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On May 10, 2021, Anest Iwata Corporation announced earnings results for full-year FY03/21.

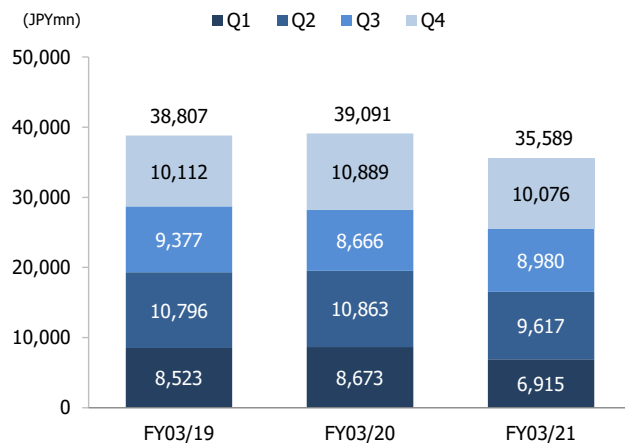
Cumulative (JPYmn)	FY03/20				FY03/21				FY03/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	% of Est.	FY Est.
<b>Sales</b>	<b>8,673</b>	<b>19,536</b>	<b>28,202</b>	<b>39,091</b>	<b>6,915</b>	<b>16,532</b>	<b>25,512</b>	<b>35,589</b>	103.2%	<b>34,500</b>
YoY	1.8%	1.1%	-1.7%	0.7%	-20.3%	-15.4%	-9.5%	-9.0%		-11.7%
Gross profit	3,972	8,577	12,195	16,586	3,152	6,841	10,704	14,926		
YoY	2.0%	3.5%	-2.4%	-1.1%	-20.7%	-20.2%	-12.2%	-10.0%		
Gross profit margin	45.8%	43.9%	43.2%	42.4%	45.6%	41.4%	42.0%	41.9%		
SG&A expenses	3,243	6,355	9,349	12,710	2,741	5,411	8,233	11,482		
YoY	8.8%	6.5%	3.1%	2.2%	-15.5%	-14.9%	-11.9%	-9.7%		
SG&A ratio	37.4%	32.5%	33.2%	32.5%	39.6%	32.7%	32.3%	32.3%		
<b>Operating profit</b>	<b>729</b>	<b>2,222</b>	<b>2,846</b>	<b>3,876</b>	<b>410</b>	<b>1,430</b>	<b>2,471</b>	<b>3,444</b>	114.8%	<b>3,000</b>
YoY	-20.3%	-4.2%	-17.1%	-10.7%	-43.7%	-35.6%	-13.2%	-11.1%		-22.6%
Operating profit margin	8.4%	11.4%	10.1%	9.9%	5.9%	8.7%	9.7%	9.7%		8.7%
<b>Recurring profit</b>	<b>838</b>	<b>2,353</b>	<b>3,136</b>	<b>4,401</b>	<b>562</b>	<b>1,759</b>	<b>3,011</b>	<b>4,253</b>	118.1%	<b>3,600</b>
YoY	-14.9%	-9.5%	-17.2%	-6.4%	-33.0%	-25.2%	-4.0%	-3.4%		-18.2%
Recurring profit margin	9.7%	12.0%	11.1%	11.3%	8.1%	10.6%	11.8%	12.0%		10.4%
<b>Net income</b>	<b>530</b>	<b>1,484</b>	<b>2,006</b>	<b>2,718</b>	<b>435</b>	<b>1,132</b>	<b>1,941</b>	<b>2,623</b>	124.9%	<b>2,100</b>
YoY	-17.3%	-10.2%	-17.6%	-7.8%	-18.0%	-23.7%	-3.2%	-3.5%		-22.7%
Net margin	6.1%	7.6%	7.1%	7.0%	6.3%	6.8%	7.6%	7.4%		6.1%

Quarterly (JPYmn)	FY03/20				FY03/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Sales</b>	<b>8,673</b>	<b>10,863</b>	<b>8,666</b>	<b>10,889</b>	<b>6,915</b>	<b>9,617</b>	<b>8,980</b>	<b>10,076</b>
YoY	1.8%	0.6%	-7.6%	7.7%	-20.3%	-11.5%	3.6%	-7.5%
Gross profit	3,972	4,605	3,618	4,391	3,152	3,689	3,863	4,222
YoY	2.0%	4.8%	-14.1%	2.6%	-20.7%	-19.9%	6.8%	-3.9%
Gross profit margin	45.8%	42.4%	41.7%	40.3%	45.6%	38.4%	43.0%	41.9%
SG&A expenses	3,243	3,112	2,994	3,361	2,741	2,669	2,822	3,249
YoY	8.8%	4.1%	-3.3%	-0.4%	-15.5%	-14.2%	-5.7%	-3.3%
SG&A ratio	37.4%	28.6%	34.6%	30.9%	39.6%	27.8%	31.4%	32.2%
<b>Operating profit</b>	<b>729</b>	<b>1,493</b>	<b>624</b>	<b>1,030</b>	<b>410</b>	<b>1,020</b>	<b>1,041</b>	<b>973</b>
YoY	-20.3%	6.3%	-44.0%	13.8%	-43.7%	-31.7%	66.9%	-5.6%
Operating profit margin	8.4%	13.7%	7.2%	9.5%	5.9%	10.6%	11.6%	9.7%
<b>Recurring profit</b>	<b>838</b>	<b>1,514</b>	<b>783</b>	<b>1,266</b>	<b>562</b>	<b>1,197</b>	<b>1,251</b>	<b>1,243</b>
YoY	-14.9%	-6.2%	-34.0%	38.1%	-33.0%	-20.9%	59.8%	-1.8%
Recurring profit margin	9.7%	13.9%	9.0%	11.6%	8.1%	12.5%	13.9%	12.3%
<b>Net income</b>	<b>530</b>	<b>953</b>	<b>522</b>	<b>712</b>	<b>435</b>	<b>697</b>	<b>809</b>	<b>682</b>
YoY	-17.3%	-5.6%	-33.3%	38.7%	-18.0%	-26.9%	55.1%	-4.2%
Net margin	6.1%	8.8%	6.0%	6.5%	6.3%	7.2%	9.0%	6.8%

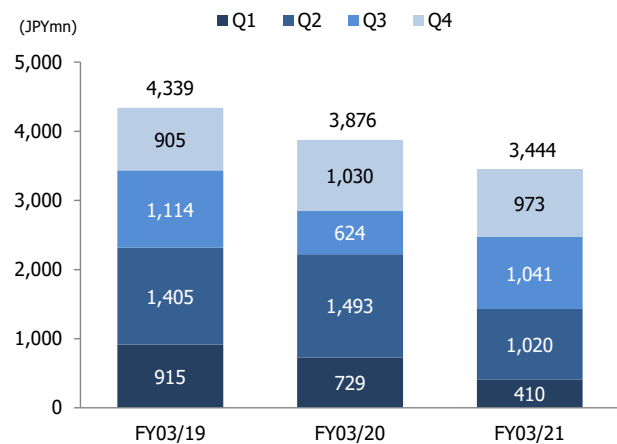
Source: Shared Research based on company data  
 Note: Figures may differ from company materials due to differences in rounding methods.

### Sales by quarter



Source: Shared Research based on company data

### Operating profit by quarter



Source: Shared Research based on company data

Earnings by segment (cumulative)					FY03/19				FY03/20				FY03/21			
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
<b>Total sales</b>	<b>8,523</b>	<b>19,319</b>	<b>28,696</b>	<b>38,807</b>	<b>8,673</b>	<b>19,536</b>	<b>28,202</b>	<b>39,091</b>	<b>6,915</b>	<b>16,532</b>	<b>25,512</b>	<b>35,589</b>				
YoY	12.1%	21.9%	22.6%	18.3%	1.8%	1.1%	-1.7%	0.7%	-20.3%	-15.4%	-9.5%	-9.0%				
Japan	3,639	8,508	12,748	17,523	3,603	8,991	12,733	17,736	2,895	7,614	11,525	15,753				
YoY	-11.6%	-3.4%	1.1%	-2.0%	-1.0%	5.7%	-0.1%	1.2%	-19.7%	-15.3%	-9.5%	-11.2%				
% of total sales	42.7%	44.0%	44.4%	45.2%	41.5%	46.0%	45.2%	45.4%	41.9%	46.1%	45.2%	44.3%				
Europe	1,185	2,361	3,364	4,482	1,267	2,381	3,276	4,432	1,142	1,914	3,011	4,229				
YoY	17.7%	24.1%	19.6%	15.1%	6.9%	0.9%	-2.6%	-1.1%	-9.9%	-19.6%	-8.1%	-4.6%				
% of total sales	13.9%	12.2%	11.7%	11.5%	14.6%	12.2%	11.6%	11.3%	16.5%	11.6%	11.8%	11.9%				
Asia	2,570	5,973	8,900	11,854	2,633	5,902	8,791	11,851	1,692	4,829	7,500	10,956				
YoY	89.6%	104.0%	91.0%	78.5%	2.5%	-1.2%	-1.2%	0.0%	-35.7%	-18.2%	-14.7%	-7.5%				
% of total sales	30.2%	30.9%	31.0%	30.5%	30.4%	30.2%	31.2%	30.3%	24.5%	29.2%	29.4%	30.8%				
Other	1,129	2,477	3,683	4,948	1,169	2,261	3,402	5,073	1,186	2,176	3,476	4,649				
YoY	0.3%	12.0%	10.6%	12.3%	3.6%	-8.7%	-7.6%	2.5%	1.4%	-3.8%	2.2%	-8.4%				
% of total sales	13.2%	12.8%	12.8%	12.8%	13.5%	11.6%	12.1%	13.0%	17.1%	13.2%	13.6%	13.1%				
<b>Segment profit</b>	<b>1,180</b>	<b>2,831</b>	<b>4,226</b>	<b>5,484</b>	<b>984</b>	<b>2,705</b>	<b>3,672</b>	<b>4,949</b>	<b>688</b>	<b>2,003</b>	<b>3,215</b>	<b>4,401</b>				
YoY	8.4%	8.6%	16.1%	9.4%	-16.6%	-4.4%	-13.1%	-9.7%	-30.1%	-26.0%	-12.4%	-11.1%				
Japan	796	1,957	2,958	3,958	524	1,788	2,412	3,406	511	1,275	1,898	2,618				
YoY	-3.7%	-4.0%	6.7%	-1.7%	-34.3%	-8.7%	-18.5%	-14.0%	-2.4%	-28.7%	-21.3%	-23.1%				
Profit margin	21.9%	23.0%	23.2%	22.6%	14.5%	19.9%	18.9%	19.2%	17.7%	16.8%	16.5%	16.6%				
Europe	141	195	205	167	134	200	234	236	101	141	252	301				
YoY	15.9%	15.2%	-7.1%	-22.2%	-5.0%	2.5%	14.3%	41.9%	-24.4%	-29.5%	7.6%	27.6%				
Profit margin	11.9%	8.3%	6.1%	3.7%	10.6%	8.4%	7.1%	5.3%	8.9%	7.4%	8.4%	7.1%				
Asia	188	579	907	1,162	259	615	868	1,122	4	423	725	1,046				
YoY	164.0%	133.3%	99.2%	73.9%	37.6%	6.2%	-4.2%	-3.5%	-98.3%	-31.2%	-16.5%	-6.8%				
Profit margin	7.3%	9.7%	10.2%	9.8%	9.8%	10.4%	9.9%	9.5%	0.3%	8.8%	9.7%	9.5%				
Other	55	100	156	197	68	103	157	185	71	164	340	436				
YoY	-20.7%	-34.0%	-18.1%	92.6%	23.9%	3.5%	0.8%	-5.9%	4.2%	58.9%	116.5%	135.0%				
Profit margin	4.9%	4.0%	4.2%	4.0%	5.8%	4.6%	4.6%	3.7%	6.0%	7.5%	9.8%	9.4%				

Earnings by segment (quarterly)					FY03/19				FY03/20				FY03/21			
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
<b>Total sales</b>	<b>8,523</b>	<b>10,796</b>	<b>9,377</b>	<b>10,112</b>	<b>8,673</b>	<b>10,863</b>	<b>8,666</b>	<b>10,889</b>	<b>6,915</b>	<b>9,617</b>	<b>8,980</b>	<b>10,076</b>				
YoY	12.1%	30.9%	23.9%	7.5%	1.8%	0.6%	-7.6%	7.7%	-20.3%	-11.5%	3.6%	-7.5%				
Japan	3,639	4,869	4,240	4,775	3,603	5,388	3,742	5,003	2,895	4,719	3,912	4,228				
YoY	-11.6%	3.8%	11.4%	-9.3%	-1.0%	10.7%	-11.7%	4.8%	-19.7%	-12.4%	4.5%	-15.5%				
% of total sales	42.7%	45.1%	45.2%	47.2%	41.5%	49.6%	43.2%	45.9%	41.9%	49.1%	43.6%	42.0%				
Europe	1,185	1,176	1,003	1,118	1,267	1,114	894	1,156	1,142	772	1,097	1,218				
YoY	17.7%	31.3%	10.2%	3.5%	6.9%	-5.2%	-10.9%	3.4%	-9.9%	-30.7%	22.7%	5.4%				
% of total sales	13.9%	10.9%	10.7%	11.1%	14.6%	10.3%	10.3%	10.6%	16.5%	8.0%	12.2%	12.1%				
Asia	2,570	3,403	2,927	2,954	2,633	3,269	2,889	3,060	1,692	3,136	2,671	3,457				
YoY	89.6%	116.4%	69.1%	49.0%	2.5%	-3.9%	-1.3%	3.6%	-35.7%	-4.1%	-7.5%	12.9%				
% of total sales	30.2%	31.5%	31.2%	29.2%	30.4%	30.1%	33.3%	28.1%	24.5%	32.6%	29.7%	34.3%				
Other	1,129	1,348	1,207	1,265	1,169	1,092	1,141	1,670	1,186	990	1,300	1,174				
YoY	0.3%	24.1%	7.9%	17.3%	3.6%	-19.0%	-5.4%	32.1%	1.4%	-9.3%	13.9%	-29.7%				
% of total sales	13.2%	12.5%	12.9%	12.5%	13.5%	10.1%	13.2%	15.3%	17.1%	10.3%	14.5%	11.6%				
<b>Segment profit</b>	<b>1,180</b>	<b>1,651</b>	<b>1,395</b>	<b>1,258</b>	<b>984</b>	<b>1,721</b>	<b>967</b>	<b>1,278</b>	<b>688</b>	<b>1,315</b>	<b>1,212</b>	<b>1,187</b>				
YoY	8.4%	8.7%	35.0%	-8.3%	-16.6%	4.3%	-30.7%	1.5%	-30.1%	-23.6%	25.4%	-7.1%				
Japan	796	1,161	1,001	1,000	524	1,264	625	993	511	764	623	720				
YoY	-3.7%	-4.2%	36.1%	-20.2%	-34.3%	8.9%	-37.6%	-0.7%	-2.4%	-39.5%	-0.3%	-27.5%				
Profit margin	21.9%	23.8%	23.6%	20.9%	14.5%	23.5%	16.7%	19.9%	17.7%	16.2%	15.9%	17.0%				
Europe	141	54	10	-38	134	66	34	2	101	40	111	50				
YoY	15.9%	13.3%	-80.9%	-	-5.0%	22.3%	249.7%	-	-24.4%	-39.9%	225.0%	1907.7%				
Profit margin	11.9%	4.6%	1.0%	-3.4%	10.6%	5.9%	3.8%	0.2%	8.9%	5.1%	10.1%	4.1%				
Asia	188	391	328	256	259	356	253	254	4	418	302	321				
YoY	164.0%	121.0%	58.3%	19.9%	37.6%	-8.9%	-22.7%	-0.7%	-98.3%	17.5%	19.0%	26.5%				
Profit margin	7.3%	11.5%	11.2%	8.7%	9.8%	10.9%	8.8%	8.3%	0.3%	13.3%	11.3%	9.3%				
Other	55	45	57	41	68	35	54	28	71	93	177	95				
YoY	-20.7%	-45.3%	42.2%	-	23.9%	-21.5%	-4.0%	-31.3%	4.2%	164.7%	225.7%	238.5%				
Profit margin	4.9%	3.3%	4.7%	3.2%	5.8%	3.2%	4.8%	1.7%	6.0%	9.4%	13.6%	8.1%				

Source: Shared Research based on company data

Note: Figures are shifted by three months in some cases, as companies in Japan and India have fiscal year-ends in March, while December is the fiscal year end in other regions

Note: Figures may differ from company materials due to differences in rounding methods.

Sales by product (cumulative) (JPYmn)		FY03/19				FY03/20				FY03/21			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Total sales</b>		<b>8,523</b>	<b>19,319</b>	<b>28,696</b>	<b>38,807</b>	<b>8,673</b>	<b>19,536</b>	<b>28,202</b>	<b>39,091</b>	<b>6,915</b>	<b>16,532</b>	<b>25,512</b>	<b>35,589</b>
YoY		12.1%	21.9%	22.6%	18.3%	1.8%	1.1%	-1.7%	0.7%	-20.3%	-15.4%	-9.5%	-9.0%
Air Energy		5,232	11,216	17,105	23,054	5,208	11,318	16,537	22,224	4,042	9,528	14,981	20,866
YoY		25.5%	28.1%	30.7%	27.1%	-0.5%	0.9%	-3.3%	-3.6%	-22.4%	-15.8%	-9.4%	-6.1%
% of total sales		61.4%	58.1%	59.6%	59.4%	60.1%	57.9%	58.6%	56.9%	58.5%	57.6%	58.7%	58.6%
Compressors		4,813	10,288	15,760	21,213	4,825	10,590	15,417	20,669	3,772	8,858	13,925	19,304
YoY		29.5%	31.6%	34.3%	30.3%	0.2%	2.9%	-2.2%	-2.6%	-21.8%	-16.4%	-9.7%	-6.6%
% of total sales		56.5%	53.3%	54.9%	54.7%	55.6%	54.2%	54.7%	52.9%	54.6%	53.6%	54.6%	54.2%
Vacuum equipment		419	928	1,344	1,841	384	727	1,120	1,554	270	670	1,056	1,561
YoY		-7.9%	-1.6%	-0.4%	-0.5%	-8.5%	-21.7%	-16.7%	-15.6%	-29.6%	-7.8%	-5.7%	0.5%
% of total sales		4.9%	4.8%	4.7%	4.7%	4.4%	3.7%	4.0%	4.0%	3.9%	4.1%	4.1%	4.4%
Coating Equipment & Systems		3,291	8,103	11,591	15,753	3,464	8,217	11,663	16,866	2,871	7,003	10,530	14,722
YoY		-4.1%	14.3%	12.2%	7.3%	5.3%	1.4%	0.6%	7.1%	-17.1%	-14.8%	-9.7%	-12.7%
% of total sales		38.6%	41.9%	40.4%	40.6%	39.9%	42.1%	41.4%	43.1%	41.5%	42.4%	41.3%	41.4%
Coating equipment		3,070	6,541	9,597	13,107	3,257	6,594	9,376	12,832	2,707	5,184	8,104	11,483
YoY		7.8%	9.9%	8.8%	8.6%	6.1%	0.8%	-2.3%	-2.1%	-16.9%	-21.4%	-13.6%	-10.5%
% of total sales		36.0%	33.9%	33.4%	33.8%	37.6%	33.8%	33.2%	32.8%	39.1%	31.4%	31.8%	32.3%
Coating systems		221	1,561	1,994	2,646	208	1,623	2,286	4,034	164	1,819	2,426	3,239
YoY		-62.3%	37.2%	32.2%	1.4%	-6.0%	4.0%	14.6%	52.5%	-21.0%	12.1%	6.1%	-19.7%
% of total sales		2.6%	8.1%	6.9%	6.8%	2.4%	8.3%	8.1%	10.3%	2.4%	11.0%	9.5%	9.1%
<b>Operating profit</b>		<b>915</b>	<b>2,320</b>	<b>3,434</b>	<b>4,339</b>	<b>729</b>	<b>2,222</b>	<b>2,846</b>	<b>3,876</b>	<b>410</b>	<b>1,430</b>	<b>2,471</b>	<b>3,444</b>
YoY		21.0%	18.6%	30.0%	13.5%	-20.3%	-4.2%	-17.1%	-10.7%	-43.7%	-35.6%	-13.2%	-11.1%
Air Energy							993	1,293	1,774	199	802	1,324	1,821
YoY							-	-	-	-	-19.2%	2.4%	2.6%
Operating profit margin							8.8%	7.8%	8.0%	4.9%	8.4%	8.8%	8.7%
Coating Equipment & Systems							1,228	1,552	2,101	210	627	1,147	1,623
YoY							-	-	-	-	-48.9%	-26.1%	-22.8%
Operating profit margin							14.9%	13.3%	12.5%	7.3%	9.0%	10.9%	11.0%

Sales by product (quarterly) (JPYmn)		FY03/19				FY03/20				FY03/21			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Total sales</b>		<b>8,523</b>	<b>10,796</b>	<b>9,377</b>	<b>10,112</b>	<b>8,673</b>	<b>10,863</b>	<b>8,666</b>	<b>10,889</b>	<b>6,915</b>	<b>9,617</b>	<b>8,980</b>	<b>10,076</b>
YoY		12.1%	30.9%	23.9%	7.5%	1.8%	0.6%	-7.6%	7.7%	-20.3%	-11.5%	3.6%	-7.5%
Air Energy		5,232	5,984	5,888	5,950	5,208	6,110	5,219	5,687	4,042	5,486	5,453	5,885
YoY		25.5%	30.4%	36.0%	17.9%	-0.5%	2.1%	-11.4%	-4.4%	-22.4%	-10.2%	4.5%	3.5%
% of total sales		61.4%	55.4%	62.8%	58.8%	60.1%	56.2%	60.2%	52.2%	58.5%	57.0%	60.7%	58.4%
Compressors		4,813	5,475	5,472	5,453	4,825	5,765	4,827	5,252	3,772	5,086	5,067	5,379
YoY		29.5%	33.6%	39.5%	19.9%	0.2%	5.3%	-11.8%	-3.7%	-21.8%	-11.8%	5.0%	2.4%
% of total sales		56.5%	50.7%	58.4%	53.9%	55.6%	53.1%	55.7%	48.2%	54.6%	52.9%	56.4%	53.4%
Vacuum equipment		419	509	416	497	384	343	393	434	270	400	386	505
YoY		-7.9%	4.2%	2.4%	-0.8%	-8.5%	-32.6%	-5.5%	-12.7%	-29.6%	16.5%	-1.8%	16.4%
% of total sales		4.9%	4.7%	4.4%	4.9%	4.4%	3.2%	4.5%	4.0%	3.9%	4.2%	4.3%	5.0%
Coating Equipment & Systems		3,291	4,812	3,489	4,162	3,464	4,753	3,446	5,203	2,871	4,132	3,527	4,192
YoY		-4.1%	31.6%	7.8%	-4.5%	5.3%	-1.2%	-1.2%	25.0%	-17.1%	-13.1%	2.4%	-19.4%
% of total sales		38.6%	44.6%	37.2%	41.2%	39.9%	43.8%	39.8%	47.8%	41.5%	43.0%	39.3%	41.6%
Coating equipment		3,070	3,472	3,056	3,510	3,257	3,337	2,782	3,456	2,707	2,477	2,920	3,379
YoY		7.8%	11.8%	6.6%	7.8%	6.1%	-3.9%	-9.0%	-1.5%	-16.9%	-25.8%	5.0%	-2.2%
% of total sales		36.0%	32.2%	32.6%	34.7%	37.6%	30.7%	32.1%	31.7%	39.1%	25.8%	32.5%	33.5%
Coating systems		221	1,340	433	652	208	1,415	663	1,748	164	1,655	607	813
YoY		-62.3%	142.3%	17.1%	-40.8%	-6.0%	5.6%	53.1%	168.2%	-21.0%	16.9%	-8.4%	-53.5%
% of total sales		2.6%	12.4%	4.6%	6.4%	2.4%	13.0%	7.7%	16.1%	2.4%	17.2%	6.8%	8.1%
<b>Operating profit</b>		<b>915</b>	<b>1,405</b>	<b>1,114</b>	<b>905</b>	<b>729</b>	<b>1,493</b>	<b>624</b>	<b>1,030</b>	<b>410</b>	<b>1,020</b>	<b>1,041</b>	<b>973</b>
YoY		21.0%	17.0%	62.6%	-23.4%	-20.3%	6.3%	-44.0%	13.8%	-43.7%	-31.7%	66.9%	-5.6%
Air Energy							993	300	481	199	603	522	497
YoY							-	-	-	-	-39.3%	74.0%	3.3%
Operating profit margin							16.3%	5.7%	8.5%	4.9%	11.0%	9.6%	8.4%
Coating Equipment & Systems							1,228	324	549	210	417	520	476
YoY							-	-	-	-	-66.0%	60.5%	-13.3%
Operating profit margin							25.8%	9.4%	10.6%	7.3%	10.1%	14.7%	11.4%

Source: Shared Research based on company data  
 Note: Figures may differ from company materials due to differences in rounding methods.

## Full-year FY03/21 results (out May 10, 2021)

### Overview

Consolidated results FY03/21 (April 2020–March 2021)

- ▷ Sales: JPY35.6bn (-9.0% YoY)
- ▷ Operating profit: JPY3.4bn (-11.1% YoY)
- ▷ Recurring profit: JPY4.3bn (-3.4% YoY)
- ▷ Net income\*: JPY2.6bn (-3.5% YoY)

\* Net income attributable to owners of the parent

- ▷ Sales and profit both declined. While the world economy was affected by the spread of COVID-19, recoveries differed by region, with China and the US showing clear signs of recovery, particularly in manufacturing, but a resurgence in new cases in Europe resulting in ongoing uncertainty over the direction of that region's economy. In Japan, despite improving business sentiment, the government's redeclaration of a state of emergency hampered recovery in real strength. As a result, consolidated sales were down 9.0% YoY while operating profit dropped 11.1% YoY.

### FY03/21 (April 2020 – March 2021) results by product category

#### Air Energy business

- ▷ Sales: JPY20.9bn (-6.1% YoY)
- ▷ Operating profit: JPY1.8bn (+2.6% YoY)
- ▷ Operating profit margin: 8.7%

#### Compressor

Sales of JPY19.3bn were down 6.6% YoY. Sales of oil-free compressors for use in medical applications grew. Q3 (October–December 2020) sales reversed course and moved into YoY growth.

#### Vacuum equipment

Sales of JPY1.6bn were up 0.5% YoY. Vacuum pump sales were up in the US market on demand from manufacturers of PCR test kits.

#### Coating business

- ▷ Sales: JPY14.7bn (-12.7% YoY)
- ▷ Operating profit: JPY1.6bn (-22.8% YoY)
- ▷ Operating profit margin: 11.0%

#### Coating equipment

Sales of JPY11.5bn were down 10.5% YoY, hurt by the drop in sales activity due to the COVID-19 pandemic. Airbrush sales were firm.

#### Coating system

Sales of JPY3.2bn were down 19.7% YoY. Sales declined due to pandemic-related restrictions imposed on business activities.

### FY03/21 (April 2020-March 2021) results by segment

- ▷ Japan: Sales\*: JPY15.8bn (-11.2% YoY) segment profit: JPY2.6bn (-23.1% YoY)

- ▷ Europe: Sales\*: JPY4.2bn (-4.6% YoY) segment profit: JPY301mn (+27.6% YoY)
- ▷ Asia: Sales\*: JPY11.0bn (-7.5% YoY) segment profit: JPY1.0bn (-6.8% YoY)
- ▷ Other regions\*\*: Sales\*: JPY4.6bn (-8.4% YoY) segment profit: JPY436mn (+135.0% YoY)

\* The sales figures represent sales to external customers.

\*\* Other regions include the United States, Mexico, Brazil, and other countries.

### Trends by region

In Japan, sales of general-purpose products recovered due to recovery in the production within the manufacturing industry, but sales declined YoY. In Europe, demand was firm for compressors for milking and general-purpose products. Website-based demand contributed to a recovery in coating equipment sales. In Asia (ex-Japan), sales were down YoY on continued sluggishness in Southeast Asia, although there was a recovery in China. In other regions, sales of airbrushes and vacuum pumps rose significantly in the US, and performance was strong for oil-free compressors, including for medical use, in Brazil and the US. Profit improved on a decline in depreciation in reaction to goodwill impairment losses booked at a subsidiary in Australia in FY03/20.

## Company forecast for FY03/22

(JPYmn)	FY03/19			FY03/20			FY03/21			FY03/22		
	1H Act.	2H Act.	FY Act.	1H Act.	2H Act.	FY Act.	1H Act.	2H Act.	FY Act.	1H Est.	2H Est.	FY Est.
<b>Sales</b>	<b>19,319</b>	<b>19,488</b>	<b>38,807</b>	<b>19,536</b>	<b>19,556</b>	<b>39,091</b>	<b>16,532</b>	<b>19,057</b>	<b>35,589</b>	<b>19,000</b>	<b>19,500</b>	<b>38,500</b>
YoY	21.9%	14.8%	18.3%	1.1%	0.3%	0.7%	-15.4%	-2.6%	-9.0%	14.9%	2.3%	8.2%
Cost of goods sold	11,031	10,999	22,030	10,959	11,547	22,505	9,691	10,971	20,662			
<b>Gross profit</b>	<b>8,288</b>	<b>8,489</b>	<b>16,777</b>	<b>8,577</b>	<b>8,009</b>	<b>16,586</b>	<b>6,841</b>	<b>8,085</b>	<b>14,926</b>			
Gross profit margin	42.9%	43.6%	43.2%	43.9%	41.0%	42.4%	41.4%	42.4%	41.9%			
<b>SG&amp;A expenses</b>	<b>5,968</b>	<b>6,469</b>	<b>12,438</b>	<b>6,355</b>	<b>6,355</b>	<b>12,710</b>	<b>5,411</b>	<b>6,071</b>	<b>11,482</b>			
SG&A ratio	30.9%	33.2%	32.0%	32.5%	32.5%	32.5%	32.7%	31.9%	32.3%			
<b>Operating profit</b>	<b>2,320</b>	<b>2,020</b>	<b>4,339</b>	<b>2,222</b>	<b>1,654</b>	<b>3,876</b>	<b>1,430</b>	<b>2,014</b>	<b>3,444</b>	<b>1,750</b>	<b>1,850</b>	<b>3,600</b>
YoY	18.6%	8.1%	13.5%	-4.2%	-18.1%	-10.7%	-35.6%	21.8%	-11.1%	22.4%	-8.1%	4.5%
Operating profit margin	12.0%	10.4%	11.2%	11.4%	8.5%	9.9%	8.7%	10.6%	9.7%	9.2%	9.5%	9.4%
<b>Recurring profit</b>	<b>2,599</b>	<b>2,102</b>	<b>4,701</b>	<b>2,353</b>	<b>2,049</b>	<b>4,401</b>	<b>1,759</b>	<b>2,494</b>	<b>4,253</b>	<b>2,000</b>	<b>2,100</b>	<b>4,100</b>
YoY	11.0%	4.5%	8.0%	-9.5%	-2.5%	-6.4%	-25.2%	21.8%	-3.4%	13.7%	-15.8%	-3.6%
Recurring profit margin	13.5%	10.8%	12.1%	12.0%	10.5%	11.3%	10.6%	13.1%	12.0%	10.5%	10.8%	10.6%
<b>Net income</b>	<b>1,651</b>	<b>1,296</b>	<b>2,948</b>	<b>1,484</b>	<b>1,234</b>	<b>2,718</b>	<b>1,132</b>	<b>1,492</b>	<b>2,623</b>	<b>1,250</b>	<b>1,265</b>	<b>2,515</b>
YoY	11.8%	-2.8%	4.9%	-10.2%	-4.8%	-7.8%	-23.7%	20.9%	-3.5%	10.5%	-15.2%	-4.1%
Net margin	8.5%	6.7%	7.6%	7.6%	6.3%	7.0%	6.8%	7.8%	7.4%	6.6%	6.5%	6.5%

Source: Shared Research based on company data

### Company forecast for full-year consolidated earnings in FY03/22 (out May 10, 2021)

- ▷ Sales: JPY38.5bn (+8.2% YoY)
- ▷ Operating profit: JPY3.6bn (+4.5% YoY)
- ▷ Recurring profit: JPY4.1bn (-3.6% YoY)
- ▷ Net income\*: JPY2.5bn (-4.1% YoY)
- ▷ Earnings per share: JPY60.96 (-3.8% YoY)

\* Net income attributable to owners of the parent

### Forecast assumptions

While noting the sustained impact from the COVID-19 pandemic, the company expects business sentiment to gradually recover. By region, the company looks for sales to improve 10% YoY in the Japanese market as general-purpose products recover in line with an overall rebound in the economy. Factoring in an expected recovery in China but also the likelihood that the impact from the COVID-19 pandemic will remain in place for some time in India and the ASEAN region, management forecasts sales improving about 5% YoY in the Asian market. For the European market, the company looks for sales to improve 10% YoY, factoring in a sluggish recovery in demand in the general industrial market, but also the capturing of demand for general-purpose compressors and coating equipment. In North America and other regions, the company forecasts sales improving about 10% YoY as it expects to capture growing demand for airbrushes and compressors used in the healthcare industry. Management expects

operating profit to improve, but OPM to decline in line with sustained corporate IT investment aimed at fortifying operations, but also higher SG&A costs on the resumption of sales activities.

This note is the most recent addition to the [full report](#).

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## Contact Details

### Shared Research Inc.

3-31-12 Sendagi Bunkyo-ku Tokyo, Japan

<https://sharedresearch.jp>

Phone: +81 (0)3 5834-8787

Email: [info@sharedresearch.jp](mailto:info@sharedresearch.jp)