



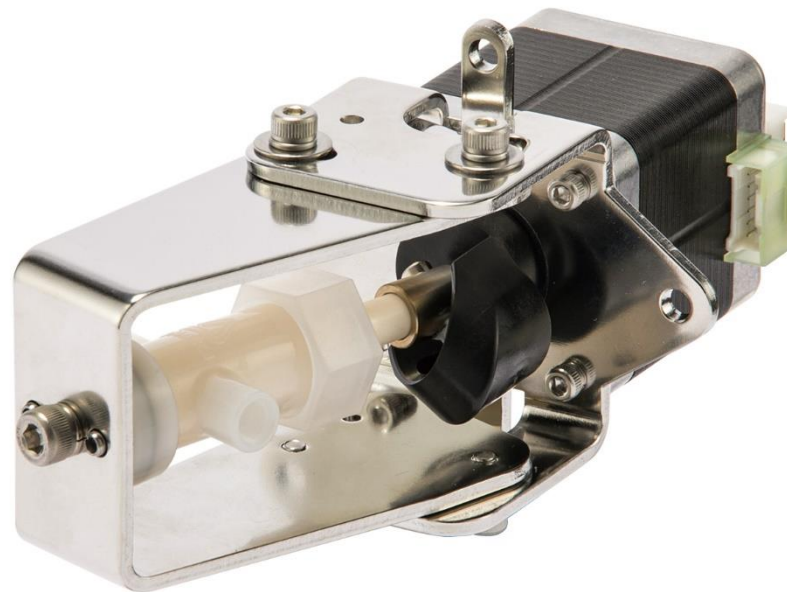
The Heart of Industry

Results of Operations for the Fiscal Year Ended March 31, 2024 (FY3/24)

May 13, 2024

IWAKI CO.,LTD.

Stock code: 6237
Trade name: Iwaki Pump



Hi-Cera Pump® V-07AF66-P01

This ultra-high precision fixed dosing pump is used mainly for micro-chemical feeding in medical equipment for clinical trials and immunology analysis.

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I. Summary of FY3/24 Financial Results

Financial Summary



The Iwaki Group 10-year vision goals of sales of ¥40 billion and an operating margin of 10% were accomplished one year early. Big increases in sales and earnings in FY3/24 because of newly consolidated subsidiaries in China: Iwaki Hong Kong Group and Iwaki Shanghai.

		FY3/23	FY3/24		
		Amount (Millions of yen)	Amount (Millions of yen)	Differences	YoY change
Net sales		37,730	44,539	6,808	+18.0%
Gross profit (Gross margin)		12,923 (34.3%)	18,328 (41.2%)	5,404	+41.8%
Operating profit (Operating margin)		2,254 (6.0%)	5,465 (12.3%)	3,210	+142.4%
Ordinary profit		3,745	6,222	2,476	+66.1%
Profit attributable to owners of parent		4,257	4,459	201	+4.7%
Net income per share (Yen)		193.94	202.32	8.37	+4.3%
Return on equity (ROE)		15.8%	14.4%	-	(-1.4pt)
Return on invested capital (ROIC)		6.9%	12.8%	-	(+5.9pt)
Exchange rate (average)	USD/JPY (Yen)	131.64	140.66		
	EUR/JPY (Yen)	138.15	152.10		
	HKD/JPY (Yen)	18.08	17.97		
	CNY/JPY (Yen)	19.86	19.82		

1

Sales: Surpassed ¥40 billion for the first time with medical equipment driving growth

- Newly consolidated subsidiaries Iwaki Hong Kong Group and Iwaki Shanghai added ¥5,310 million to sales growth before consolidation adjustments. (Both companies were consolidated in 4Q FY3/23; the addition to sales vs. FY3/23 is only for 1Q-3Q FY3/24)
- Big increases in medical equipment market sales in Japan and China were a major source of sales growth.
- Sales decreased in the semiconductor/liquid crystal market because of a brief downturn in sales in Japan and lower output at major customers in South Korea. Total sales increased due to the newly consolidated subsidiaries in China.
- Foreign exchange increased sales by ¥1,072 million vs. FY3/23.

2

Operating profit: Big increase due to the newly consolidated subsidiaries in China and higher sales at all subsidiaries

- Newly consolidated subsidiaries Iwaki Hong Kong Group and Iwaki Shanghai added ¥1,824 million to operating profit growth before consolidation adjustments.
- Earnings were also higher at Iwaki in Japan in particular and at its subsidiaries other than the newly consolidated subsidiaries in China.
- Foreign exchange increased operating profit by ¥242 million vs. FY3/23.

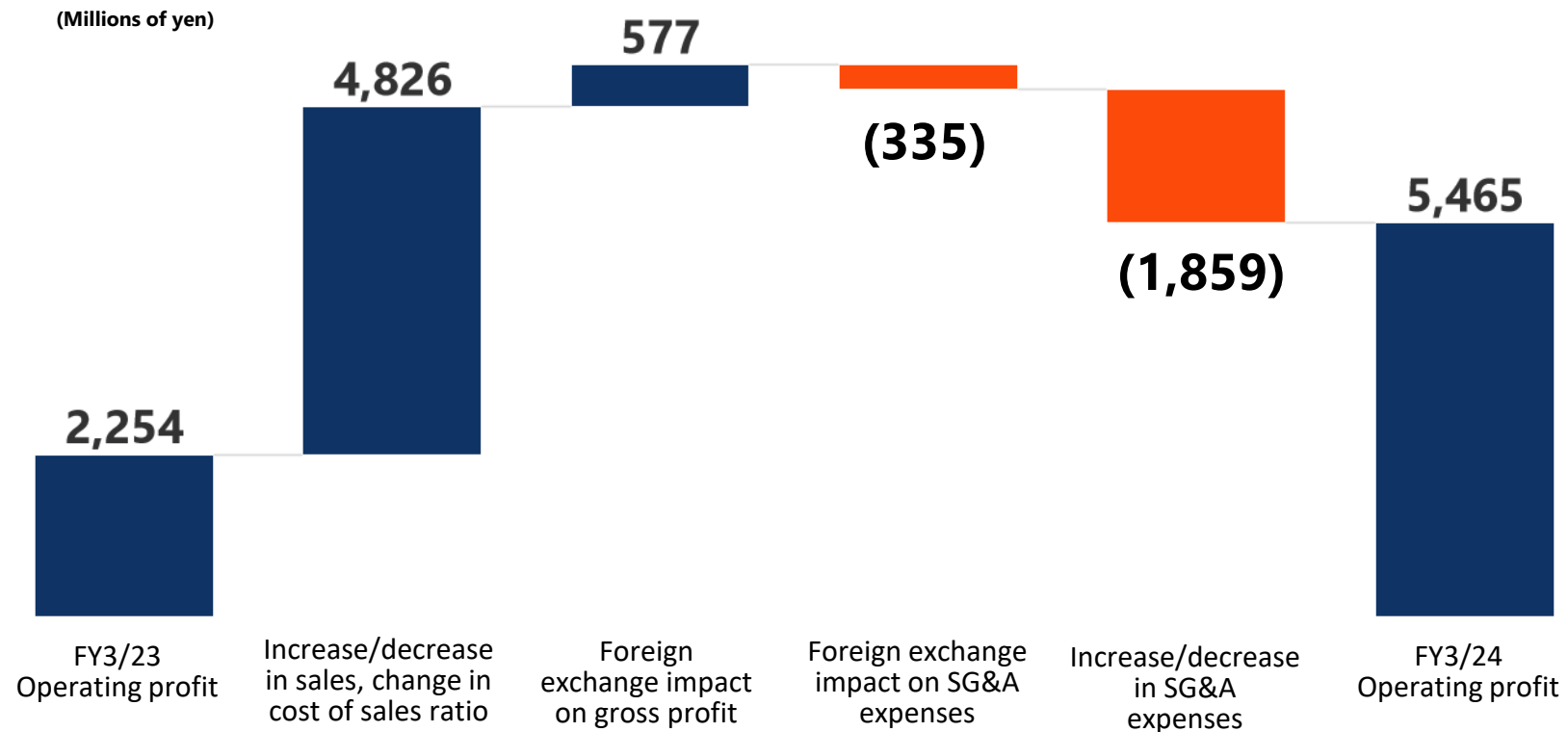
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Profit attributable to owners of parent: Increased despite large extraordinary income one year earlier

- A decrease in equity in earnings in non-operating income due to lower earnings of Iwaki Taiwan, where sales continue to be sluggish in the semiconductor/liquid crystal and surface treatment equipment categories, and the conversions of the Iwaki Hong Kong Group and Iwaki Shanghai into consolidated subsidiaries.
- Profit attributable to owners of parent increased even though one-time non-operating income for an income tax refund at a U.S. subsidiary and extraordinary income for a gain on step acquisitions raised earnings in FY3/23.

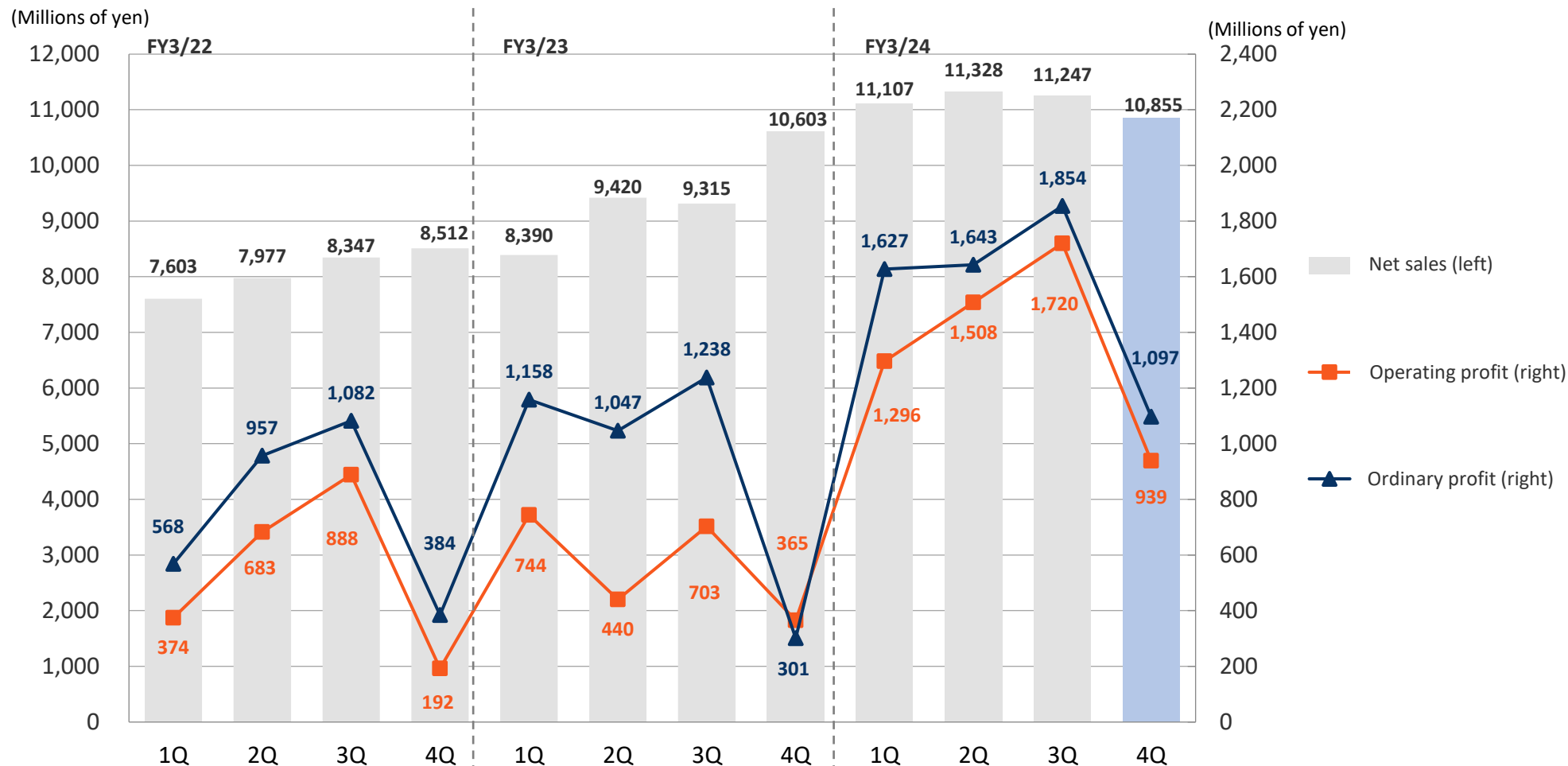
FY3/24 Factors Affecting Profitability

Effect of ¥1 exchange rate change	USD	Euro	HKD	CNY
Net sales	68 million yen	34 million yen	193 million yen	157 million yen
Operating profit	11 million yen	11 million yen	114 million yen	53 million yen



Net Sales and Operating Profit (Quarterly)

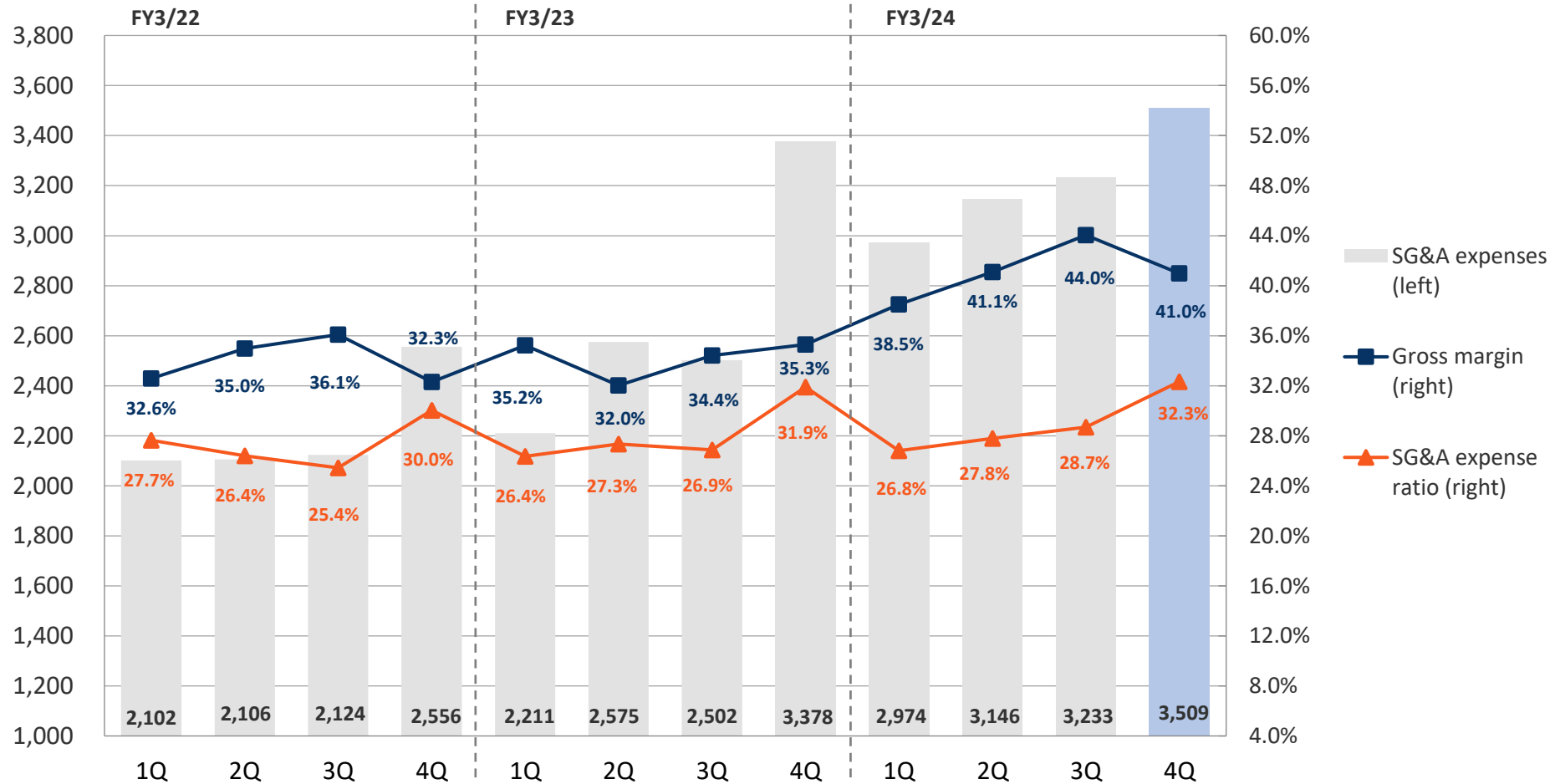
Fourth quarter operating profit was down from the third quarter mainly because of a cost of sales adjustment that raised earnings in the third quarter due to a revision in the method for calculating the cost of sales and the payment of bonuses linked to results of operations to officers. Earnings in FY3/24 were higher in every quarter than in the same quarters of prior fiscal years because of sales growth and the newly consolidated subsidiaries in China.



Gross Margin and SG&A Expense Ratio (Quarterly)

The fourth quarter gross margin was down from the third quarter because a revised method for calculating the cost of sales raised third quarter earnings. Fourth quarter SG&A expenses and the SG&A expense ratio were high mainly because of the payment of bonuses linked to results of operations to executives.

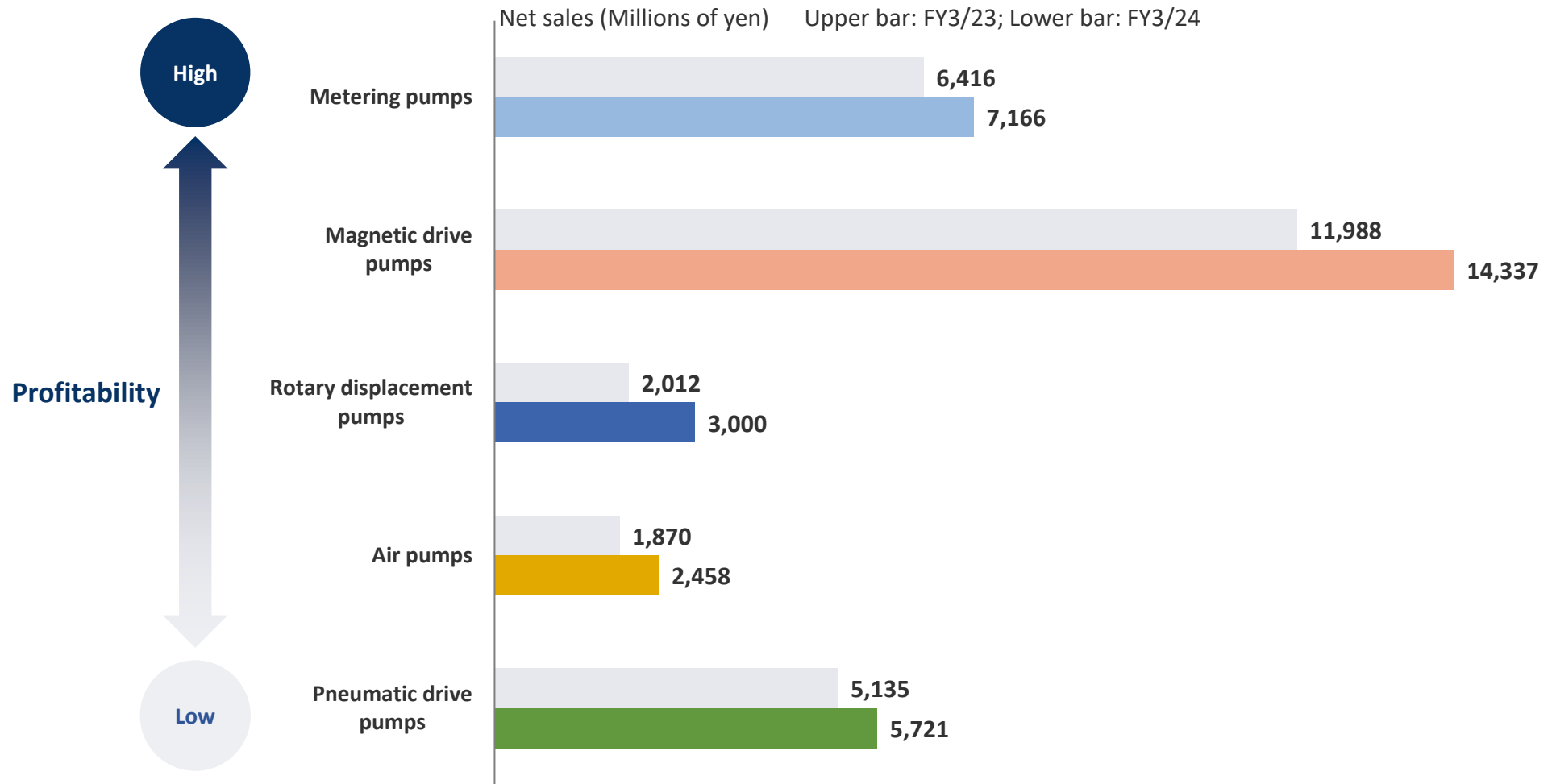
(Millions of yen)



Market Overview for Product Categories

Sold in many markets	Major pump applications	Magnetic drive pumps 	Metering pumps 	Pneumatic drive pumps 	Rotary displacement pumps 	Air pumps 	Systems products 
Semiconductor/liquid crystal	Semiconductor production equipment, etc.	●	○	●			○
Medical equipment	Dialysis equipment and clinical trial equipment, etc.	○	○		●	●	○
Surface treatment equipment	Printed circuit board manufacturing equipment, electronic component manufacturing, etc.	●	○				○
Chemicals	Liquid chemical manufacturing, etc.	●	○		○		○
Water treatment	Water purification plant, wastewater treatment, cooling towers, etc.	○	●		○	○	○
New energy	Renewable energy, rechargeable battery production, etc.	○	○		●		○
Others (Food, paper, others)	Food cleansing, cooling applications, etc.	○	○		●	○	○

* A filled circle means major pumps in each market.

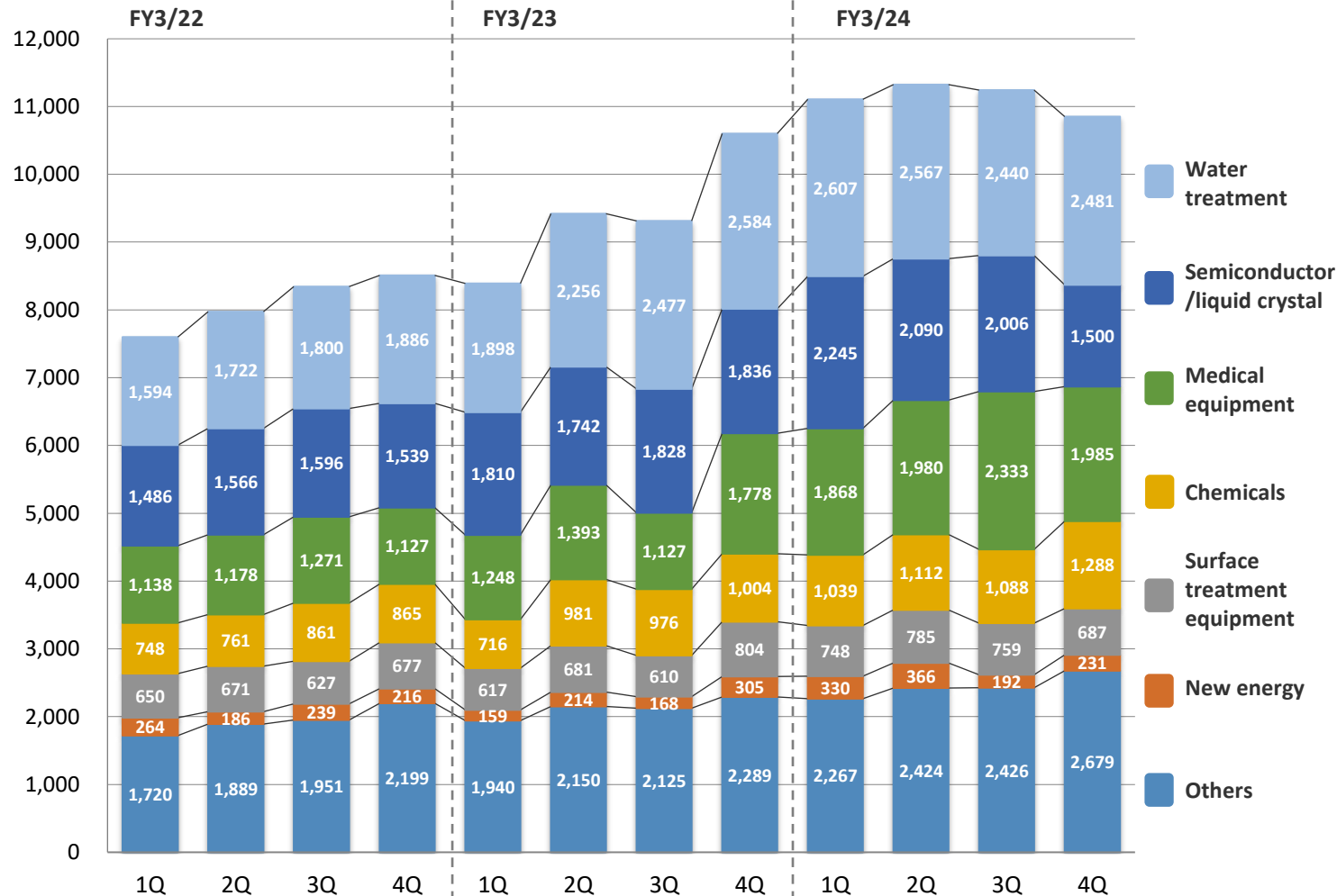


*Excluding systems products, purchased products and other

Market Category Sales

Sales increased significantly in the medical equipment market mainly because of sales growth in Japan and China and sales were higher in the water treatment market too. In the U.S., which is still a small pct. of medical equipment market sales, total sales and medical equipment market sales were both more than twice as high as in FY3/23. In the chemicals market, sales increased to an all-time high since the IPO, driven mainly by strong sales in the U.S. and Europe.

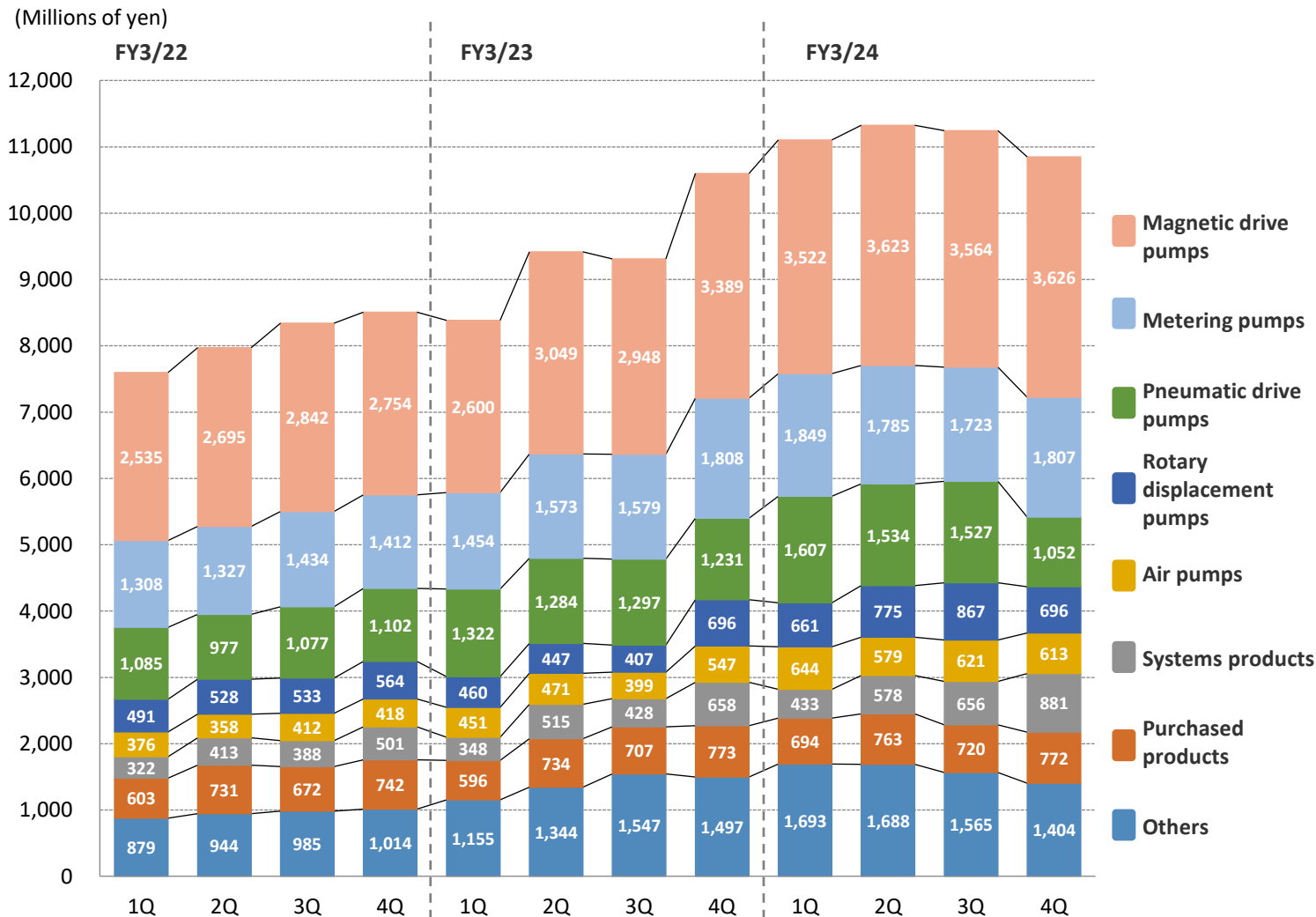
(Millions of yen)



FY3/24 sales (Millions of yen)	YoY change (Millions of yen)	YoY change (%)
10,098	880	+9.6%
7,843	625	+8.7%
8,168	2,621	+47.2%
4,529	850	+23.1%
2,980	265	+9.8%
1,121	273	+32.3%
9,797	1,291	+15.2%

Product Category Sales

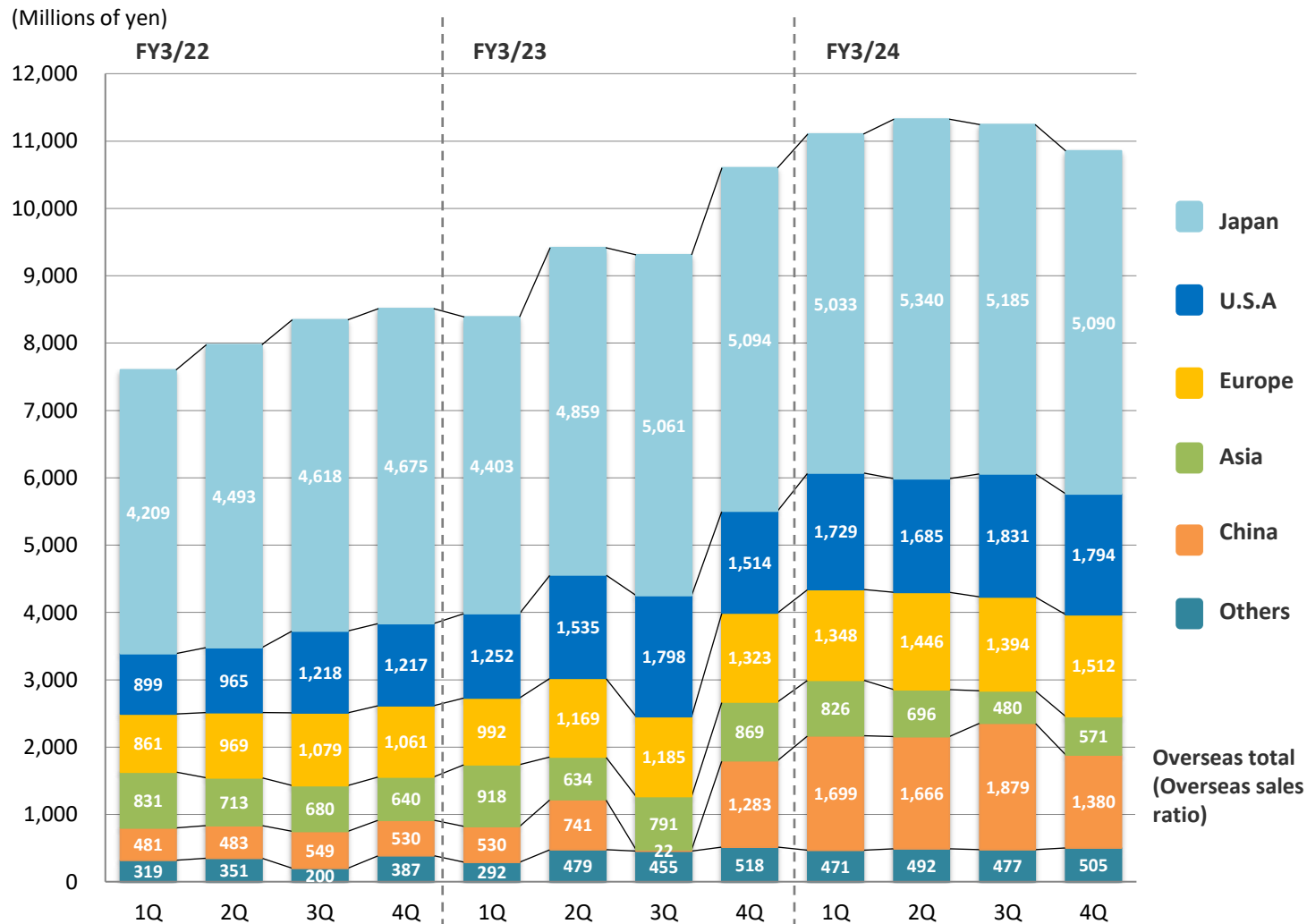
Double-digit growth in all product categories excluding purchased products. Strong sales growth of magnetic drive pumps, Iwaki's core products. Big sales of rotary displacement pumps due to strong medical equipment market.



FY3/24 sales (Millions of yen)	YoY change (Millions of yen)	YoY change (%)
14,337	2,349	+19.6%
7,166	750	+11.7%
5,721	585	+11.4%
3,000	988	+49.1%
2,458	588	+31.5%
2,549	598	+30.7%
2,951	140	+5.0%
6,353	808	+14.6%

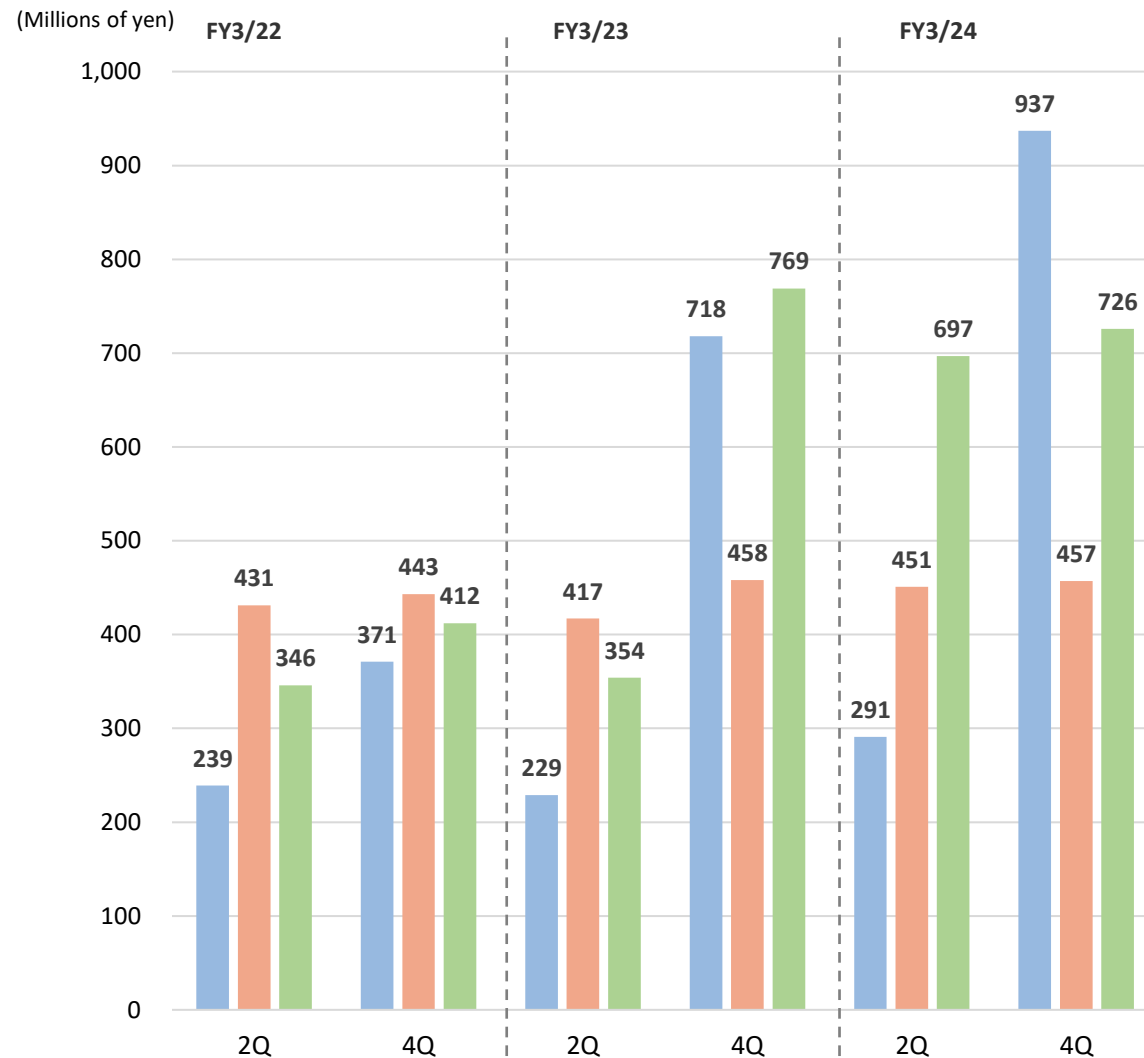
Regional Sales

A big increase in China because of the newly consolidated subsidiaries. Sales in Asia were weak mainly because of sluggish sales in the semiconductor/liquid crystal and surface treatment equipment markets in Taiwan and reductions in shipments to customers in South Korea.



FY3/24 sales (Millions of yen)	YoY change (Millions of yen)	YoY change (%)
20,649	1,229	+6.3%
7,041	940	+15.4%
5,700	1,029	+22.0%
2,574	-638	-19.9%
6,625	4,047	+157.0%
1,946	200	+11.5%
Overseas total (Overseas sales ratio)		
23,889 (53.6%)	5,579	+30.5%

Capital Expenditures, R&D Expenses and Depreciation (Semi-annual)



	FY3/24 sales (Millions of yen)	YoY change
Capital expenditures	1,228	+280
R&D expenses	909	+33
Depreciation	1,423	+298

II. Outlook for FY3/25

Forecast sales growth, mainly outside Japan, and lower earnings other than gross profit. The forecast is based on the outlook for a higher cost of sales, increases in large-scale exhibitions and other expenses, and lower equity-method income.

		FY3/24	FY3/25 (Forecast)		
		Amount (Millions of yen)	Amount (Millions of yen)	Differences	YoY change
Net sales		44,539	47,575	3,036	+6.8%
Gross profit (Gross margin)		18,328 (41.2%)	18,683 (39.3%)	355	+1.9%
Operating profit (Operating margin)		5,465 (12.3%)	5,367 (11.3%)	-97	-1.8%
Ordinary profit		6,222	5,821	-401	-6.4%
Profit attributable to owners of parent		4,459	4,193	-266	-6.0%
Net income per share (Yen)		202.32	189.92	-12.39	-6.1%
Return on equity (ROE)		14.4%	12.1%	-	(-2.3pt)
Return on invested capital (ROIC)		12.8%	11.4%	-	(-1.4pt)
Exchange rate (average)	USD/JPY (Yen)	140.66	146.00		
	EUR/JPY (Yen)	152.10	159.00		
	HKD/JPY (Yen)	17.97	18.70		
	CNY/JPY (Yen)	19.82	20.30		

1 Sales: Forecast a 3.4% increase in Japan and a 9.7% increase overseas

- Forecast growth in water treatment sales mainly in the U.S.
- Expecting a semiconductor/liquid crystal market recovery in the second half.
- Forecast a small increase in medical equipment market sales following the strong growth in FY3/24.
- Foreign exchange movements are expected to add ¥875 million to sales compared with FY3/24.

2 Operating profit: Forecast a 1.8% decrease mainly because of a higher cost of sales and exhibitions and other expenses

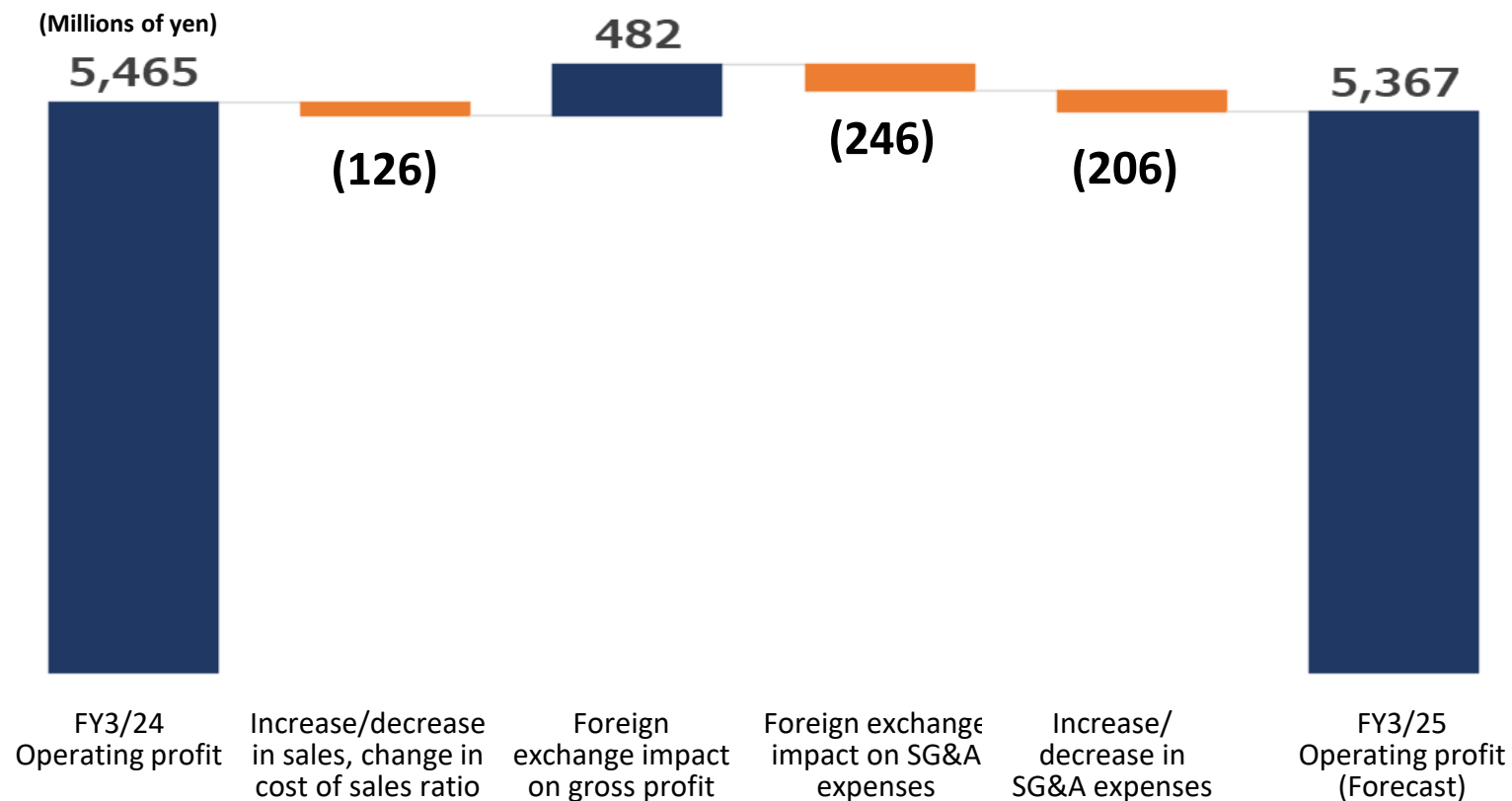
- A revised method for calculating the cost of sales raised earnings in FY3/24; no additional effect on FY3/25 earnings
- Forecast increases in procurement and transportation expenses, expenses for large-scale exhibitions, and other expenses
- Foreign exchange movements are expected to add ¥235 million to operating profit compared with FY3/24.

3 Profit attributable to owners of parent: Forecast a decrease based on an expected decline in non-operating income

- Equity-method income is expected to decrease due to the outlook for a continuation for the time being of weakness in the semiconductor/liquid crystal market in Asia
- Forecast a 6.0% decrease

FY3/25 Forecast – Factors Affecting Profitability

Effect of ¥1 exchange rate change	USD	EUR	HKD	CNY
Net sales	69 million yen	39 million yen	219 million yen	158 million yen
Operating profit	9 million yen	12 million yen	118 million yen	33 million yen



FY3/25 Market Environment Assumptions

Priority markets targeted for growth

	Japan	Overseas
Water treatment market	• Strong demand in the waste material processing and industrial effluent treatment markets • Disinfection and hydroponics markets are growing for food safety, disaster resilience and other purposes • Higher growth of the disinfection and cooling tower markets due to the return of foreign tourists to Japan	• Large volume of water and sewer system expenditures for resilience to natural disasters • Uncertainty about the outlook for the water treatment market
Medical equipment market	• Signs of weakness in sales as customers reduce inventories after receiving pre-ordered materials to avoid the effects of material procurement difficulties • Stable production of endoscope sterilization equipment as sales recover • The market for dialysis equipment is recovering slowly	• Uncertainty in all categories of this market • The market for clinical trial equipment (immunology analyzers and biochemical analyzers) is beginning to recover as logistics problems slowly end, but the medical equipment market is expected to be sluggish as manufacturers of this equipment reduce output.
New energy market	• Manufacturers of fuel cells and materials continue to make substantial investments • Uncertainty about the battery recycling market due to sluggish investments • Large volume of household fuel cells produced due to stable demand	• Electric car battery capital expenditures are slowing down in Europe and the U.S.
Semiconductor/liquid crystal market	• Uncertainty in demand for pumps used by semiconductor/liquid crystal production equipment manufacturers	• Uncertain outlook as foundries and memory chip makers push back capital expenditures
Chemicals market	• Firm demand related to development of value-added products • Semiconductor materials are increasing • Rising demand resulting from resin recycling due to environmental restrictions and decarbonization	• Substantial investments in North America and Asia by manufacturers of rechargeable battery materials • Large volume of investments in the U.S. for producing chemicals used for manufacturing semiconductors • Negative sentiment about capital expenditures in Europe due to the energy shortage
Surface treatment equipment market	• Uncertainty about the smartphone/PC market outlook is delaying the recovery of these sectors; the market overall is recovering as the pace of expenditures for the use of digital technologies increases	• Unclear outlook for this market due to effects of the business climate for semiconductors

*Red indicates negative outlooks

FY3/25 Market Category Sales Forecast

Forecast growth in water treatment sales mainly in the U.S. Expecting a semiconductor/liquid crystal market recovery in the second half.

	FY3/24 Results (Millions of yen)	FY3/25 Forecast (Millions of yen)	Differences	YoY change
 Water treatment	10,098	11,036	938	+9.3%
 Semiconductor/ liquid crystal	7,843	8,363	520	+6.6%
 Medical equipment	8,168	8,333	164	+2.0%
 Chemicals	4,529	4,971	442	+9.8%
 Surface treatment equipment	2,980	3,266	285	+9.6%
 New energy	1,121	1,063	-57	-5.2%
 Others	9,797	10,540	742	+7.6%
Total	44,539	47,575	3,036	+6.8%

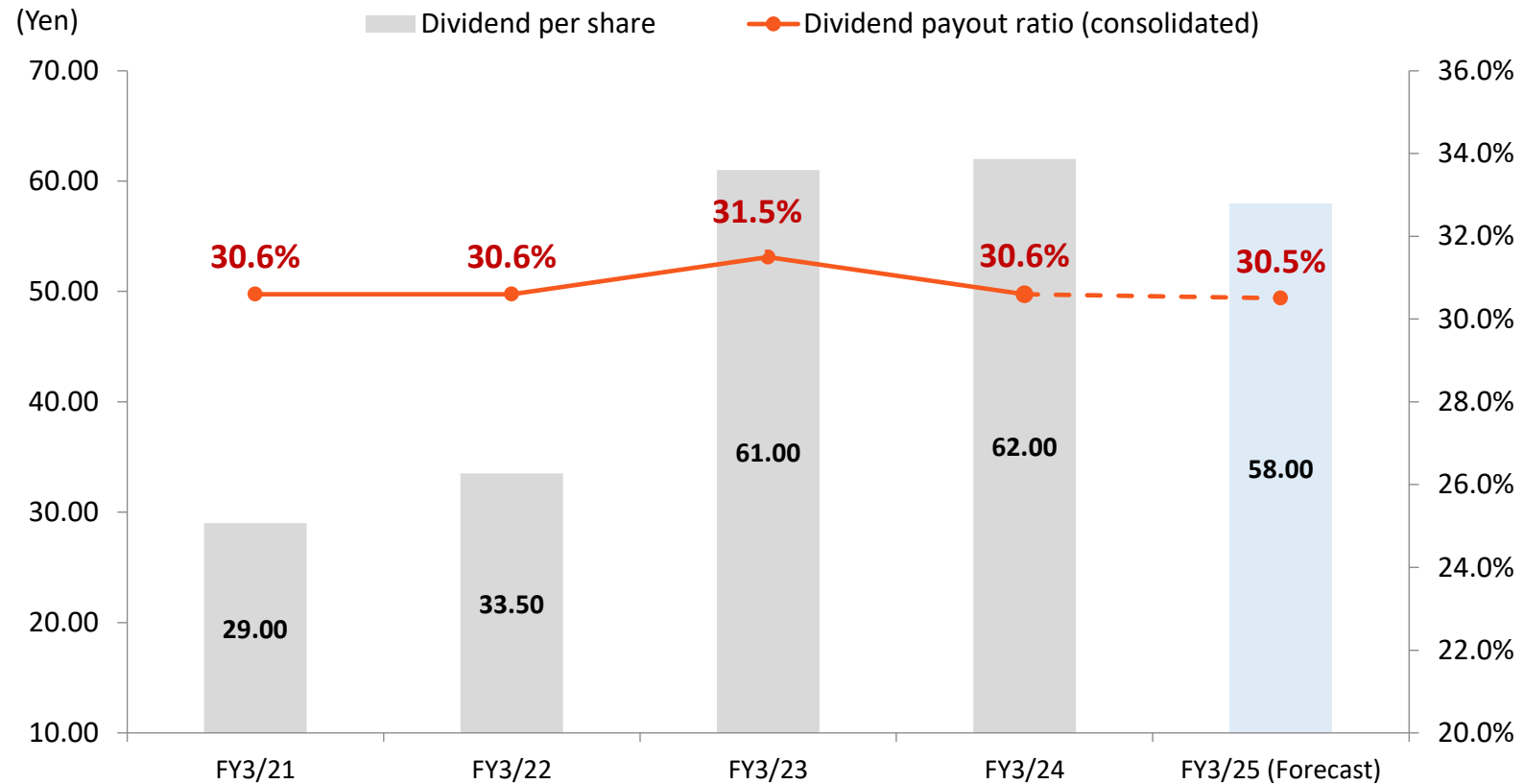
FY3/25 Product Category Sales Forecast

Forecast higher sales of pneumatic drive pumps and other pumps in accordance with the market category forecasts

	FY3/24 Results (Millions of yen)	FY3/25 Forecast (Millions of yen)	Differences	YoY change
 Magnetic drive pumps	14,337	15,414	1,077	+7.5%
 Metering pumps	7,166	7,526	360	+5.0%
 Pneumatic drive pumps	5,721	6,095	374	+6.5%
 Rotary displacement pumps	3,000	3,243	243	+8.1%
 Air pumps	2,458	2,564	105	+4.3%
 Systems products	2,549	2,591	42	+1.7%
 Purchased products	2,951	3,092	141	+4.8%
 Others	6,353	7,045	692	+10.9%
Total	44,539	47,575	3,036	+6.8%

Basic policy

- Dividend payout ratio: more than 30%
- Steady distribution of dividends



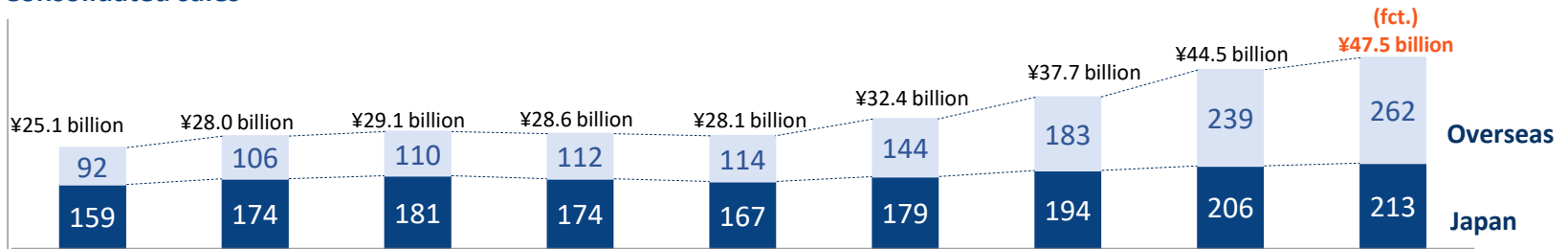
III. Upcoming Initiatives

Numerical targets

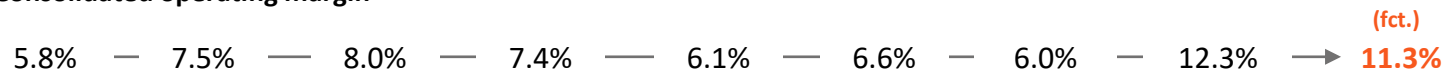
The goals for the fiscal year ending in March 2025 are sales of **¥40 billion** (¥20 billion each in Japan and overseas) and an operating margin of **10%**

Planting seeds			Business development and growth			Reaping benefits		
FY3/17	FY3/18	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25

Consolidated sales



Consolidated operating margin



Qualitative targets

To supply the world's best products as All Iwaki

– We will work together to supply the world's best products, quality, value, and services –

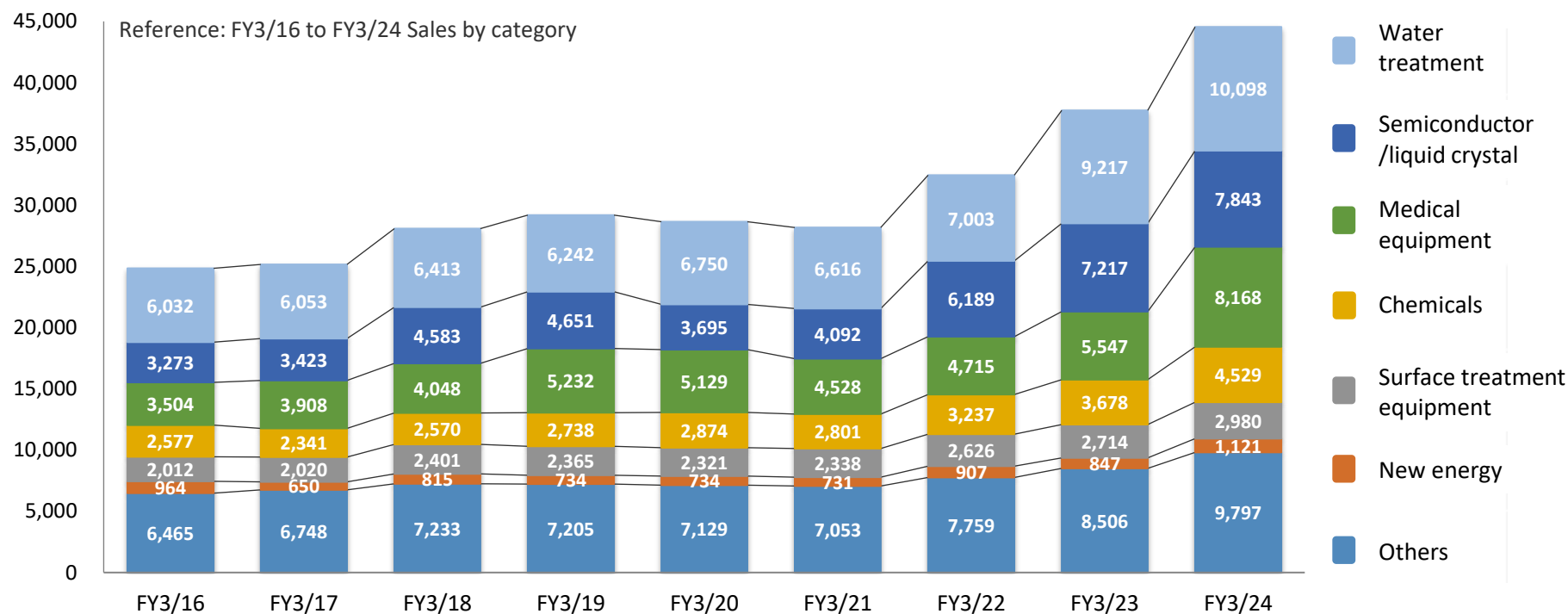
“Change & Challenge” is our stance for accomplishing this goal

– We will firmly establish a corporate culture of never being afraid of change and new challenges –

Accomplished the 10-year vision targets one year early

Consolidated sales ¥40.0 billion → FY3/24 Results **¥44.5 billion**
 Consolidated operating margin 10% → FY3/24 Results **12.3%**

Water treatment, semiconductors/liquid crystal, medical equipment and other priority markets are the primary drivers of growth. Business operations are playing a role in creating a sustainable society by supplying chemical pumps and fluid control devices that meet a broad range of needs.



A new long-term vision is needed to remain a source of value for society as rapid and dramatic changes continue to reshape the business climate.

The next long-term vision centered on the theme of **sustainability**

Based on our company pledge, "Our mission is to always be 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," we have provided value to society by continuing to supply a wide range of chemical pumps and fluid control equipment to the industrial sector. In order to adapt to the rapidly changing times ahead, we will plan a next vision that takes into account the perspective of sustainability. Our planning schedule is as follows.

The next long-term vision FY3/26-

Numerical targets

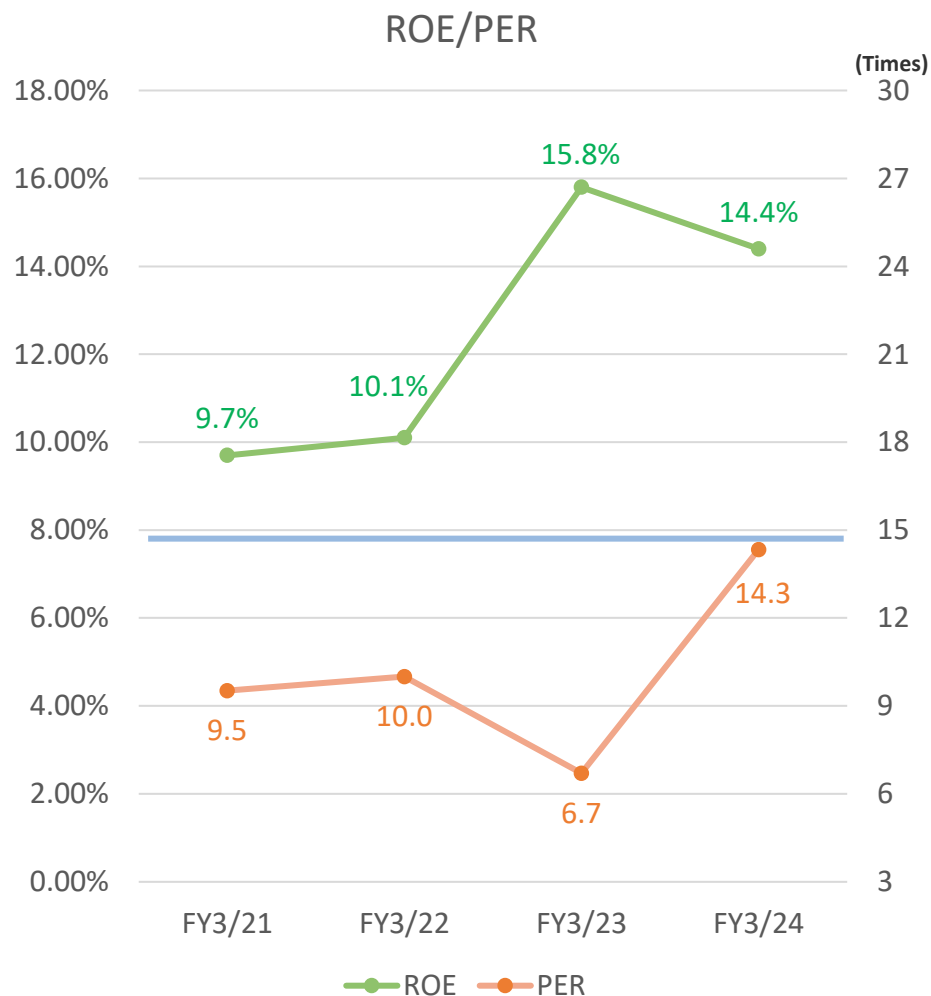
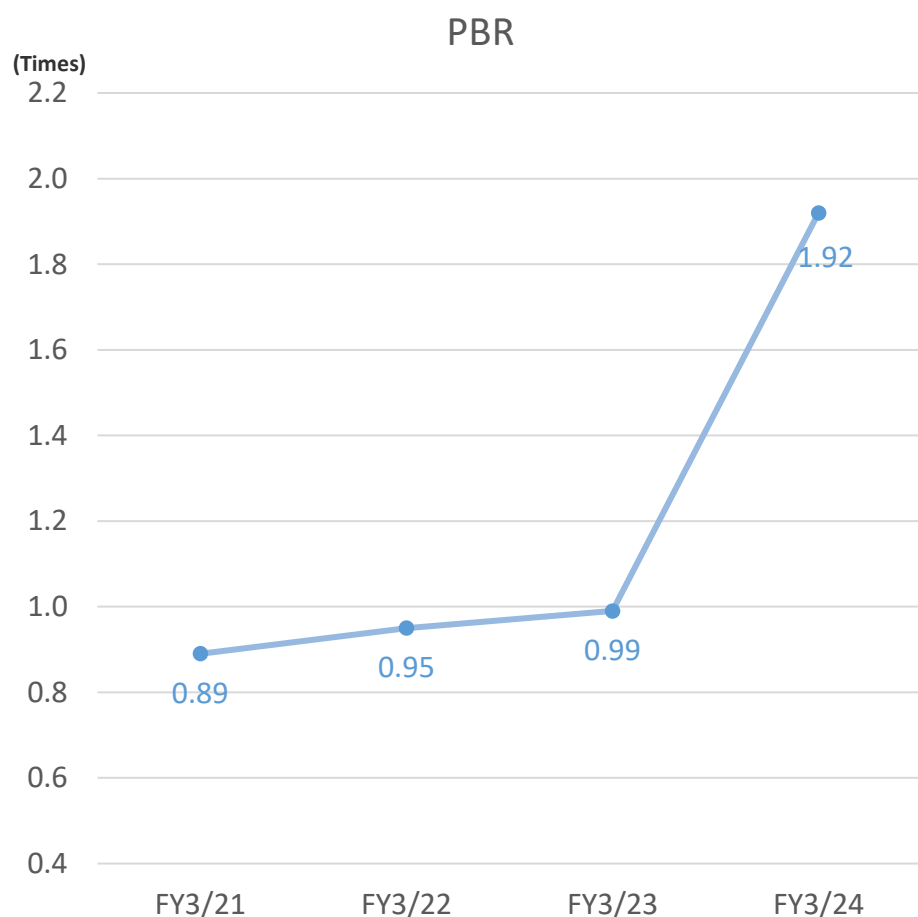
To be announced in May 2025

Qualitative targets

To be announced during FY3/25

Management with Emphasis on the Cost of Capital and Stock Price

Although the PBR has recently increased to well above one, the PER, which is one indication of investors' expectations regarding Iwaki's growth, is still relatively low. Achieving a steady increase in the PBR will require actions based on a medium to long-term perspective as well as the disclosure of more information about these actions.



This table summarizes progress and planned initiatives regarding management with emphasis on the cost of capital and the stock price.

Initiatives	FY3/24	Actions in FY3/25
(1) Accomplish the 10-year vision and establish the next long-term vision to define challenges to target for more growth - Achieve sales of ¥40 billion and operating margin of 10% in FY3/25. - Establish a new vision for achieving more growth and becoming an even more valuable and vital member of society.	Reached the numerical targets of the 10-year vision	Establishment and announcement of the next long-term vision
(2) Reexamine the policy for shareholder distributions Based on the wishes of market participants, consider ideas for shareholder distributions that are not restricted by the current policy of a dividend payout ratio of more than 30%.	Pay a dividend based on the basic policy (payout ratio of more than 30%, dividend stability)	- Pay a dividend based on the basic policy (payout ratio of more than 30%, dividend stability) - Start the process for determining a new policy for distributing earnings to shareholders
(3) More progress with sustainability management Use corporate resources for activities that contribute to sustainable growth and the medium- and long-term growth of corporate value, such as employee education, decarbonization, human rights measures and others.	- Establishment of the basic policy for sustainability. - Establish a procurement policy - Received a score of B in the 2023 CDP climate change questionnaire	Issue an integrated report
(4) Continue upgrading governance and investor relations - Add a female director and executives and incorporate the objective and diverse views of stakeholders in management. - Increase the disclosure of information and provide information at an even higher level and through more effective channels.	65 one-on-one meetings with institutional investors and Institutional analysts	- Female candidate for election as a director - Issue an integrated report



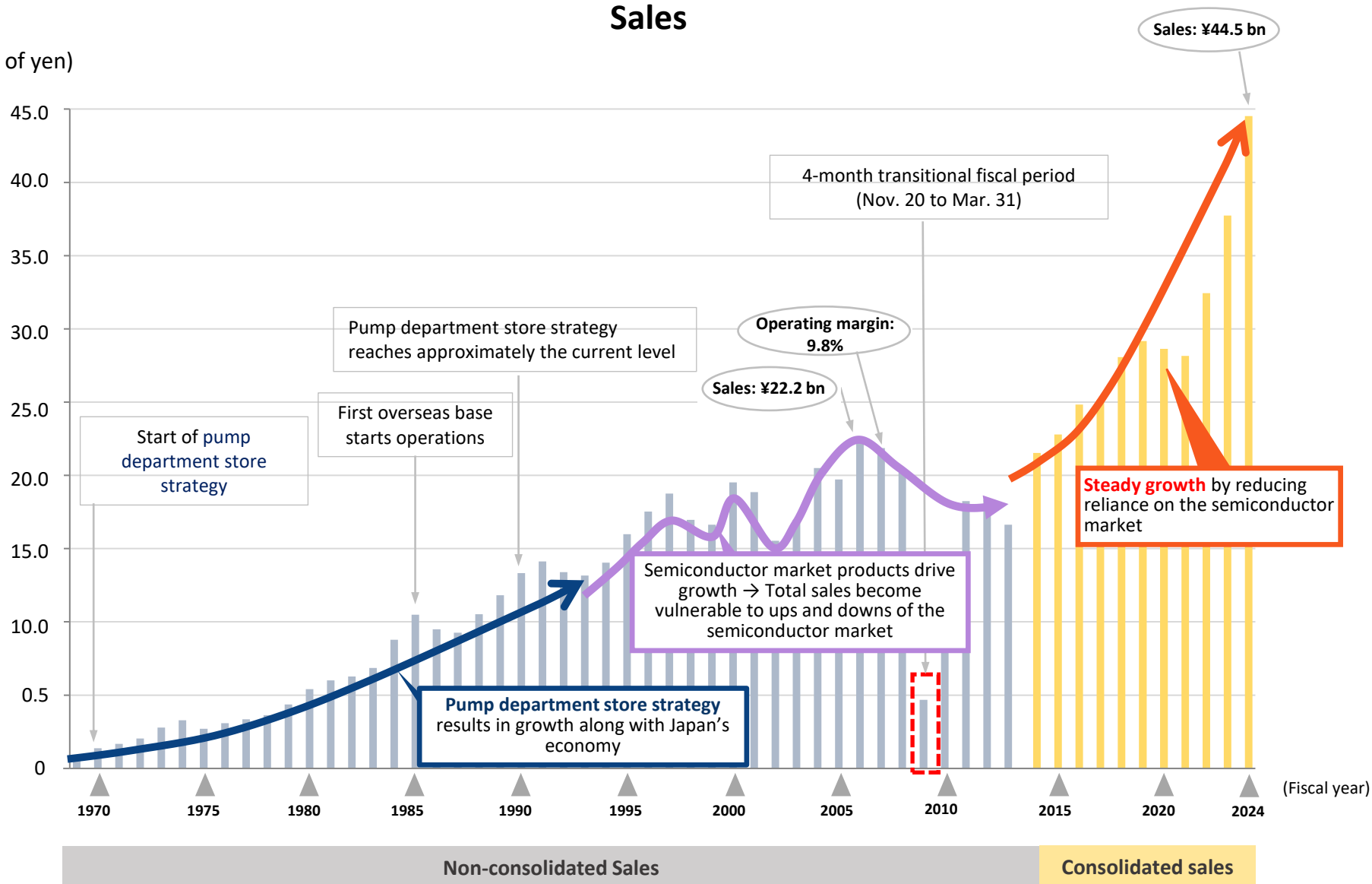
IV. Appendix



Name	IWAKI CO., LTD  A manufacturer of a broad line of chemical pumps
Establishment	April 10, 1956
Representative	Shigeru Fujinaka
Head office	2-6-6, Kanda Suda-cho, Chiyoda-ku, Tokyo
Capital	1,044.69 million yen
Number of Employees	Consolidated: 1,124/Non-consolidated: 788 (as of the end of March 2024)
Business	Development, manufacture, purchase, sale and other activities for chemical pumps and pump controllers and other pump peripherals
Listing	Prime Section of the Tokyo Stock Exchange Trade name: Iwaki Pump /Stock code: 6237

Sales

(Billions of yen)





Chemical pumps are used for the transmission of chemicals and other substances



Unlike water pumps, chemical pumps are used for the transmission of many types of liquids, including sulfuric acid and other hazardous chemicals.



**Chemical pumps must meet
very high safety standards
(No leaks)**

1

**A diverse lineup of products
to meet our customers' requirements**

2

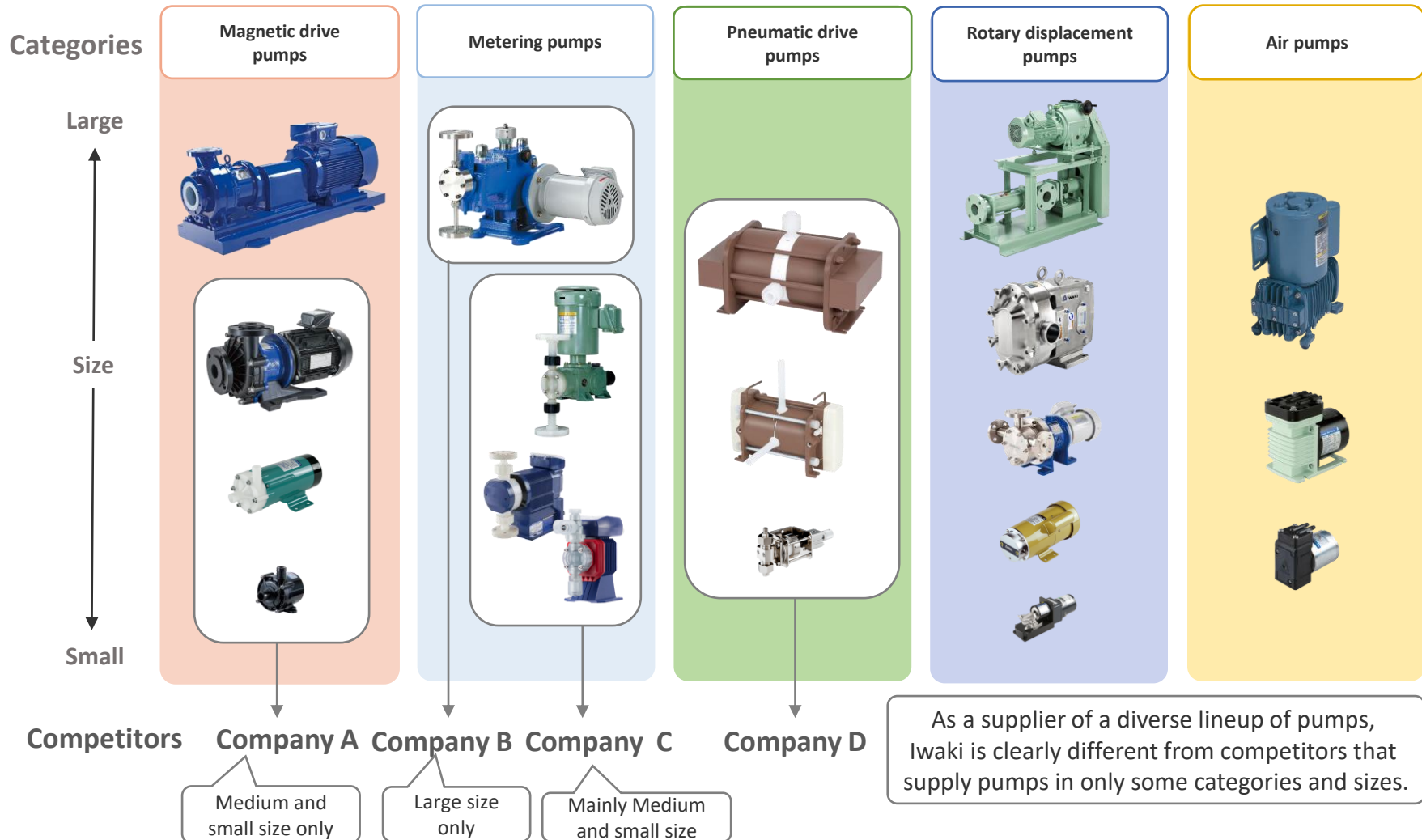
**Strong customer support backed by a
global production, sales and support infrastructure**

3

**Able to create solutions using fluid control functions
centered on pumps**

A Large and Diverse Product Lineup

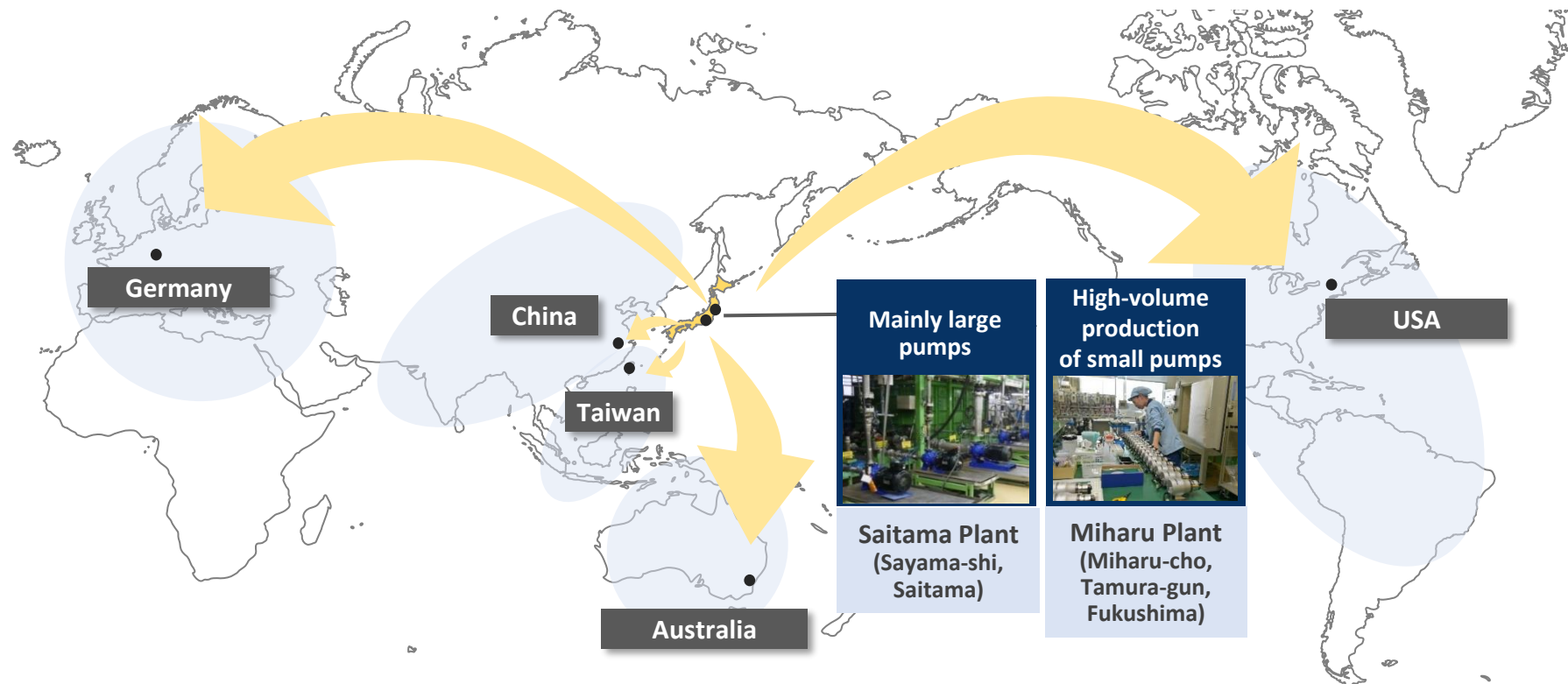
More than 60 series of pump models and **tens of thousands of models**
A **one-stop source** of comprehensive solutions for a broad array of pumps



Annual capacity of around 800,000 units with the ability to make many models in small quantities

Japan: Small-lot production of many models and highly reliable quality assurance systems

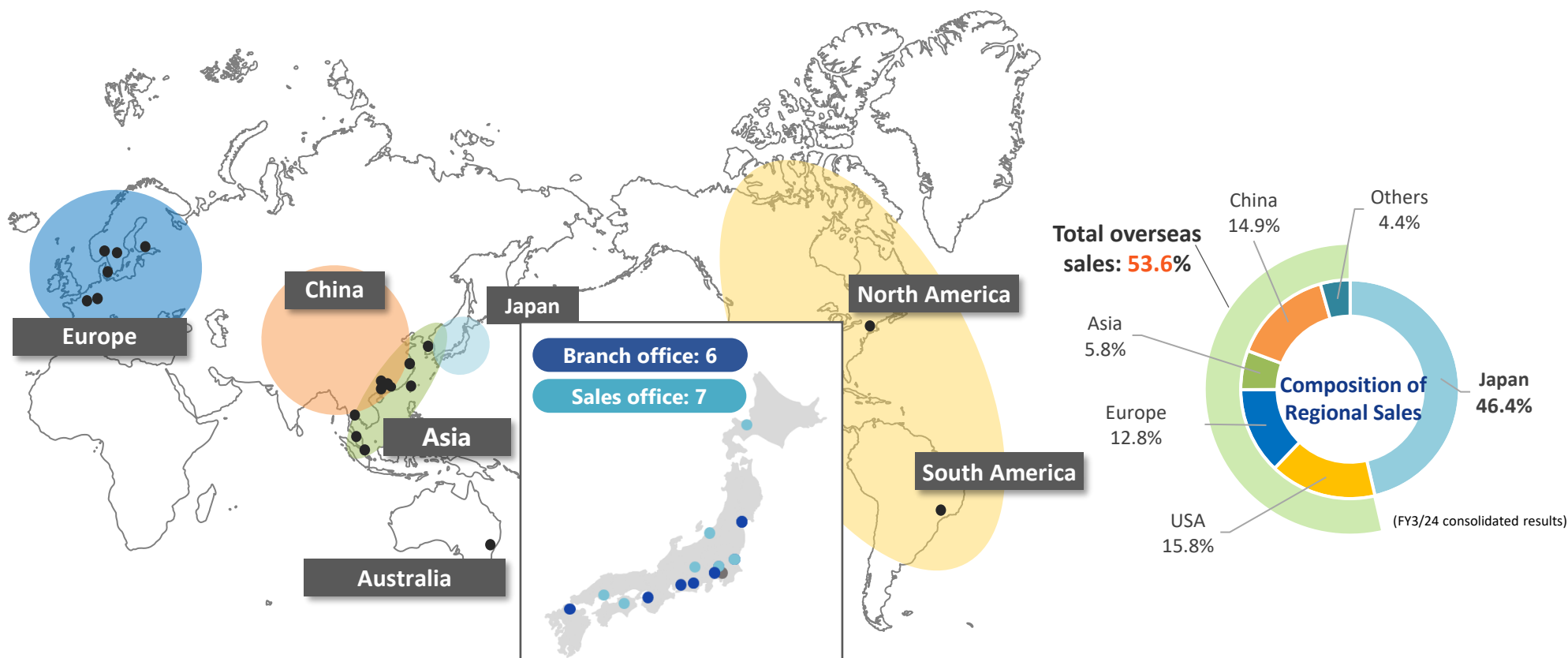
Overseas: Five locations manufacture pumps using main parts (knock-down manufacturing), resulting in efficiency for deliveries and inventories



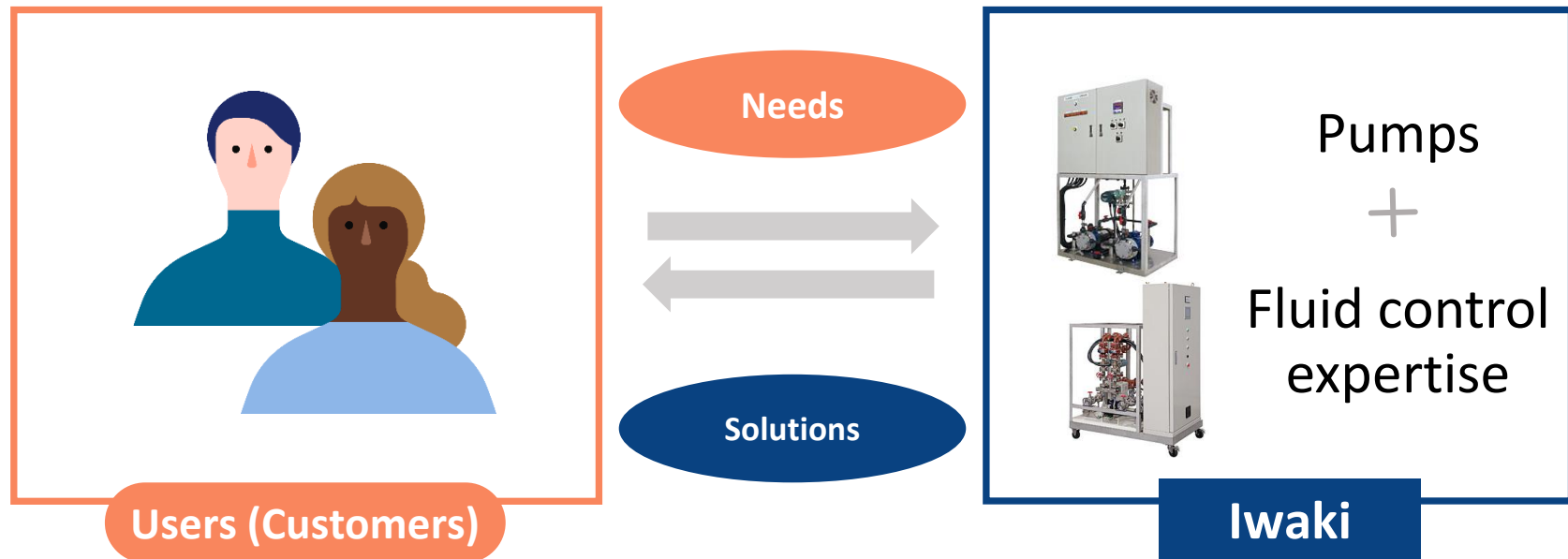
A Global Sales and Support Infrastructure

Branch offices and sales offices in 13 major cities Japan in addition to the head office

A worldwide sales and service network with 21 group companies in 15 countries



Iwaki uses pumps and fluid control expertise to create **solutions** that match the **needs** of every customer





The Heart of Industry

We will continue to support industries at the forefront to contribute to the development of society and the happiness of people

For more information:
General Affairs Department,
General Affairs Head Office,
IWAKI CO.,LTD.
E-mail: ir@iwakipumps.jp
Operating hours: 9:00 to 17:30

(Except Saturdays, Sundays, public holidays, and other business holidays)

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