



The Heart of Industry

## Results of Operations for the First Quarter of the Fiscal Year Ending March 31, 2025 (FY3/25)

August 9, 2024

**IWAKI CO.,LTD.**

Stock code: 6237  
Trade name: Iwaki Pump



NRD-08Z-P4

This small, light and low-noise magnetic drive pump has a sealless design to prevent leaks. This pump is used mainly in cooling systems for projector light source units and other applications and in medical devices.

Although the semiconductor/liquid crystal category remained sluggish, sales were firm, driven by the medical equipment category

	1Q FY3/24		1Q FY3/25	
	Amount (Millions of yen)	Amount (Millions of yen)	Differences	YoY change
<b>Net sales</b>	11,107	<b>11,220</b>	112	+1.0%
<b>Gross profit (Gross margin)</b>	4,271 (38.5%)	<b>4,617 (41.1%)</b>	345	+8.1%
<b>Operating profit (Operating margin)</b>	1,296 (11.7%)	<b>1,431 (12.8%)</b>	134	+10.3%
<b>Ordinary profit</b>	1,627	<b>1,666</b>	39	+2.4%
<b>Profit attributable to owners of parent</b>	1,108	<b>1,089</b>	-18	-1.7%
<b>Net income per share (Yen)</b>	50.43	<b>49.34</b>	-1.09	-2.2%
<b>Exchange rate (average)</b>	USD/JPY (Yen)	132.40	148.62	
	EUR/JPY (Yen)	142.13	161.32	
	HKD/JPY (Yen)	16.89	19.00	
	CNY/JPY (Yen)	19.34	20.63	

## 1 Sales: The medical equipment market was a major source of sales growth

- Strong medical equipment market sales, mainly in Japan, was the primary reason for first quarter sales growth. The U.S. medical equipment market also remained strong.
- In the semiconductor/liquid crystal market, sales were higher in China (Shanghai) but remained slow in other areas, chiefly Asia (South Korea and Taiwan).
- In Europe, sales in the others category increased mainly because of higher sales of products used for cooling systems of projector lamps and other equipment.

## 2 Operating profit: Up 10.3% as sales growth offset higher SG&A expenses due in part to expenses for large-scale exhibitions

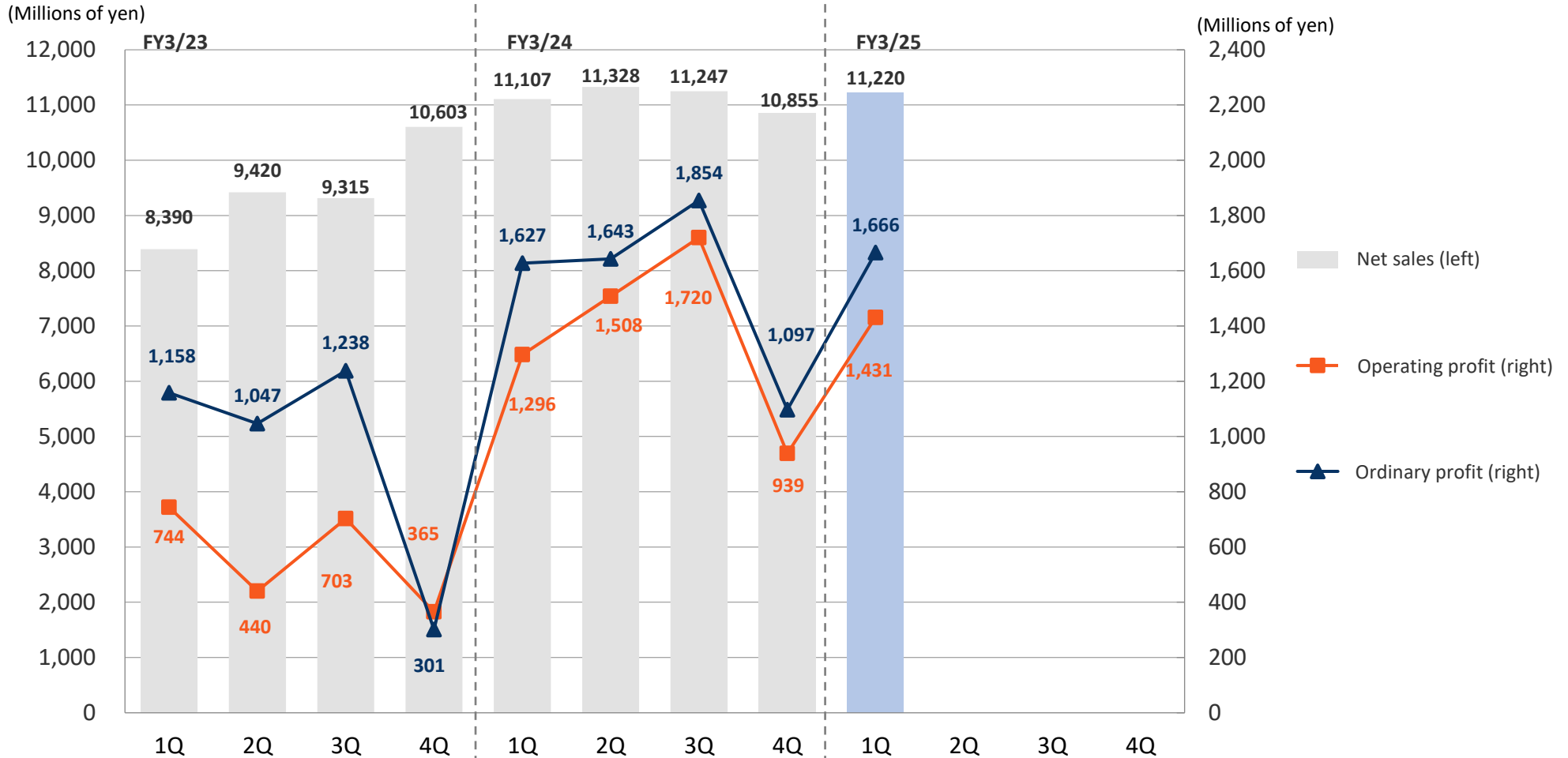
- Gross profit increased despite the higher cost of procurement of parts and materials because products with high cost of sales ratio were a smaller pct. of total sales.
- Increases in transportation expenses and expenses for large-scale exhibitions.

## 3 Profit attributable to owners of parent: Decreased mainly due to a decrease in share of profit of entities accounted for using the equity method

- Equity-method income decreased because of the continuing negative impact of the weak semiconductor/liquid crystal market on the earnings of IWAKI Korea (lower production and other effects) and IWAKI Taiwan.
- Decreased mainly due to an increase in income taxes

# Net Sales and Operating Profit (Quarterly)

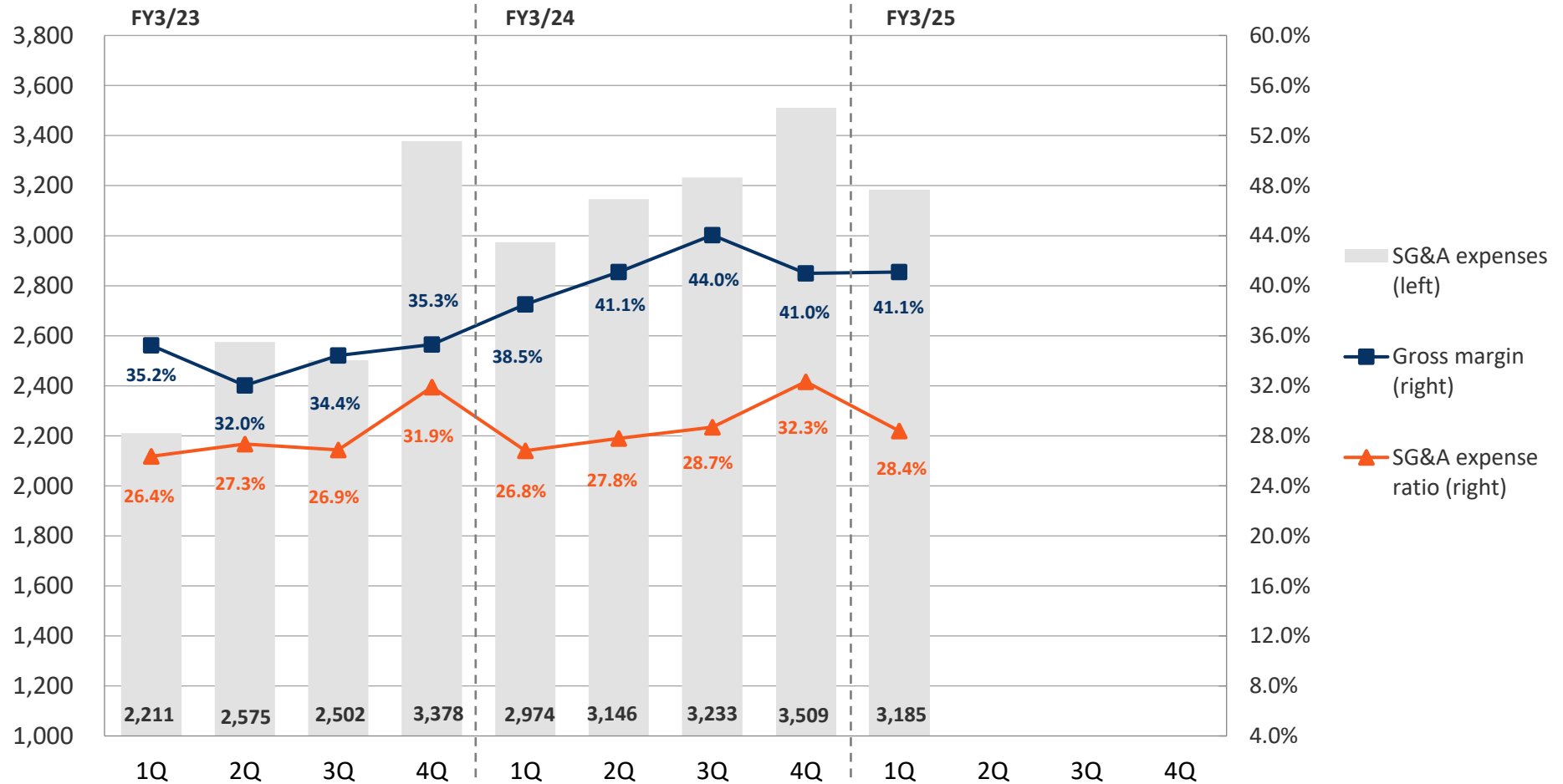
Sales increased from the previous quarter due to strong medical equipment market. Big increases from the previous quarter in earnings at all levels because of sales growth and lower SG&A expenses (previous quarter included bonuses for executives)



# Gross Margin and SG&A Expense Ratio (Quarterly)

SG&A expenses in the previous quarter include bonuses linked to results of operations for executives. Although expenses for large-scale exhibitions and other items raised SG&A expenses in the first quarter, the gross profit increased mainly because sales were higher than in the previous quarter.

(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
<b>Semiconductor/liquid crystal</b>	Semiconductor production equipment, etc.	●	○	●			○
<b>Medical equipment</b>	Dialysis equipment and clinical trial equipment, etc.	○	○		●	●	○
<b>Surface treatment equipment</b>	Printed circuit board manufacturing equipment, electronic component manufacturing, etc.	●	○				○
<b>Chemicals</b>	Liquid chemical manufacturing, etc.	●	○		○		○
<b>Water treatment</b>	Water purification plant, wastewater treatment, cooling towers, etc.	○	●		○	○	○
<b>New energy</b>	Renewable energy, rechargeable battery production, etc.	○	○		●		○
<b>Others (Food, paper, others)</b>	Food cleansing, cooling applications, etc.	○	○		●	○	○

\* A filled circle means major pumps in each market.

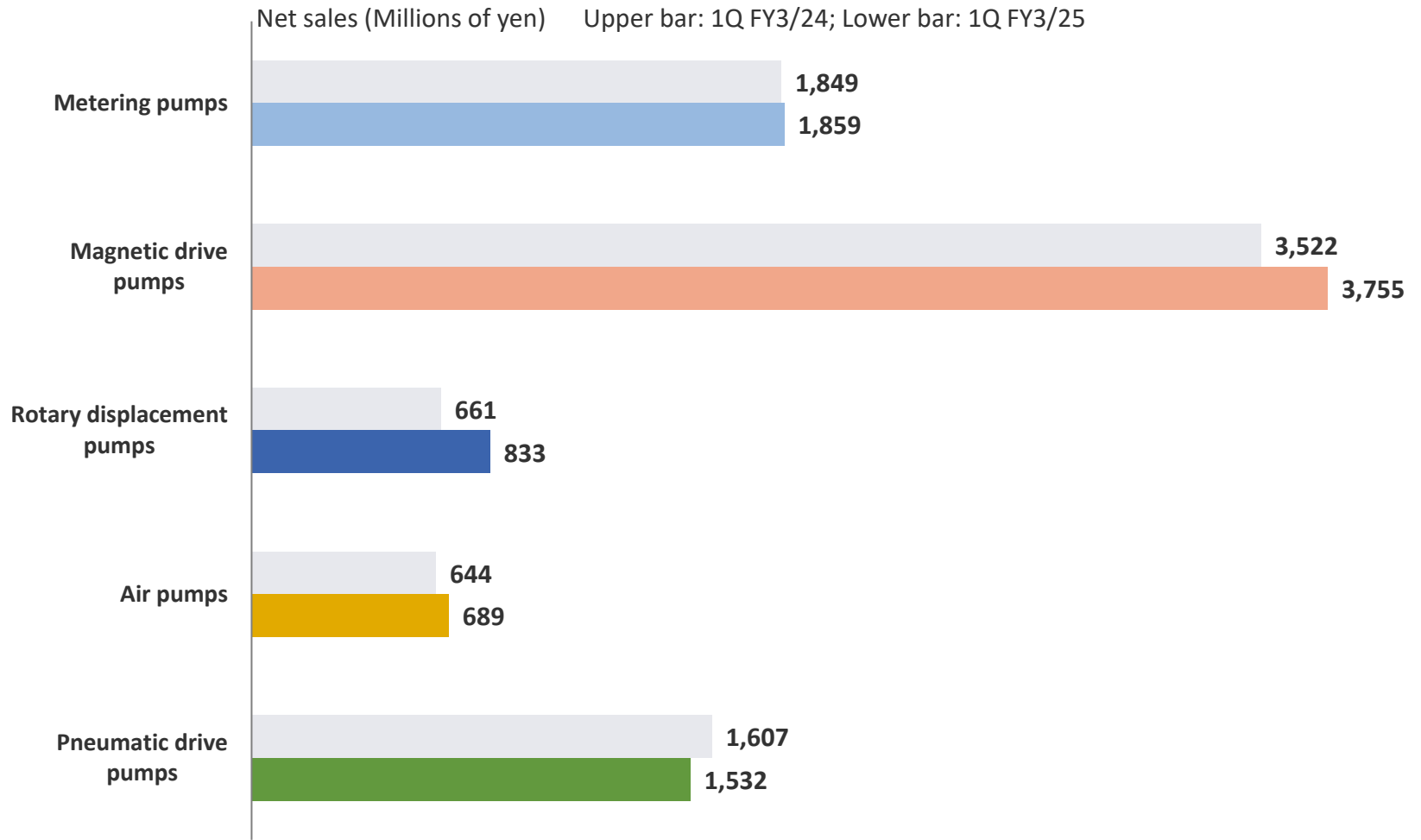
# Profitability of Products

Profitability

High



Low



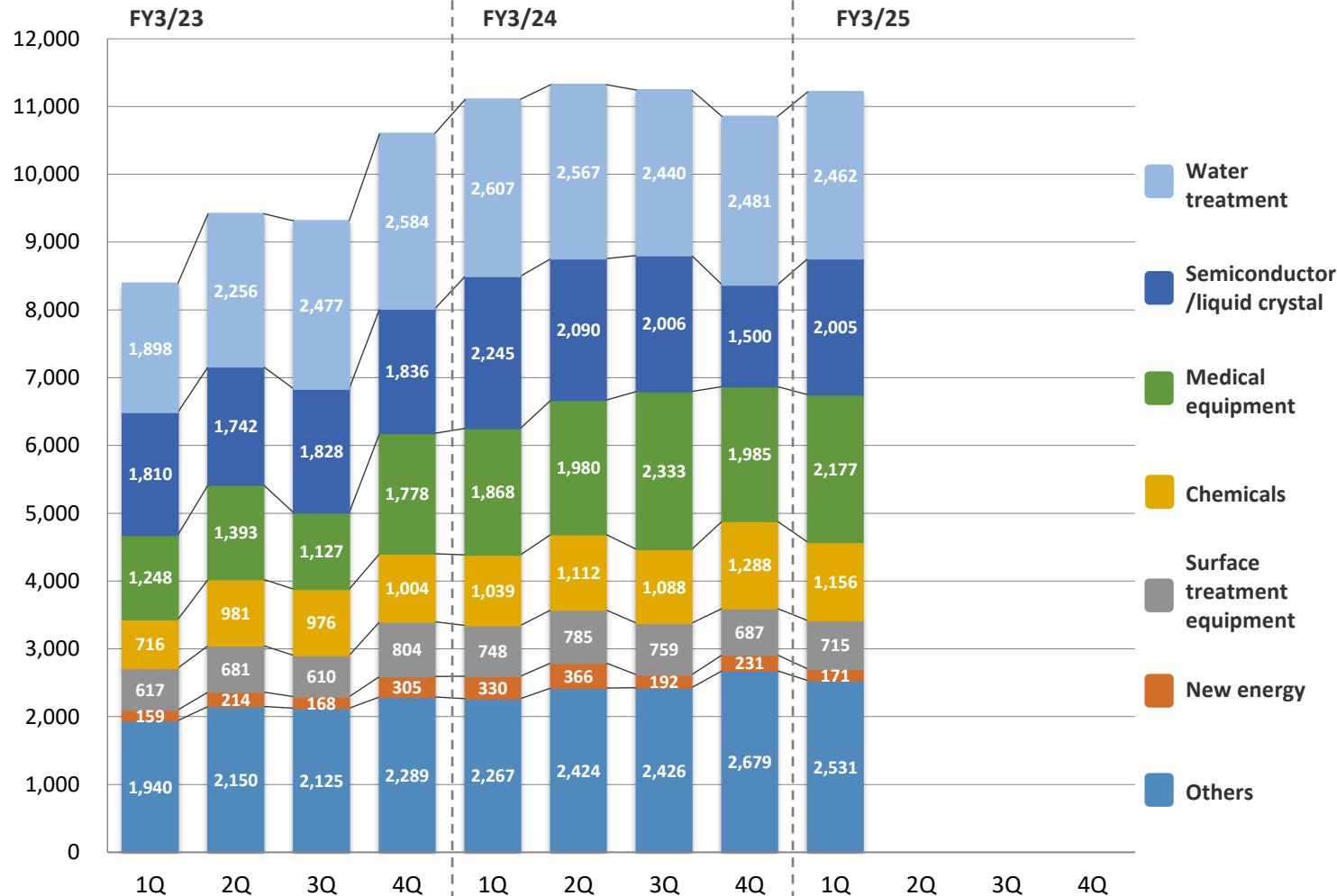
\*Excluding systems products, purchased products and other

# Market Category Sales

Medical equipment sales were higher than in the previous quarter mainly due to strong sales in Japan as well as higher U.S. sales.

Still waiting for the start of a semiconductor/liquid crystal market recovery, but sales were higher than in the previous quarter in Japan and China (Shanghai).

(Millions of yen)



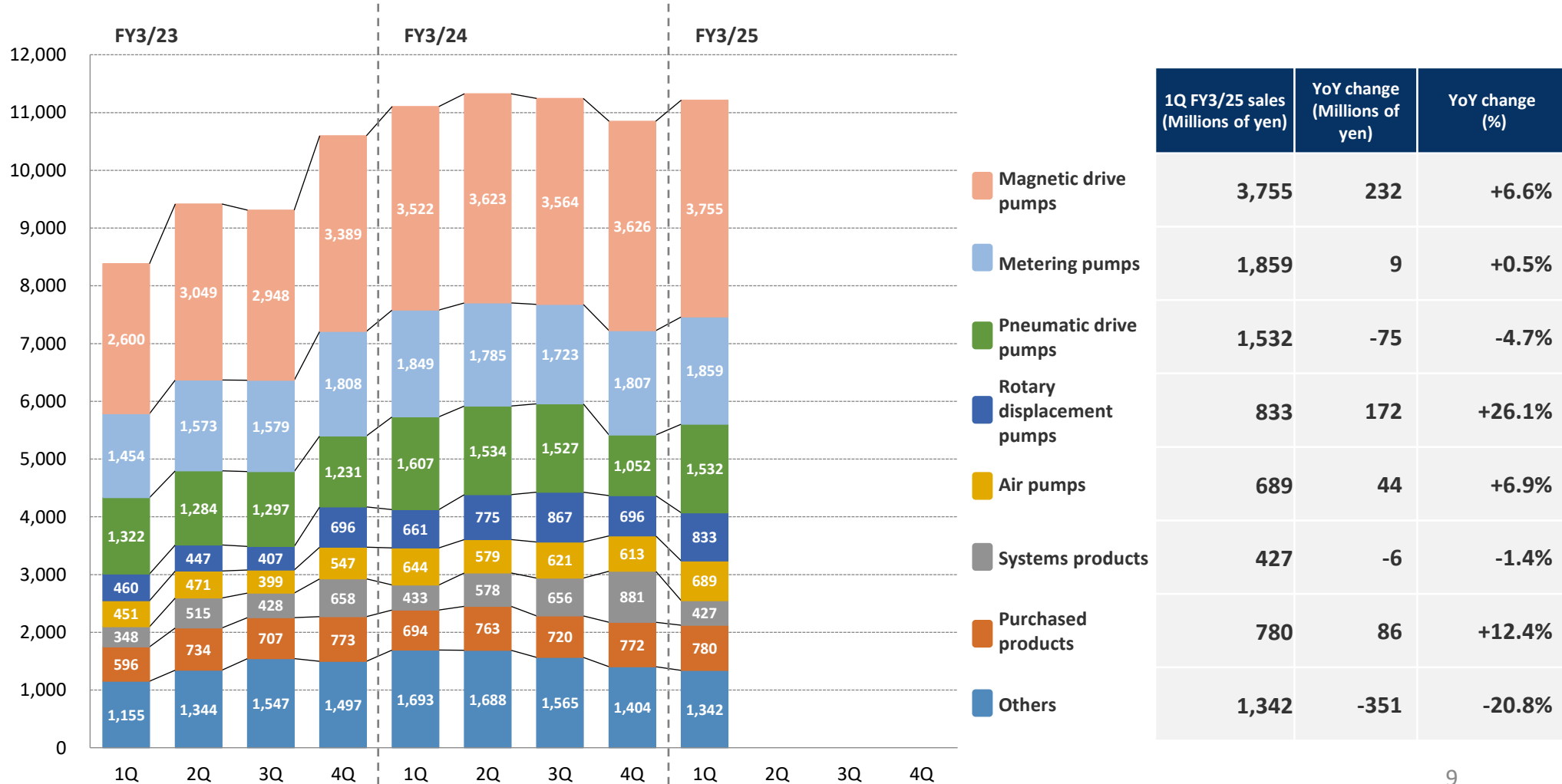
1Q FY3/25 sales (Millions of yen)	YoY change (Millions of yen)	YoY change (%)
2,462	-145	-5.6%
2,005	-239	-10.7%
2,177	308	+16.5%
1,156	117	+11.3%
715	-32	-4.3%
171	-159	-48.1%
2,531	263	+11.6%



# Product Category Sales



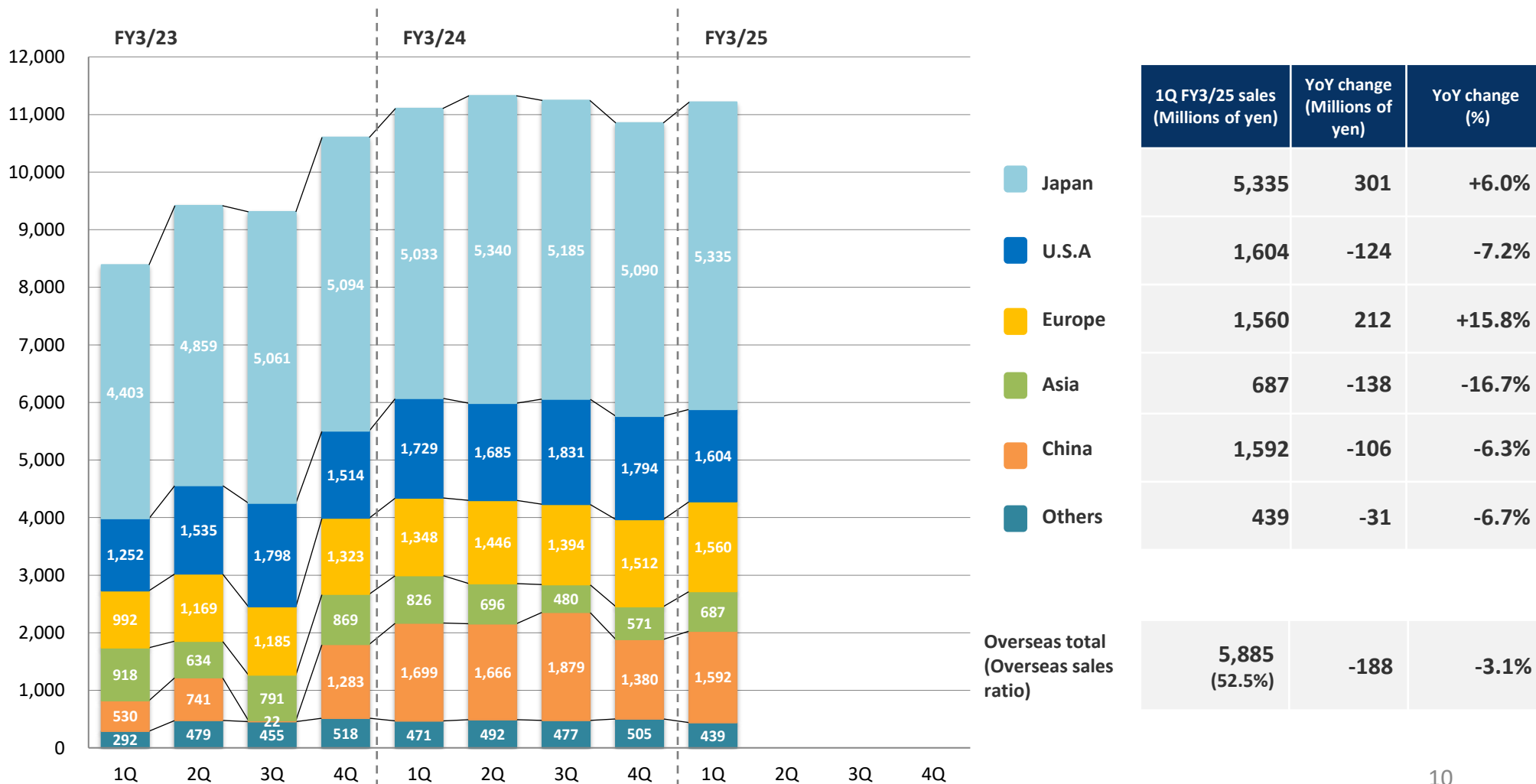
Higher sales of rotary displacement pumps due to strong medical equipment market.  
Steady sales growth of magnetic drive pumps, Iwaki's core products.



# Regional Sales



Sales in Japan were higher because medical equipment market sales increased. Sales in this market were higher in the U.S. too, but U.S. sales in the core water treatment market decreased. In Europe, sales increased for cooling systems, which are not included in the six main market categories. Lower sales in the semiconductor/liquid crystal market brought down sales in Asia.



# FY3/25 Forecast



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	<b>47,575</b>	3,036	+6.8%
Gross profit (Gross margin)		18,328 (41.2%)	<b>18,683</b> <b>(39.3%)</b>	355	+1.9%
Operating profit (Operating margin)		5,465 (12.3%)	<b>5,367</b> <b>(11.3%)</b>	-97	-1.8%
Ordinary profit		6,222	<b>5,821</b>	-401	-6.4%
Profit attributable to owners of parent		4,459	<b>4,193</b>	-266	-6.0%
Net income per share (Yen)		202.32	<b>189.92</b>	-12.39	-6.1%
Return on equity (ROE)		14.4%	<b>12.1%</b>	-	(-2.3pt)
Return on invested capital (ROIC)		12.8%	<b>11.4%</b>	-	(-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	



The Heart of Industry

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