

**Summary of Consolidated Financial Results
for the Second Quarter of Fiscal Year Ending March 31, 2018
(Six Months Ended September 30, 2017)**

[Japanese GAAP]

Company name: IWAKI CO.,LTD. Listing: Tokyo Stock Exchange, Second Section
 Stock code: 6237 URL: <http://www.iwakipumps.jp/>
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 Scheduled date of filing of Quarterly Report: November 14, 2017
 Scheduled date of payment of dividend: December 1, 2017
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter Ended September 30, 2017**(April 1, 2017 – September 30, 2017)**

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2017	13,435	8.4	1,015	31.6	1,354	24.7	1,016	30.4
Six months ended Sep. 30, 2016	12,394	-	771	-	1,086	-	779	-

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2017: 1,069 (- %)

Six months ended Sep. 30, 2016: 14 (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2017	135.78	-
Six months ended Sep. 30, 2016	104.12	-

Note: The year-on-year changes for the six months ended September 30, 2016 are not presented because the quarterly consolidated financial statements were not prepared in the six months ended September 30, 2015.

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of Sep. 30, 2017	27,477	17,684	63.7
As of Mar. 31, 2017	26,253	16,906	63.7

Reference: Owner's equity (million yen) As of Sep. 30, 2017: 17,490 As of Mar. 31, 2017: 16,718

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2017	-	30.00	-	38.00	68.00
Fiscal year ending Mar. 31, 2018	-	34.00	-	-	-
Fiscal year ending Mar. 31, 2018 (forecasts)	-	-	-	36.00	70.00

Note: Revisions to the most recently announced dividend forecast: Yes

Regarding revisions to the dividend forecast, please see the press release dated today (November 10, 2017) concerning the difference between the first half forecast and actual performance, the revisions to the fiscal year forecast and year-end dividend forecast, and the interim dividend (Japanese version only).

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	26,838	6.7	1,786	22.0	2,290	7.2	1,735	2.6	231.90

Note: Revisions to the most recently announced consolidated earnings forecasts: Yes

Regarding revisions to the consolidated earnings forecast, please see the press release dated today (November 10, 2017) concerning the difference between the first half forecast and actual performance, the revisions to the fiscal year forecast and year-end dividend forecast, and the interim dividend (Japanese version only).

*** Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: Yes

Note: Please refer to page 8 “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements, Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements” for details.

(3) Changes in accounting policies and accounting-based estimates, and restatements

- | | |
|---|------|
| 1) Changes in accounting policies due to revisions in accounting standards, others: | None |
| 2) Changes in accounting policies other than 1) above: | None |
| 3) Changes in accounting-based estimates: | None |
| 4) Restatements: | None |

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)			
As of Sep. 30, 2017:	7,484,370 shares	As of Mar. 31, 2017:	7,484,370 shares
2) Number of treasury shares at the end of the period			
As of Sep. 30, 2017:	65 shares	As of Mar. 31, 2017:	18 shares
3) Average number of shares outstanding during the period			
Six months ended Sep. 30, 2017:	7,484,346 shares	Six months ended Sep. 30, 2016:	7,484,362 shares

* The current financial report is not subject to quarterly review procedures.

* Cautionary statement with respect to forward-looking statements

Note concerning forward-looking statements

Forecasts of future performance in these materials are based on assumption judged to be valid and information available to the Company’s management at the time the materials were prepared, but are not promises by the Company regarding future performance. Actual results may differ materially from the forecasts.

How to view supplementary information at the quarterly financial results meeting

The Company plans to hold a quarterly financial results meeting for institutional investors and analysts on November 29, 2017. Materials to be distributed at this event will be available on the Company’s website immediately thereafter.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	2
(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
Quarterly Consolidated Statement of Income	
For the Six-month Period	6
Quarterly Consolidated Statement of Comprehensive Income	
For the Six-month Period	7
(3) Notes to Quarterly Consolidated Financial Statements	8
Going Concern Assumption	8
Significant Changes in Shareholders' Equity	8
Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements	8
Segment and Other Information	8

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first half of the fiscal year ending March 31, 2018, earnings at Japanese companies continued to recover slowly and the environment for jobs and personal income improved. One reason is the yen's decline and stock market rally after the 2016 U.S. presidential election. However, the economic outlook remains uncertain because of many reasons for concern about the global economy, including the policies of the U.S. administration and tension involving North Korea. Overseas, there are expectations for an upturn because of strength in financial markets and recoveries in manufacturing and international trade. But trade protectionism is growing, especially in industrialized countries and structural problems like income inequality are growing. Worries about these trends are slowing down the economic recovery.

In Japan, IWAKI CO.,LTD (Iwaki) had programs aimed at building stronger relationships with customers and developing products that meet customers' demands. All activities are based on the core policy of "competing and winning." Overseas, Iwaki had activities encompassing 21 affiliated companies in 15 countries to increase sales.

Due to these activities, sales in Iwaki's six major markets were higher than one year earlier. Large investments involving memory devices used in smartphones and servers were behind sales growth in the semiconductor/liquid crystal market and surface treatment equipment market. Sales increased in the water treatment market and chemical market, too. In Europe, the new energy market is recovering due to strong sales fueled by capital expenditures for wind power generation and other equipment.

Domestic sales increased 6.8% from one year earlier to 8,304 million yen. Sales were driven by favorable demand from the semiconductor/liquid crystal and surface treatment equipment markets. In addition, water treatment market remained steady and the chemical market was strong. In Europe, sales were up 2.8% to 1,222 million yen. Sluggish sales in the semiconductor/liquid crystal and surface treatment markets were offset by strength in the new energy market and a steady performance in the water treatment and chemical markets. In the United States, sales increased 0.9% to 1,668 million yen as weakness in the medical equipment market was outweighed by growth in other markets, chiefly water treatment. In Asia, high levels of activity in the semiconductor/liquid crystal market in South Korea and the surface treatment equipment market in Taiwan resulted in sales growth of 27.6% to 1,269 million yen. Sales in China were up 42.5% to 517 million yen because of higher sales in the medical equipment market, partly the result of the Chinese government's campaign to develop medical equipment that is made in China.

By product, sales of pneumatic drive pumps for the semiconductor/liquid crystal markets continued to grow. Sales of metering pumps for the water treatment market and rotary displacement pumps for the medical equipment market were also higher. Mainline magnetic drive pumps sales were strong.

Consequently, consolidated sales increased 8.4% to 13,435 million yen.

Earnings benefited primarily from the growth in sales and a reexamination of expenses. Operating profit increased 31.6% to 1,015 million yen, ordinary profit increased 24.7% to 1,354 million yen and profit attributable to owners of parent increased 30.4% to 1,016 million yen.

No business segment information is provided because chemical pumps are the only business of the Iwaki Group.

(2) Explanation of Financial Position

Assets

The balance of current assets at the end of the second quarter of the current fiscal year was 20,978 million yen, up 1,146 million yen from the end of the previous fiscal year. This was mainly due to increases of 349 million yen in cash and deposits, 525 million yen in notes and accounts receivable-trade and 168 million yen in raw materials and supplies. The balance of non-current assets was 6,499 million yen at the end of the second quarter, up 77

million yen from the end of the previous fiscal year. This was mainly because of a 52 million yen increase in construction in progress.

As a result, total assets increased 1,223 million yen from the end of the previous fiscal year to 27,477 million yen.

Liabilities

The balance of current liabilities at the end of the second quarter of the current fiscal year was 7,460 million yen, up 429 million yen from the end of the previous fiscal year. This was mainly due to an increase of 379 million yen in notes and accounts payable-trade. The balance of non-current liabilities was 2,331 million yen at the end of the second quarter, up 16 million yen from the end of the previous fiscal year. This was mainly due to a 7 million yen increase in lease obligations.

As a result, total liabilities increased 445 million yen from the end of the previous fiscal year to 9,792 million yen.

Net assets

The balance of net assets was 17,684 million yen at the end of the second quarter of the current fiscal year, up 778 million yen from the end of the previous fiscal year. The main factors include a 731 million yen increase in retained earnings.

Consequently, the capital adequacy ratio was 63.7% (63.7% at the end of the previous fiscal year).

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

The forecast for the fiscal year ending on March 31, 2018 has been revised to reflect first half results of operations. For more information, please see the press release dated today (November 10, 2017) concerning the difference between the first half forecast and actual performance, the revisions to the fiscal year forecast and year-end dividend forecast, and the interim dividend (Japanese version only).

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY3/17 (As of Mar. 31, 2017)	Second quarter of FY3/18 (As of Sep. 30, 2017)
Assets		
Current assets		
Cash and deposits	6,191,508	6,541,325
Notes and accounts receivable-trade	6,434,549	6,960,331
Electronically recorded monetary claims-operating	1,988,682	2,068,707
Securities	112,738	-
Merchandise and finished goods	1,901,218	1,938,109
Work in process	30,155	32,418
Raw materials and supplies	2,437,457	2,605,795
Deferred tax assets	502,614	521,069
Other	253,912	330,671
Allowance for doubtful accounts	(20,816)	(20,307)
Total current assets	19,832,021	20,978,120
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,636,978	4,649,639
Accumulated depreciation and impairment loss	(3,514,143)	(3,558,985)
Buildings and structures, net	1,122,834	1,090,653
Machinery, equipment and vehicles	2,231,416	2,302,235
Accumulated depreciation and impairment loss	(1,985,609)	(2,058,044)
Machinery, equipment and vehicles, net	245,807	244,191
Tools, furniture and fixtures	1,601,918	1,650,994
Accumulated depreciation and impairment loss	(1,375,807)	(1,412,993)
Tools, furniture and fixtures, net	226,111	238,001
Land	1,036,769	1,039,396
Leased assets	485,543	419,058
Accumulated depreciation	(317,020)	(248,500)
Leased assets, net	168,523	170,558
Construction in progress	918,646	971,613
Other	17,494	20,038
Accumulated depreciation	(11,924)	(13,896)
Other, net	5,569	6,141
Total property, plant and equipment	3,724,263	3,760,555
Intangible assets		
Goodwill	19,718	9,283
Trademark right	86,219	77,117
Other	117,682	123,691
Total intangible assets	223,619	210,093
Investments and other assets		
Investment securities	2,064,168	2,123,210
Deferred tax assets	142,215	130,622
Other	267,571	274,686
Total investments and other assets	2,473,955	2,528,519
Total non-current assets	6,421,838	6,499,168
Total assets	26,253,859	27,477,288

	(Thousands of yen)	
	FY3/17 (As of Mar. 31, 2017)	Second quarter of FY3/18 (As of Sep. 30, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,345,679	4,725,169
Short-term loans payable	576,160	670,245
Lease obligations	75,517	70,601
Income taxes payable	300,437	315,639
Provision for bonuses	716,527	735,902
Provision for directors' bonuses	100,120	29,809
Provision for product warranties	98,485	108,343
Other	818,564	804,869
Total current liabilities	7,031,491	7,460,580
Non-current liabilities		
Long-term loans payable	300,000	300,000
Lease obligations	106,584	114,478
Deferred tax liabilities	72,226	69,423
Provision for directors' retirement benefits	151,043	151,043
Net defined benefit liability	885,513	885,438
Asset retirement obligations	205,500	206,515
Other	594,892	604,921
Total non-current liabilities	2,315,762	2,331,821
Total liabilities	9,347,253	9,792,401
Net assets		
Shareholders' equity		
Capital stock	1,018,250	1,018,250
Capital surplus	638,250	638,250
Retained earnings	14,637,110	15,368,935
Treasury shares	(30)	(164)
Total shareholders' equity	16,293,580	17,025,271
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	250,907	310,746
Foreign currency translation adjustment	309,458	269,427
Remeasurements of defined benefit plans	(135,090)	(115,150)
Total accumulated other comprehensive income	425,274	465,023
Non-controlling interests	187,750	194,592
Total net assets	16,906,605	17,684,887
Total liabilities and net assets	26,253,859	27,477,288

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Six-month Period)**

(Thousands of yen)

	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)	First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)
Net sales	12,394,681	13,435,975
Cost of sales	8,368,940	8,919,204
Gross profit	4,025,740	4,516,771
Selling, general and administrative expenses	3,254,433	3,501,434
Operating profit	771,307	1,015,336
Non-operating income		
Interest income	13,635	13,709
Dividend income	20,367	20,345
Share of profit of entities accounted for using equity method	148,383	238,755
Foreign exchange gains	112,886	63,392
Other	37,721	25,268
Total non-operating income	332,994	361,471
Non-operating expenses		
Interest expenses	8,981	13,996
Other	8,800	7,956
Total non-operating expenses	17,781	21,953
Ordinary profit	1,086,519	1,354,854
Extraordinary income		
Gain on sales of non-current assets	92	699
Total extraordinary income	92	699
Extraordinary losses		
Loss on retirement of non-current assets	726	1,925
Total extraordinary losses	726	1,925
Profit before income taxes	1,085,886	1,353,628
Income taxes	303,883	324,120
Profit	782,003	1,029,507
Profit attributable to non-controlling interests	2,761	13,277
Profit attributable to owners of parent	779,242	1,016,230

Quarterly Consolidated Statement of Comprehensive Income**(For the Six-month Period)**

	(Thousands of yen)	
	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)	First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)
Profit	782,003	1,029,507
Other comprehensive income		
Valuation difference on available-for-sale securities	(187,205)	59,839
Foreign currency translation adjustment	(438,532)	(41,062)
Remeasurements of defined benefit plans, net of tax	20,891	19,940
Share of other comprehensive income of entities accounted for using equity method	(162,331)	1,128
Total other comprehensive income	(767,177)	39,846
Comprehensive income	14,826	1,069,353
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	14,920	1,055,978
Comprehensive income attributable to non-controlling interests	(93)	13,375

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

Calculation of tax expense

At Iwaki and certain consolidated subsidiaries, the tax expenses were calculated by first estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes during the fiscal year, and multiplying that rate by the quarterly profit before income taxes.

Segment and Other Information

Segment information

I. First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)

Omitted because chemical pumps are the only business of the Iwaki Group.

II. First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)

Omitted because chemical pumps are the only business of the Iwaki Group.

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.