

**Summary of Consolidated Financial Results**  
**for the First Quarter of Fiscal Year Ending March 31, 2024**  
**(Three Months Ended June 30, 2023)**

[Japanese GAAP]

Company name: IWAKI CO.,LTD. Listing: Tokyo Stock Exchange  
Stock code: 6237 URL: <https://www.iwakipumps.co.jp/>  
Representative: Shigeru Fujinaka, President  
Contact: Makoto Inoue, Executive Officer,  
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Scheduled date of filing of Quarterly Report: August 10, 2023  
Scheduled date of payment of dividend: -  
Preparation of supplementary materials for quarterly financial results: Yes  
Holding of quarterly financial results meeting: None

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

**1. Consolidated Financial Results for the First Quarter Ended June 30, 2023**

(April 1, 2023 – June 30, 2023)

(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	%
Three months ended Jun. 30, 2023	11,107	32.4	1,451	94.9	1,782	53.9	1,222	25.5
Three months ended Jun. 30, 2022	8,390	10.4	744	98.8	1,158	103.8	974	91.0

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2023: 1,383 (down 3.4%)  
Three months ended Jun. 30, 2022: 1,431 (up 94.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2023	55.65	-
Three months ended Jun. 30, 2022	44.47	-

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of Jun. 30, 2023	47,104	29,619	62.5
As of Mar. 31, 2023	45,310	28,984	63.6

Reference: Owner's equity (million yen) As of Jun. 30, 2023: 29,438 As of Mar. 31, 2023: 28,839

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2023	-	27.00	-	34.00	61.00
Fiscal year ending Mar. 31, 2024	-	-	-	-	-
Fiscal year ending Mar. 31, 2024 (forecasts)	-	16.00	-	27.00	43.00

Note: Revisions to the most recently announced dividend forecasts: None

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)**

(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	21,667	21.7	1,742	46.9	1,951	(11.5)	1,363	(54.4)	62.05
Full year	44,181	17.1	3,920	60.5	4,302	9.4	3,115	(29.2)	141.79

Note: Revisions to the most recently announced consolidated earnings forecasts: None

**\* 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 Jun. 30, 2023:	22,490,910 shares	As of Mar. 31, 2023:	22,490,910 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2023:	519,393 shares	As of Mar. 31, 2023:	519,393 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2023:	21,971,517 shares	Three months ended Jun. 30, 2022:	21,904,505 shares
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\* The current quarterly financial report is not subject to quarterly review 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 Iwaki's management at the time the materials were prepared, but are not promises by Iwaki regarding future performance. Actual results may differ materially from the forecasts.

How to view supplementary materials for the quarterly financial results meeting

The supplementary information materials for quarterly financial results are disclosed on the Company's website today (August 10, 2023).

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

During the first quarter of the current fiscal year, the outlook of the global economy remained uncertain due to apprehensions surrounding the economic repercussions of monetary tightening in several countries, soaring energy and commodities prices, and a combination of other factors. On the flip side, despite economic fragility in certain regions, there is also a sense of anticipation regarding potential economic revival, exemplified by the resurgence of capital investment in Japan.

Iwaki has been taking many actions in Japan to improve its corporate value based on the core policy of “winning by creating solutions.” Overseas, there were activities encompassing 21 affiliated companies in 15 countries to increase sales. The Iwaki Group continued to accelerate the implementation of various measures for achieving numerical targets of the Iwaki Group 10-year vision of net sales of 40 billion yen and an operating margin of 10% in the fiscal year ending on March 31, 2025 based on the policy of “supplying the world’s best products as All Iwaki.”

Sales in the water treatment category increased 37.3% to 2,607 million yen as sales remained strong mainly in the United States. Furthermore, sales in the semiconductor/liquid crystal category increased 24.0% to 2,245 million yen and sales in the medical equipment category increased 49.7% to 1,868 million yen partially due to contribution of subsidiaries in China which were consolidated during the fourth quarter of the previous fiscal year. These categories accounted for most of the growth of first quarter sales and earnings.

Sales in Japan increased 14.3% to 5,033 million yen because of higher sales in all market categories. Overseas, sales in the United States rose 38.0% to 1,729 million yen as a result of the continued strong performance of the water treatment category. In Europe, sales increased 35.8% to 1,348 million yen mainly because of higher sales in the chemicals category. In Taiwan, sales decreased 10.1% to 826 million yen mainly because of sluggish sales in the semiconductor/liquid crystal and surface treatment equipment categories. Sales in China increased 220.3% to 1,699 million yen partially due to contribution of subsidiaries in China.

Every product category, including magnetic pumps and metering pumps, which are core product lines of the Iwaki Group, showed robust performance.

As a result, consolidated net sales increased 32.4% to 11,107 million yen.

Operating profit increased 94.9% from one year earlier to 1,451 million yen. This was the result of the contribution of newly consolidated subsidiaries in China and sales growth at other subsidiaries. Ordinary profit was up 53.9% to 1,782 million yen mainly due to a decrease in share of profit of entities accounted for using the equity method in non-operating income following the consolidation of subsidiaries in China and an increase in interest expenses in non-operating expenses. Profit attributable to owners of parent increased 25.5% to 1,222 million yen.

There is no business segment information because chemical pumps are the only business of the Iwaki Group.

### (2) Explanation of Financial Position

#### Assets

Current assets at the end of the first quarter of the current fiscal year were 34,199 million yen, up 2,011 million yen from the end of the previous fiscal year. This was mainly due to increases of 1,161 million yen in cash and deposits and 696 million yen in notes and accounts receivable-trade, and contract assets. Non-current assets were 12,904 million yen at the end of the first quarter, down 217 million yen from the end of the previous fiscal year. This was mainly because of decreases of 71 million yen in property, plant and equipment and 134 million yen in investment securities.

As a result, total assets increased 1,793 million yen from the end of the previous fiscal year to 47,104 million yen.

#### Liabilities

Current liabilities at the end of the first quarter were 14,939 million yen, up 1,222 million yen from the end of the previous fiscal year. This was mainly due to increases of 404 million yen in electronically recorded

obligations-operating and 1,182 million yen in other current liabilities primarily resulting from reclassification to other current liabilities from provision for bonuses of which amounts to be paid were finalized, while there was a decrease of 647 million yen in provision for bonuses. Non-current liabilities were 2,544 million yen at the end of the first quarter, down 63 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 77 million yen in long-term borrowings.

As a result, total liabilities increased 1,159 million yen from the end of the previous fiscal year to 17,484 million yen.

#### Net assets

Net assets at the end of the first quarter were 29,619 million yen, up 634 million yen from the end of the previous fiscal year. There were increases of 475 million yen in retained earnings and 147 million yen in foreign currency translation adjustment.

Consequently, the capital adequacy ratio was 62.5% (63.6% at the end of the previous fiscal year).

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

We maintain the first-half and full-year consolidated earnings forecasts that were disclosed in the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023” dated May 12, 2023.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY3/23 (As of Mar. 31, 2023)	First quarter of FY3/24 (As of Jun. 30, 2023)
Assets		
Current assets		
Cash and deposits	8,927,985	10,089,060
Notes and accounts receivable-trade, and contract assets	7,010,044	7,707,038
Electronically recorded monetary claims-operating	4,497,381	4,533,191
Merchandise and finished goods	5,650,511	5,567,740
Work in process	141,397	291,793
Raw materials and supplies	5,228,772	5,293,733
Other	798,971	795,949
Allowance for doubtful accounts	(67,781)	(79,352)
Total current assets	32,187,283	34,199,154
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,144,787	8,187,804
Accumulated depreciation and impairment	(4,202,592)	(4,275,588)
Buildings and structures, net	3,942,195	3,912,216
Machinery, equipment and vehicles	3,496,770	3,493,850
Accumulated depreciation and impairment	(2,997,027)	(3,013,616)
Machinery, equipment and vehicles, net	499,743	480,234
Tools, furniture and fixtures	2,276,945	2,298,832
Accumulated depreciation and impairment	(1,902,462)	(1,929,215)
Tools, furniture and fixtures, net	374,483	369,617
Land	1,049,205	1,051,359
Leased assets	346,955	309,805
Accumulated depreciation	(199,803)	(169,981)
Leased assets, net	147,151	139,824
Construction in progress	42,148	58,308
Other	760,975	730,025
Accumulated depreciation	(379,543)	(376,383)
Other, net	381,432	353,641
Total property, plant and equipment	6,436,360	6,365,201
Intangible assets		
Goodwill	2,811,839	2,766,431
Trademark right	19,672	16,970
Other	636,481	624,650
Total intangible assets	3,467,992	3,408,052
Investments and other assets		
Investment securities	1,397,352	1,263,170
Deferred tax assets	655,155	645,630
Retirement benefit asset	789,245	794,310
Other	376,774	428,573
Total investments and other assets	3,218,528	3,131,683
Total non-current assets	13,122,881	12,904,938
Total assets	45,310,164	47,104,092

	(Thousands of yen)	
	FY3/23 (As of Mar. 31, 2023)	First quarter of FY3/24 (As of Jun. 30, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	3,687,101	3,587,573
Electronically recorded obligations-operating	4,307,453	4,711,617
Short-term borrowings	1,170,500	1,461,039
Current portion of long-term borrowings	155,000	155,000
Lease liabilities	116,468	118,475
Income taxes payable	331,446	588,010
Contract liabilities	652,603	776,318
Provision for bonuses	1,203,618	555,740
Provision for bonuses for directors (and other officers)	325,307	34,125
Provision for product warranties	100,995	102,178
Other	1,666,901	2,849,895
<b>Total current liabilities</b>	<b>13,717,396</b>	<b>14,939,976</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,167,500	1,089,999
Lease liabilities	118,987	106,507
Retirement benefit liability	82,552	84,285
Asset retirement obligations	222,551	222,821
Other	1,016,606	1,041,246
<b>Total non-current liabilities</b>	<b>2,608,199</b>	<b>2,544,860</b>
<b>Total liabilities</b>	<b>16,325,595</b>	<b>17,484,836</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,044,691	1,044,691
Capital surplus	674,127	674,127
Retained earnings	25,671,771	26,147,564
Treasury shares	(519,765)	(519,765)
<b>Total shareholders' equity</b>	<b>26,870,823</b>	<b>27,346,616</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	530	1,431
Foreign currency translation adjustment	1,150,486	1,297,978
Remeasurements of defined benefit plans	817,833	792,129
<b>Total accumulated other comprehensive income</b>	<b>1,968,850</b>	<b>2,091,539</b>
<b>Non-controlling interests</b>	<b>144,895</b>	<b>181,099</b>
<b>Total net assets</b>	<b>28,984,569</b>	<b>29,619,256</b>
<b>Total liabilities and net assets</b>	<b>45,310,164</b>	<b>47,104,092</b>

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

	(Thousands of yen)	
	First three months of FY3/23 (Apr. 1, 2022 – Jun. 30, 2022)	First three months of FY3/24 (Apr. 1, 2023 – Jun. 30, 2023)
Net sales	8,390,649	11,107,826
Cost of sales	5,434,470	6,836,681
Gross profit	2,956,179	4,271,145
Selling, general and administrative expenses	2,211,416	2,819,308
Operating profit	744,763	1,451,836
Non-operating income		
Interest income	96	6,062
Dividend income	16,903	19,053
Share of profit of entities accounted for using equity method	299,463	208,550
Foreign exchange gains	92,214	72,299
Other	14,472	53,720
Total non-operating income	423,151	359,686
Non-operating expenses		
Interest expenses	5,854	19,695
Commission expenses	1,996	1,871
Loss on amortization of restricted stock remuneration	406	-
Expenses related to deferred compensation plan	-	6,515
Other	1,489	1,184
Total non-operating expenses	9,748	29,267
Ordinary profit	1,158,166	1,782,255
Extraordinary income		
Gain on sale of investment securities	2,336	1,241
Other	208	-
Total extraordinary income	2,544	1,241
Extraordinary losses		
Loss on retirement of non-current assets	147	1,249
Loss on sale of non-current assets	-	55
Total extraordinary losses	147	1,305
Profit before income taxes	1,160,562	1,782,191
Income taxes	182,123	523,381
Profit	978,438	1,258,809
Profit attributable to non-controlling interests	4,361	35,985
Profit attributable to owners of parent	974,077	1,222,824



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

	(Thousands of yen)	
	First three months of FY3/23 (Apr. 1, 2022 – Jun. 30, 2022)	First three months of FY3/24 (Apr. 1, 2023 – Jun. 30, 2023)
Profit	978,438	1,258,809
Other comprehensive income		
Valuation difference on available-for-sale securities	(701)	927
Foreign currency translation adjustment	369,383	142,038
Remeasurements of defined benefit plans, net of tax	(27,524)	(25,704)
Share of other comprehensive income of entities accounted for using equity method	112,099	7,424
Total other comprehensive income	453,256	124,685
Comprehensive income	1,431,695	1,383,495
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	1,425,572	1,345,514
Comprehensive income attributable to non-controlling interests	6,122	37,980

### **(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.

*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.*