

May 14, 2018

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2018

[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 Annual General Meeting of Shareholders: June 28, 2018
 Scheduled date of payment of dividend: June 29, 2018
 Scheduled date of filing of Annual Securities Report: June 29, 2018
 Preparation of supplementary materials for financial results: Yes
 Holding of 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 Fiscal Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)

(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	%
Fiscal year ended Mar. 31, 2018	28,067	11.6	2,106	43.8	2,733	27.9	2,059	21.8
Fiscal year ended Mar. 31, 2017	25,146	1.3	1,465	(4.4)	2,136	7.3	1,690	10.7

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2018: 2,299 (up 54.5 %)

Fiscal year ended Mar. 31, 2017: 1,488 (up 161.8%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2018	275.16	-	11.7	9.8	7.5
Fiscal year ended Mar. 31, 2017	225.93	-	10.3	8.3	5.8

Reference: Equity in earnings of affiliates (million yen): Fiscal year ended Mar. 31, 2018: 507

Fiscal year ended Mar. 31, 2017: 488

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2018	29,365	18,660	62.8	2,465.59
As of Mar. 31, 2017	26,253	16,906	63.7	2,233.84

Reference: Owner's equity (million yen) As of Mar. 31, 2018: 18,453 As of Mar. 31, 2017: 16,718

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2018	1,830	(1,459)	(544)	5,964
Fiscal year ended Mar. 31, 2017	2,001	(150)	(1,151)	6,111

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2017	-	30.00	-	38.00	68.00	508	30.1	3.1
Fiscal year ended Mar. 31, 2018	-	34.00	-	48.60	82.60	618	30.0	3.5
Fiscal year ending Mar. 31, 2019 (forecast)	-	27.60	-	53.20	80.80		30.0	

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2019 (April 1, 2018 – March 31, 2019)

(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
First half	14,235	6.0	879	(13.4)	1,081	(20.2)	688	(32.3)	91.95
Full year	29,427	4.8	2,366	12.3	2,804	2.6	2,015	(2.1)	269.27

*** Notes**

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

(2) 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

(3) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2018: 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 Mar. 31, 2018: 154 shares As of Mar. 31, 2017: 18 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2018: 7,484,306 shares Fiscal year ended Mar. 31, 2017: 7,484,357 shares

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017– March 31, 2018)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2018	23,203	11.7	1,566	79.4	2,023	26.7	1,520	17.8
Fiscal year ended Mar. 31, 2017	20,768	0.8	873	(17.3)	1,597	4.9	1,289	14.1

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2018	203.11	-
Fiscal year ended Mar. 31, 2017	172.35	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2018	25,488	15,548	61.0	2,077.56
As of Mar. 31, 2017	22,918	14,544	63.5	1,943.34

Reference: Shareholders' equity (million yen): As of Mar. 31, 2018: 15,548 As of Mar. 31, 2017: 14,544

Reason for the difference between non-consolidated financial results for the fiscal years ended March 31, 2017 and 2018

The main reason for differences between financial results in the past two fiscal years is higher sales and profits at all levels backed mainly by strong sales in the semiconductor/liquid crystal market.

* The current financial report is not subject to audit by certified public accountants or auditing firms.

* 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. Please refer to "1. Overview of Results of Operations, (1) Results of Operations, 2) Outlook" on page 2 for forecast assumptions and notes of caution for usage.

How to view supplementary materials for financial results

The Company plans to hold a financial results meeting for institutional investors and analysts on May 31, 2018. Materials to be distributed at this event will be available on the Company's website in advance.

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1. Overview of Results of Operations

(1) Results of Operations

1) Operating results for the current fiscal year

In the fiscal year that ended on March 31, 2018, the gradual recovery of the Japanese economy continued as capital expenditures, jobs and personal income were all strong. The direction of the global economy remained unclear amid volatility of stock prices and exchange rates in response to U.S. trade protectionism and geopolitical risk involving North Korea and other regions.

Markets where the Iwaki Group operates were strong, particularly in the semiconductor and liquid crystal sectors. The result was record-high fiscal year sales.

In Japan, there were workplace sales activities to build stronger relationships with customers. There were also measures aimed at better meeting the needs of customers, such as by delivering products faster, based on the core policy of “competing and winning.” Overseas, Iwaki strengthened marketing activities in Europe and worked with its 21 affiliated companies in 15 countries to increase sales. Activities in the United States were focused mainly on the aquatic business.

Due to these activities, sales in all six major markets of Iwaki were higher than one year earlier. Sales were particularly strong in the semiconductor/liquid crystal and surface treatment equipment markets. The main reasons are the increasing demand for semiconductors in electronic equipment of all types and growing demand for displays used in smartphones and automotive products. Sales in the water treatment market increased in part because of synergies with TechnoECHO Co., Ltd. In the medical equipment market, biochemical analysis equipment sold in China was a major source of sales growth. Sales in the chemicals market increased along with higher demand for chemicals used for semiconductor/liquid crystal applications. Capital expenditures for wind power generation in Europe were the primary source of sales growth in the new energy market.

Sales in Japan increased 9.5% from one year earlier to 17,452 million yen. Sales were driven by firm demand in the semiconductor/liquid crystal, surface treatment equipment and chemicals markets. In Europe, sales were up 11.9% to 2,541 million yen because of strength in the new energy market. In the United States, sales increased 5.2% to 3,444 million yen, chiefly in the water treatment market. In Asia, mainly South Korea and Taiwan, high levels of activity in the semiconductor/liquid crystal and surface treatment equipment markets resulted in sales growth of 29.2% to 2,708 million yen. Sales in China were up 33.6% to 1,021 million yen because of strong demand in the medical equipment market.

By product, sales of pneumatic drive pumps for the semiconductor/liquid crystal market 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 11.6% to 28,067 million yen.

Earnings benefited from the growth in sales. Operating profit increased 43.8% to 2,106 million yen, ordinary profit increased 27.9% to 2,733 million yen and profit attributable to owners of parent increased 21.8% to 2,059 million yen.

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

2) Outlook

In the fiscal year ending on March 31, 2019, the outlook is for a continuation of the gradual recovery of the Japanese economy as consumer spending recovers and capital expenditures climb slowly. The outlook for the global economy is likely to remain uncertain. Major sources of concern are U.S. trade protectionism, Britain’s negotiations to leave the EU and structural reforms of the Chinese economy.

In the semiconductor/liquid crystal and surface treatment equipment markets, we foresee a continuation of the very high level of investments in Asia for the time being. In the medical equipment market, we expect that

demand for biochemical analysis equipment in China will increase. In the water treatment market, demand for water treatment chemical input units at cooling towers is expected to increase due to the high level of building construction activity in Japan leading up to the 2020 Tokyo Olympics. We also anticipate benefits from increasing demand associated with synergies with the residual chlorine meter business of TechnoECHO. In the new energy market, capital expenditures will probably remain high for lithium-ion and other types of batteries, mainly for automobiles made in China. In the chemicals market, demand for all types of chemicals used in semiconductor/liquid crystal applications is continuing to climb. Also, as in the new energy market, we expect strong demand for electrolytes and other materials used during the production of lithium-ion rechargeable batteries.

While focusing on the theme of “winning by improving customer satisfaction,” we will promote many activities in Japan for meeting the demand for replacement parts and achieving growth of maintenance service operations. Overseas, we will create even closer ties with affiliated companies with goal of increasing sales and earnings by sending people in Japan to key overseas markets and reinforcing marketing and sales activities.

Based on this outlook, we forecast a 4.8% increase in consolidated sales to 29,427 million yen, a 12.3% increase in operating profit to 2,366 million yen, a 2.6% increase in ordinary profit to 2,804 million yen, and a 2.1% decrease in profit attributable to owners of parent to 2,015 million yen in the fiscal year ending on March 31, 2019.

These projections are based on information available at the time of release of this report. Actual results may differ from projections due to a variety of factors.

(2) Financial Position

1) Assets, liabilities and net assets

Assets

The balance of current assets at the end of the current fiscal year was 21,749 million yen, up 1,917 million yen from the end of the previous fiscal year. This was mainly due to increases of 675 million yen in notes and accounts receivable-trade, 580 million yen in electronically recorded monetary claims-operating and 572 million yen in raw materials and supplies. The balance of non-current assets was 7,615 million yen at the end of the current fiscal year, up 1,193 million yen from the end of the previous fiscal year. This was mainly because of an increase of 1,022 million yen in construction in progress.

As a result, total assets increased 3,111 million yen from the end of the previous fiscal year to 29,365 million yen.

Liabilities

The balance of current liabilities at the end of the current fiscal year was 8,513 million yen, up 1,481 million yen from the end of the previous fiscal year. This was mainly due to increases of 771 million yen in notes and accounts payable-trade, 81 million yen in short-term loans payable, 197 million yen in income taxes payable and 176 million yen in provision for bonuses. The balance of non-current liabilities was 2,191 million yen at the end of the current fiscal year, down 124 million yen from the end of the previous fiscal year. This was mainly due to a 27 million yen decrease in deferred tax liabilities and a 79 million yen decrease in net defined benefit liability.

As a result, total liabilities increased 1,357 million yen from the end of the previous fiscal year to 10,704 million yen.

Net assets

The balance of net assets was 18,660 million yen at the end of the current fiscal year, up 1,754 million yen from the end of the previous fiscal year. The main factors include a 1,520 million yen increase in retained earnings.

Consequently, the capital adequacy ratio was 62.8% (63.7% at the end of the previous fiscal year).

2) Cash flows

Cash and cash equivalents (hereinafter, “net cash”) at the end of the current fiscal year was 5,964 million yen, down 146 million yen over the end of the previous fiscal year (an increase of 685 million yen at the end of the previous fiscal year).

The cash flow components during the current fiscal year and the main reasons for changes are as described below.

Cash flows from operating activities

Net cash provided by operating activities was 1,830 million yen (2,001 million yen provided in the previous fiscal year). Positive factors include profit before income taxes of 2,716 million yen, which offset negative factors including an increase in notes and accounts receivable-trade of 1,247 million yen.

Cash flows from investing activities

Net cash used in investing activities was 1,459 million yen (150 million yen used in the previous fiscal year). Negative factors include purchase of property, plant and equipment of 1,314 million yen, which offset positive factors including proceeds from redemption of securities of 110 million yen.

Cash flows from financing activities

Net cash used in financing activities was 544 million yen (1,151 million yen used in the previous fiscal year). The main factors include cash dividends paid of 538 million yen.

2. Management Policies

(1) Basic Management Policy

The Iwaki Group is guided by its Pledge of “always being at the forefront of efforts to advance development in the global markets, industries and communities where we operate while building trust with, and contributing to the happiness of everyone we interact with.” Growth in sales and earnings is not our only objective. We want to be an organization that uses chemical pumps and associated technologies to earn the trust of companies in many industries. We do much more than supply chemical pumps. We are also dedicated to using these pumps to provide functions involving the movement of liquid chemicals. Based on the belief that all employees are points of contact with customers, we have programs to upgrade the skills and commitment of everyone at the Group. Our goal is sustained growth in sales and earnings backed by four basic policies: improving the quality of our organization, enhancing skills needed to serve customers, building a stable profit structure and maintaining a sound compliance system.

(2) Performance Targets

The Iwaki Group places priority on sales, the operating margin and the return on equity based on net income. The goal is to grow consistently while maintaining a well-balanced financial position.

(3) Medium- and Long-term Business Strategy

Chemical pumps, which are the main product of the Iwaki Group, are a mature product category. This makes it difficult to develop innovative products that incorporate revolutionary technologies. As a global manufacturer of these pumps, the Iwaki Group is constantly concentrating on developing new advanced products ahead of competitors. While new products are important, we believe that the most important reason customers worldwide choose our products is our ability to use our experience, new technologies and other knowledge to meet a broad spectrum of customers’ demands with speed and accuracy.

Customers can rely on us for hardware support extending from ideas for new systems to the creation of unitized products and the fabrication of customized pumps of all types. We also have strengths involving aspects of

operations other than hardware, such as delivery times, cost, and services. These skills enable us to meet all the requirements of our customers. In addition, we are aware of the importance of constantly upgrading our ability to serve our customers. This is why we have many activities for keeping the entire group focused on the theme of operating as a “solution company” that can earn the trust of customers in all our markets around the world.

We are positioning the medical equipment market, water treatment market and new energy market as strategic growth markets. All three markets are growing and have a relatively low vulnerability to changes in economic conditions. We are targeting these markets by combining our group’s expertise in precisely meeting customers’ needs, using advanced technologies, performing effective sales activities and other fields. We believe that meeting the diverse needs of customers in Japan as well as in Europe, the United States, Asia and other key regions will enable us to achieve sustained growth.

(4) Challenges

The Iwaki Group currently has the following major challenges.

1) Reinforce ability to develop products and technologies

To succeed in Japan and overseas as competition becomes increasingly heated, we must develop products with greater speed and even more advanced technologies. As one step to accomplish this goal, we completed the construction of a new technology center in Iruma-gun in Saitama prefecture in April 2018. This gives us powerful infrastructure for basic research and the development of core technologies. We plan on creating an even more advanced R&D infrastructure, conducting joint research projects with companies and public-sector and academic-sector partners, and taking other actions. The goal is to develop distinctive products that no competitor can match. In addition, we are using project teams for the development of high-priority products and we are speeding up the development process while maintaining the current high level of quality. These actions are aimed at the timely development of products that accurately reflect market conditions and our customers’ requirements.

2) Strengthen and enlarge the solution business

The Iwaki Group needs to reinforce product development skills and centralize the management of customer information held separately by our sales and maintenance organizations. Integrating this information will better enable us to accurately identify the changing needs of customers and quickly respond to those needs. To accomplish these goals, we will deepen ties between sales and maintenance operations and give our people more skills concerning a variety of know-how about these operations. Meeting customers’ demands for advanced fluid control is another theme. We will actively create proposals for systems covering many applications by using simulation assessment tests with actual fluids. Furthermore, we will make more improvements to our before and after maintenance services so that customers can use our products with confidence for many years. The aim is increasing the Iwaki brand’s reputation for reliability. By further strengthening and enlarging the solutions business, we plan to differentiate ourselves from competitors and earn the trust of customers worldwide as the “solution company.”

3) Expand overseas operations

Manufacturers in Japan continue to move operations to other countries. That means we must work even harder on targeting overseas demand in order to capture more orders outside Japan. Building a business framework capable of accurately meeting customers’ needs will be vital to overseas growth. This is why we plan to increase overseas procurement and manufacturing activities. In another move to expand our overseas operations, we will assemble an even stronger IT infrastructure that can facilitate more cooperation among group companies.

Marketing activities that match the distinctive nature of each region will also be essential for growth overseas. For some time now, we have been deepening ties between Japan and our overseas affiliated companies. In Europe, United States and Asia, we will send people from Japan to strengthen the ability to conduct marketing activities in

key regions that fully utilize specialized knowledge. We are also taking steps to strengthen departments associated with these marketing activities.

4) Build an effective training system

We believe that the Iwaki Group must have an organizational structure and employee training program that can adapt to changes in our operating environment. We will return to the basic stance that “a company is only as good as its people.” We are committed to developing the skills of our people based on our human resource policies and vision for the types of people we require in order to become a truly global organization capable of supplying the world’s best products as All Iwaki.

5) Concentrate resources on strategic growth markets

Channeling resources to strategic growth markets will be essential for the sustained growth of the Iwaki Group. We will continue to direct substantial resources to three strategic markets: water treatment, medical equipment and new energy.

6) Build a business model for new activities

More growth in the scale of our operations will require the addition of business models for new activities. For example, to continue growing in the United States, we plan to sell tanks for raising small fish that are used for genetic research and toxicity tests. In Europe, we will strengthen activities for the sale of systems and units that match the needs of users.

3. Basic Approach to the Selection of Accounting Standards

The Iwaki Group will continue to prepare consolidated financial statements using Japanese accounting standards for the time being to permit comparisons with prior years and with the financial data of other companies.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

4. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

	(Thousands of yen)	
	FY3/17 (As of Mar. 31, 2017)	FY3/18 (As of Mar. 31, 2018)
Assets		
Current assets		
Cash and deposits	6,191,508	6,251,621
Notes and accounts receivable-trade	6,434,549	7,110,089
Electronically recorded monetary claims-operating	1,988,682	2,569,198
Securities	112,738	-
Merchandise and finished goods	1,901,218	1,999,571
Work in process	30,155	14,825
Raw materials and supplies	2,437,457	3,009,883
Deferred tax assets	502,614	591,576
Other	253,912	228,159
Allowance for doubtful accounts	(20,816)	(25,195)
Total current assets	19,832,021	21,749,730
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,636,978	4,682,032
Accumulated depreciation and impairment loss	(3,514,143)	(3,619,413)
Buildings and structures, net	1,122,834	1,062,618
Machinery, equipment and vehicles	2,231,416	2,354,152
Accumulated depreciation and impairment loss	(1,985,609)	(2,134,874)
Machinery, equipment and vehicles, net	245,807	219,277
Tools, furniture and fixtures	1,601,918	1,652,282
Accumulated depreciation and impairment loss	(1,375,807)	(1,416,019)
Tools, furniture and fixtures, net	226,111	236,263
Land	1,036,769	1,042,918
Leased assets	485,543	385,923
Accumulated depreciation	(317,020)	(242,638)
Leased assets, net	168,523	143,284
Construction in progress	918,646	1,940,973
Other	17,494	23,569
Accumulated depreciation	(11,924)	(16,282)
Other, net	5,569	7,286
Total property, plant and equipment	3,724,263	4,652,622
Intangible assets		
Goodwill	19,718	3,781
Trademark right	86,219	71,795
Other	117,682	129,433
Total intangible assets	223,619	205,009
Investments and other assets		
Investment securities	2,064,168	2,347,028
Deferred tax assets	142,215	135,518
Other	267,571	275,396
Total investments and other assets	2,473,955	2,757,943
Total non-current assets	6,421,838	7,615,575
Total assets	26,253,859	29,365,306

	(Thousands of yen)	
	FY3/17 (As of Mar. 31, 2017)	FY3/18 (As of Mar. 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,345,679	5,117,443
Short-term loans payable	576,160	657,415
Lease obligations	75,517	62,889
Income taxes payable	300,437	497,919
Provision for bonuses	716,527	893,141
Provision for directors' bonuses	100,120	98,681
Provision for product warranties	98,485	109,686
Other	818,564	1,076,268
Total current liabilities	7,031,491	8,513,444
Non-current liabilities		
Long-term loans payable	300,000	300,000
Lease obligations	106,584	94,892
Deferred tax liabilities	72,226	44,550
Provision for directors' retirement benefits	151,043	151,043
Net defined benefit liability	885,513	806,457
Asset retirement obligations	205,500	180,356
Other	594,892	613,902
Total non-current liabilities	2,315,762	2,191,201
Total liabilities	9,347,253	10,704,646
Net assets		
Shareholders' equity		
Capital stock	1,018,250	1,018,250
Capital surplus	638,250	638,250
Retained earnings	14,637,110	16,157,603
Treasury shares	(30)	(480)
Total shareholders' equity	16,293,580	17,813,622
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	250,907	274,384
Foreign currency translation adjustment	309,458	403,156
Remeasurements of defined benefit plans	(135,090)	(38,131)
Total accumulated other comprehensive income	425,274	639,409
Non-controlling interests	187,750	207,627
Total net assets	16,906,605	18,660,659
Total liabilities and net assets	26,253,859	29,365,306

(2) Consolidated Statements of Income and Comprehensive Income**Consolidated Statement of Income**

	(Thousands of yen)	
	FY3/17	FY3/18
	(Apr. 1, 2016 – Mar. 31, 2017)	(Apr. 1, 2017 – Mar. 31, 2018)
Net sales	25,146,605	28,067,720
Cost of sales	16,971,391	18,658,610
Gross profit	8,175,213	9,409,110
Selling, general and administrative expenses	6,710,002	7,302,640
Operating profit	1,465,210	2,106,469
Non-operating income		
Interest income	30,573	30,012
Dividend income	26,255	28,670
Share of profit of entities accounted for using equity method	488,458	507,677
Foreign exchange gains	118,014	70,107
Other	66,075	52,422
Total non-operating income	729,377	688,891
Non-operating expenses		
Interest expenses	25,699	31,118
Commission fee	5,003	19,426
Rent expenses	20,563	6,557
Other	6,615	4,452
Total non-operating expenses	57,882	61,555
Ordinary profit	2,136,705	2,733,806
Extraordinary income		
Gain on sales of non-current assets	19,996	1,547
Total extraordinary income	19,996	1,547
Extraordinary losses		
Loss on retirement of non-current assets	1,703	4,203
Provision for loss on liquidation of subsidiaries and associates	8,439	-
Provision for loss on building demolition cost	-	14,682
Total extraordinary losses	10,142	18,885
Profit before income taxes	2,146,559	2,716,468
Income taxes-current	534,490	792,021
Income taxes-deferred	(84,219)	(160,152)
Total income taxes	450,271	631,868
Profit	1,696,288	2,084,599
Profit attributable to non-controlling interests	5,383	25,234
Profit attributable to owners of parent	1,690,904	2,059,364

Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	FY3/17	FY3/18
	(Apr. 1, 2016 – Mar. 31, 2017)	(Apr. 1, 2017 – Mar. 31, 2018)
Profit	1,696,288	2,084,599
Other comprehensive income		
Valuation difference on available-for-sale securities	(120,131)	23,476
Foreign currency translation adjustment	(133,569)	49,134
Remeasurements of defined benefit plans, net of tax	105,809	96,959
Share of other comprehensive income of entities accounted for using equity method	(59,856)	45,739
Total other comprehensive income	(207,748)	215,310
Comprehensive income	1,488,539	2,299,909
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	1,484,620	2,273,498
Comprehensive income attributable to non-controlling interests	3,919	26,410

(3) Consolidated Statement of Changes in Equity

FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,018,250	638,250	13,760,504	-	15,417,004
Changes of items during period					
Dividends of surplus			(814,298)		(814,298)
Profit attributable to owners of parent			1,690,904		1,690,904
Purchase of treasury shares				(30)	(30)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	876,605	(30)	876,575
Balance at end of current period	1,018,250	638,250	14,637,110	(30)	16,293,580

(Thousands of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	371,039	501,419	(240,899)	631,559	27,191	16,075,755
Changes of items during period						
Dividends of surplus						(814,298)
Profit attributable to owners of parent						1,690,904
Purchase of treasury shares						(30)
Net changes of items other than shareholders' equity	(120,131)	(191,961)	105,809	(206,284)	160,559	(45,724)
Total changes of items during period	(120,131)	(191,961)	105,809	(206,284)	160,559	830,850
Balance at end of current period	250,907	309,458	(135,090)	425,274	187,750	16,906,605

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,018,250	638,250	14,637,110	(30)	16,293,580
Changes of items during period					
Dividends of surplus			(538,871)		(538,871)
Profit attributable to owners of parent			2,059,364		2,059,364
Purchase of treasury shares				(450)	(450)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,520,492	(450)	1,520,042
Balance at end of current period	1,018,250	638,250	16,157,603	(480)	17,813,622

(Thousands of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	250,907	309,458	(135,090)	425,274	187,750	16,906,605
Changes of items during period						
Dividends of surplus						(538,871)
Profit attributable to owners of parent						2,059,364
Purchase of treasury shares						(450)
Net changes of items other than shareholders' equity	23,476	93,698	96,959	214,134	19,876	234,011
Total changes of items during period	23,476	93,698	96,959	214,134	19,876	1,754,053
Balance at end of current period	274,384	403,156	(38,131)	639,409	207,627	18,660,659

(4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	FY3/17	FY3/18
	(Apr. 1, 2016 – Mar. 31, 2017)	(Apr. 1, 2017 – Mar. 31, 2018)
Cash flows from operating activities		
Profit before income taxes	2,146,559	2,716,468
Depreciation	498,753	510,125
Amortization of goodwill	20,207	16,018
Increase (decrease) in allowance for doubtful accounts	(5,227)	3,763
Increase (decrease) in provision for bonuses	(4,126)	176,247
Increase (decrease) in provision for directors' bonuses	100,120	(1,453)
Increase (decrease) in net defined benefit liability	63,184	59,871
Interest and dividend income	(56,829)	(58,683)
Interest expenses	25,699	31,118
Foreign exchange losses (gains)	(179,061)	(31,209)
Share of loss (profit) of entities accounted for using equity method	(488,458)	(507,677)
Decrease (increase) in notes and accounts receivable-trade	(3,846)	(1,247,991)
Decrease (increase) in inventories	(157,993)	(644,403)
Increase (decrease) in notes and accounts payable-trade	569,718	764,096
Increase (decrease) in accounts payable-other	3,806	73,559
Increase (decrease) in accrued expenses	(9,893)	94,439
Other, net	(257,398)	79,891
Subtotal	2,265,217	2,034,180
Interest and dividend income received	418,908	410,404
Interest expenses paid	(22,046)	(27,434)
Income taxes paid	(666,113)	(590,918)
Income taxes refund	5,553	4,005
Net cash provided by (used in) operating activities	2,001,518	1,830,237
Cash flows from investing activities		
Payments into time deposits	-	(206,197)
Proceeds from withdrawal of time deposits	300,000	-
Proceeds from redemption of securities	555,271	110,460
Purchase of property, plant and equipment	(1,219,446)	(1,314,676)
Proceeds from sales of property, plant and equipment	35,714	1,551
Proceeds from redemption of investment securities	264,205	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	68,430	-
Purchase of shares of subsidiaries and associates	(103,830)	-
Other, net	(50,466)	(50,141)
Net cash provided by (used in) investing activities	(150,121)	(1,459,004)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(232,760)	75,150
Repayments of lease obligations	(85,541)	(74,398)
Cash dividends paid	(813,470)	(538,172)
Dividends paid to non-controlling interests	(2,886)	(6,533)
Other, net	(17,115)	(450)
Net cash provided by (used in) financing activities	(1,151,773)	(544,404)
Effect of exchange rate change on cash and cash equivalents	(14,578)	26,836
Net increase (decrease) in cash and cash equivalents	685,045	(146,334)
Cash and cash equivalents at beginning of period	5,426,118	6,111,164
Cash and cash equivalents at end of period	6,111,164	5,964,829

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Reclassifications

Consolidated Statement of Income

“Commission fee,” included in “Other” under non-operating expenses in the previous fiscal year, is presented separately from the current fiscal year due to an increase in its monetary materiality. To conform to this change, the financial statements for the previous fiscal year are reclassified.

As a result, “Other” (11,618 thousand yen) under non-operating expenses presented in the previous fiscal year’s consolidated statement of income is reclassified and divided into “Commission fee” (5,003 thousand yen) and “Other” (6,615 thousand yen).

Segment and Other Information

a. Segment information

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

b. Related information

FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)

1. Information by product or service

(Thousands of yen)					
External sales	Magnetic drive pumps	Metering pumps	Pneumatic drive pumps	Rotary displacement pumps	Total
	8,769,139	4,537,462	1,984,611	2,342,628	
	Air pumps	System products	Purchased products	Other	Total
	1,436,812	1,092,167	2,192,079	2,791,703	25,146,605

2. Information by region

(1) Net sales

(Thousands of yen)						
Japan	Europe	Americas	Asia	China	Other	Total
15,935,669	2,271,659	3,273,439	2,095,442	764,135	806,259	25,146,605

Note: Classification of net sales is based on the location of the client and categorized by country or region.

(2) Property, plant and equipment

(Thousands of yen)				
Japan	Europe	Americas	Asia	Total
3,184,958	348,059	131,702	59,542	3,724,263

3. Information by major client

Omitted because no specific external client accounts for 10% or more of net sales in the consolidated statement of income.

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)

1. Information by product or service

(Thousands of yen)					
External sales	Magnetic drive pumps	Metering pumps	Pneumatic drive pumps	Rotary displacement pumps	Total
	9,408,433	4,989,942	2,885,285	2,623,554	
	Air pumps	System products	Purchased products	Other	
	1,458,312	1,286,631	2,598,884	2,816,676	28,067,720

2. Information by region

(1) Net sales

(Thousands of yen)						
Japan	Europe	Americas	Asia	China	Other	Total
17,452,953	2,541,222	3,444,275	2,708,297	1,021,003	899,967	28,067,720

Note: Classification of net sales is based on the location of the client and categorized by country or region.

(2) Property, plant and equipment

(Thousands of yen)				
Japan	Europe	Americas	Asia	Total
4,044,867	427,807	118,975	60,972	4,652,622

3. Information by major client

Omitted because no specific external client accounts for 10% or more of net sales in the consolidated statement of income.

c. Information related to impairment losses on non-current assets for each reportable segment

Not applicable.

d. Information related to goodwill amortization and the unamortized balance for each reportable segment

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

e. Information related to gain on bargain purchase for each reportable segment

Not applicable.

Per Share Information

(Yen)		
	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Net assets per share	2,233.84	2,465.59
Net income per share	225.93	275.16

Notes: 1. Diluted net income per share is not presented because there are no latent shares.

2. The basis of calculating the net income per share is as follows:

	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Profit attributable to owners of parent (Thousands of yen)	1,690,904	2,059,364
Amount not attributable to common shareholders (Thousands of yen)	-	-
Profit attributable to owners of parent applicable to common shares (Thousands of yen)	1,690,904	2,059,364
Average number of shares outstanding (Shares)	7,484,357	7,484,306

Subsequent Events

Not applicable.

5. Others

Change in Director

1) Change in representative

Not applicable.

2) Changes in other directors

Candidate for director

Director: Hirokazu Kai (currently Senior General Manager of Production Head Office)

3) Effective date

June 28, 2018

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.