	28,758,216	28,940,829
Treasury shares	(685,266)	(685,302)
Total shareholders' equity	32,444,383	32,626,961
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	414,112	461,186
Foreign currency translation adjustments	(513,712)	121,191
Remeasurements of defined benefit plans	(102,234)	(72,487)
Total accumulated other comprehensive income	(201,835)	509,890
Non-controlling shareholders' equity	3,891,353	4,100,668
Total net assets	36,133,902	37,237,520
Total liabilities and net assets	49,458,678	50,260,633

(2) Quarterly consolidated profit and loss statements and quarterly consolidated statements of comprehensive income
 Quarterly consolidated profit and loss statement
 Consolidated cumulative first quarter

(Amount: thousand yen)

	FY2020 (April 1, 2020 through June 30, 2020)	FY2021 (April 1, 2021 through June 30, 2021)
Net sales	6,914,605	9,100,889
Cost of sales	3,762,974	5,018,197
Gross profit	3,151,631	4,082,691
Selling, general & administrative expenses	2,741,379	3,189,314
Operating income	410,251	893,377
Non-operating income		
Interest and dividend income	53,413	52,148
Equity in earnings of affiliates	76,627	75,953
Foreign exchange gains	—	53,913
Other	106,315	64,227
Total non-operating income	236,356	246,243
Non-operating expenses		
Interest expenses	17,459	14,491
Foreign exchange losses	55,591	—
Other	11,886	10,424
Total non-operating expenses	84,937	24,915
Ordinary income	561,670	1,114,704
Extraordinary income		
Gain on sales of fixed assets	390	648
Subsidies for employment adjustment	76,340	—
Total extraordinary income	76,731	648
Extraordinary losses		
Loss on sales of noncurrent assets	399	851
Loss due to Covid-19	90,316	—
Total extraordinary losses	90,716	851
Net income before income taxes	547,685	1,114,501
Income taxes - current	81,394	232,112
Income taxes - deferred	33,535	61,895
Total income taxes	114,930	294,007
Quarterly net income	432,754	820,493
Quarterly net income (loss) attributable to non-controlling shareholders	(2,316)	120,199
Quarterly net income attributable to parent company shareholders	435,071	700,293

Quarterly consolidated statements of comprehensive income
Consolidated cumulative first quarter

(Amount: thousand yen)

	FY2020 (April 1, 2020 through June 30, 2020)	FY2021 (April 1, 2021 through June 30, 2021)
Net income	432,754	820,493
Other comprehensive income		
Valuation difference on available-for-sale securities	10,752	47,074
Foreign currency translation adjustments	(512,594)	719,854
Remeasurements of defined benefit plans	30,023	29,747
Share of other comprehensive income of associates accounted for using equity method	(14,920)	116,798
Total comprehensive income	(486,739)	913,474
Comprehensive income	(53,984)	1,733,967
(Comprehensive income attributable to)		
Parent company shareholders	34,173	1,412,019
Non-controlling shareholders	(88,158)	321,948

(3) Notes on quarterly consolidated financial statements
(Notes on the premise of a going concern)

There are no relevant matters.

(Notes relating to cases in which there are significant changes in the amount of shareholders' equity)

There are no relevant matters.

(Change of accounting policy)

(Application of the Accounting Standard for Revenue Recognition, etc.)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. are applied, starting at the beginning of the current consolidated fiscal first quarter, so that at the time when the control over promised goods or services is transferred to the customer, the revenue can be recognized with the amount of money expected to be received in exchange for the goods or services.

The alternative treatment specified in Article 98 of the "Implementation Guidance on Accounting Standard for Revenue Recognition" is applied so that if the period from shipment until control over said goods and products is transferred to the customer is a normal period, the revenue can be recognized at the time of shipment. At some overseas consolidated subsidiaries, however, the method has been changed from the conventional one, in which the revenue is recognized at the time of shipment, to the one in which the revenue is recognized at the time when control over goods and products is transferred to the customer.

Previously, part of the consideration paid to customers, such as sales incentives, was posted to the selling, general & administrative expenses, but the method has been changed to the one in which the part is subtracted from net sales.

As for the application of the Accounting Standard for Revenue Recognition, etc., we abide by the transitional treatment specified in Article 84, Proviso, of the Accounting Standard for Revenue Recognition. The cumulative effects resulting from retrospectively applying the new accounting policy earlier than the beginning of the current consolidated fiscal first quarter are added to or subtracted from the retained earnings at the beginning of the current consolidated fiscal first quarter, and the new accounting policy is applied, starting with the balance at the beginning of the first quarter.

Consequently, the net sales in the current consolidated cumulative first quarter are down 67,816 thousand yen, the cost of sales is down 12,844 thousand yen, the selling, general & administrative expenses are down 50,595 thousand yen, and the operating income, the ordinary income, and the net income before income taxes are down 4,376 thousand yen, respectively. The balance of retained earnings at the beginning of the current period is down 22,583 thousand yen. In accordance with the transitional treatment specified in Article 28-15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 31, 2020), information about the disaggregation of the revenue from contracts with customers pertaining to the previous consolidated cumulative first quarter is not contained herein.

(Application of the Accounting Standard for Fair Value Measurement, etc.)

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019), etc. are applied, starting at the beginning of the current consolidated fiscal first quarter. In accordance with the transitional treatment specified in Article 19 of the Accounting Standard for Fair Value Measurement and Article 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), we have decided to apply any new accounting policy to be specified in the Accounting Standard for Fair Value Measurement, etc. in the future. This has no influence on quarterly consolidated financial statements.

(Additional information)

(Performance-based stock compensation plan for directors and executive 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 committee members and outside directors) and executive 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 to officers. 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 179,733 thousand yen, and the number of shares is 180 thousand. At the end of the current consolidated fiscal first quarter, the book price of the treasury shares is 179,733 thousand yen, and the number of shares is 180 thousand.

(Accounting estimates concerning the impact of spread of COVID-19)

There are no significant changes in the assumptions and accounting estimates contained in the financial statements for the previous fiscal year, including when the impact of COVID-19 will end.

(Segment information, etc.)

[Segment information]

I Previous consolidated cumulative first quarter (April 1, 2020 through June 30, 2020)

1. Information about the amounts of sales and incomes in each report segment

(Amount: thousand yen)

	Report segment				Other (Note)	Total
	Japan	Europe	Asia	Total		
Sales						
Sales to external customers	2,894,918	1,141,850	1,692,335	5,729,104	1,185,501	6,914,605
Internal sales or transfers between segments	1,232,419	54,903	419,484	1,706,807	69,902	1,776,709
Total	4,127,337	1,196,753	2,111,819	7,435,911	1,255,404	8,691,315
Segment income	511,060	101,291	4,476	616,828	70,726	687,555

(Note) The "Other" category addresses those business segments not covered by the report segments; business activities of local corporations in the United States, Mexico, Brazil, Australia, Russia, and South Africa.

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

(Amount: thousand yen)

Income	Amount
Report segment total	616,828
Income from "Other" category	70,726
Inter-segment transactions erased	(70,479)
Company-wide expenses (Note)	(206,824)
Operating income in the quarterly consolidated profit and loss statement	410,251

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

II Current consolidated cumulative first quarter (April 1, 2021 through June 30, 2021)

1. Information about the amounts of sales and incomes in each report segment and information about the disaggregation of revenue

(Amount: thousand yen)

	Report segment				Other (Note)	Total
	Japan	Europe	Asia	Total		
Sales						
Revenue from contracts with customers	3,537,397	1,363,992	2,892,359	7,793,749	1,307,140	9,100,889
Sales to external customers	3,537,397	1,363,992	2,892,359	7,793,749	1,307,140	9,100,889
Internal sales or transfers between segments	1,678,048	73,901	485,670	2,237,621	87,564	2,325,185
Total	5,215,446	1,437,893	3,378,030	10,031,370	1,394,704	11,426,075
Segment income	685,080	180,451	232,511	1,098,043	154,229	1,252,272

(Note) The "Other" category addresses those business segments not covered by the report segments; business activities of local corporations in the United States, Mexico, Brazil, Australia, Russia, and South Africa.

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

(Amount: thousand yen)

Income	Amount
Report segment total	1,098,043
Income from "Other" category	154,229
Inter-segment transactions erased	(120,677)
Company-wide expenses (Note)	(238,217)
Operating income in the quarterly consolidated profit and loss statement	893,377

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

3. Matters related to changes, etc. to report segments

(Application of the Accounting Standard for Revenue Recognition, etc.)

As described in Change of accounting policy, the Accounting Standard for Revenue Recognition, etc. are applied, starting at the beginning of the current consolidated fiscal first quarter, changing the accounting method for revenue recognition. Thus, the method of calculating the report segment profit or loss has also been changed.

Due to the change, the segment sales in the current consolidated cumulative first quarter are down 9,489 thousand yen in "Japan", 17,923 thousand yen in "Europe", 26,678 thousand yen in "Asia", and 13,725 thousand yen in "Other", respectively, from the sales as calculated with the conventional method. The segment income is up 2,896 thousand yen in "Japan" and 6,560 thousand yen in "Other", respectively and is down 13,833 thousand yen in "Asia". In accordance with the transitional treatment specified in Article 28-15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 31, 2020), information about the disaggregation of the revenue from contracts with customers pertaining to the previous consolidated cumulative first quarter is not contained herein.

4. Information about the impairment loss, goodwill, etc. in noncurrent assets in each report segment

(Important fluctuations in the amount of goodwill)

In the "Other" segment, ANEST IWATA USA, Inc., a consolidated subsidiary in the United States, acquired part of a business of selling coating equipment from Automotive Spraying Equipment Technologies, LLC in the consolidated fiscal first quarter. The increase in goodwill due to this event is 142,312 thousand yen.

(Information related to the combination of enterprises, etc.)

(Combination of enterprises due to acquisition)

(Business transfer to a consolidated subsidiary)

At the board of directors meeting on October 9, 2020, we passed a resolution to transfer part of a business from Automotive Spraying Equipment Technologies, LLC to ANEST IWATA USA, Inc., a consolidated subsidiary in the United States, and the transfer was conducted on January 1, 2021.

1. Overview of the business transfer

(1) Name of the transferor company and description of the business acquired

Name: Automotive Spraying Equipment Technologies, LLC

Description of the business: Selling of coating equipment

(2) Name of the transferee company

Name: ANEST IWATA USA, Inc.

(3) Main reason for the business transfer

Expansion of sales channels in the North American market

(4) Business transfer date

January 1, 2021

(5) Legal form

Business transfer carried out in consideration for cash

2. Period of the performance of the acquired business included in the quarterly consolidated financial statements

January 1, 2021 through March 31, 2021

3. Breakdown of the business transfer according to types, cost of acquisition and consideration for acquisition

Consideration for acquisition	Cash	1,375 thousand dollars (142,312 thousand yen)
Cost of acquisition		1,375 thousand dollars (142,312 thousand yen)

4. Description of main acquisition-related expenses and money amounts

Omitted because they are of little importance.

5. Amount of goodwill that occurred, cause for the occurrence, amortization method, and amortization period

(1) Amount of goodwill that occurred

1,375 thousand dollars (142,312 thousand yen)

(2) Cause for the occurrence

Excess earning power expected to be achieved due to the future expansion of sales channels

(3) Amortization method and amortization period

Straight-line method over three years