

Consolidated Financial Results
for the Third Quarter of Fiscal Year Ending March 31, 2025
(Nine Months Ended December 31, 2024)

[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: Kiichiro Otsuka, Executive Officer,
Senior General Manager of General Affairs Head Office Tel: (81)3-3254-2931
Scheduled date of payment of dividend: -
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: None

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

1. Consolidated Financial Results for the Third Quarter Ended December 31, 2024**(April 1, 2024 – December 31, 2024)**

(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	%
Nine months ended Dec. 31, 2024	34,107	1.3	4,681	3.5	5,227	2.0	3,733	3.2
Nine months ended Dec. 31, 2023	33,683	24.2	4,525	139.5	5,124	48.8	3,618	(10.1)

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2024: 3,934 (down 22.0%)
Nine months ended Dec. 31, 2023: 5,045 (down 2.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2024	168.93	-
Nine months ended Dec. 31, 2023	164.23	-

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of Dec. 31, 2024	52,121	35,999	68.6
As of Mar. 31, 2024	49,098	33,521	67.8

Reference: Owner's equity (million yen) As of Dec. 31, 2024: 35,761 As of Mar. 31, 2024: 33,282

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2024	-	21.00	-	41.00	62.00
Fiscal year ending Mar. 31, 2025	-	25.00	-		
Fiscal year ending Mar. 31, 2025 (forecasts)				33.00	58.00

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

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(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	47,575	6.8	5,367	(1.8)	5,821	(6.4)	4,193	(6.0)	189.92

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

*** Notes**

(1) Significant changes in the scope of consolidation during the period: 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, 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 Dec. 31, 2024:	22,490,910 shares	As of Mar. 31, 2024:	22,490,910 shares
----------------------	-------------------	----------------------	-------------------

2) Number of treasury shares at the end of the period

As of Dec. 31, 2024:	375,753 shares	As of Mar. 31, 2024:	410,809 shares
----------------------	----------------	----------------------	----------------

3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2024:	22,099,586 shares	Nine months ended Dec. 31, 2023:	22,031,872 shares
----------------------------------	-------------------	----------------------------------	-------------------

* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: Yes (voluntary)

* 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 financial results

The supplementary information materials for financial results are disclosed on the Company's website today (February 14, 2025).

Contents of Attachments

1. Overview of Results of Operations, Etc.	2
(1) Results of Operations	2
(2) 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 Nine-month Period	6
Quarterly Consolidated Statement of Comprehensive Income	
For the Nine-month Period	7
(3) Notes to Quarterly Consolidated Financial Statements	8
Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements	8
Segment and Other Information	8
Significant Changes in Shareholders' Equity	8
Going Concern Assumption	8
Quarterly Consolidated Statement of Cash Flows	8
Independent Auditor's Quarterly Review Report on Quarterly Consolidated Financial Statements	

1. Overview of Results of Operations, Etc.

(1) Results of Operations

During the first nine months of the current fiscal year, the Japanese economy showed a gradual recovery, with indications of revitalization in capital investment, driven by improvements in jobs and personal income. However, the economic outlook remains uncertain, and we must be cautious about the risks of a downturn in economies in China and other countries, inflation, and upcoming policy developments in the United States.

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 20 affiliated companies in 15 countries to increase sales. The Iwaki Group continued to speed up various measures for achieving 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.”

As a result of these activities, in the key markets for growth, sales in the semiconductor/liquid crystal category decreased 17.3% to 5,247 million yen, sales in the medical equipment category increased 4.1% to 6,434 million yen, sales in the water treatment category increased 6.4% to 8,105 million yen, and sales in the new energy category decreased 33.8% to 589 million yen.

In Japan, the semiconductor/liquid crystal category remained sluggish. However, this was offset by strong sales in the medical equipment, water treatment and chemicals categories. As a result, sales increased 4.9% to 16,319 million yen. Overseas, sales in the United States increased 0.4% to 5,267 million yen as a result of higher sales of the medical equipment category and the positive impact of the exchange rate. In Europe, sales increased 8.2% to 4,530 million yen due to growth in the chemicals category and the positive impact of the exchange rate. In Asia, sales increased 2.8% to 2,059 million yen due to growth in the chemicals category despite a slow recovery in the semiconductor/liquid crystal category in South Korea. Sales in China decreased 18.1% to 4,292 million yen as sluggish sales continued in the semiconductor/liquid crystal and medical equipment categories.

Strong sales of the core magnetic drive pumps and metering pumps are a major source of growth. However, sales of pneumatic drive pumps, primarily used in the semiconductor/liquid crystal category, were affected by the downturn in these sectors, resulting in sales of 3,769 million yen, a decrease of 19.3% year on year.

As a result, consolidated net sales in the first nine months increased 1.3% to 34,107 million yen.

Gross profit improved mainly due to increased sales. As a result, operating profit was 4,681 million yen, up 3.5% year on year. There was a decrease in share of profit of entities accounted for using the equity method in non-operating income, mainly in South Korea where the semiconductor/liquid crystal category remained sluggish. However, ordinary profit was up 2.0% to 5,227 million yen and profit attributable to owners of parent increased 3.2% to 3,733 million yen.

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

(2) Financial Position

Assets

Current assets at the end of the third quarter of the current fiscal year were 37,698 million yen, up 2,232 million yen from the end of the previous fiscal year. This was mainly due to increases of 678 million yen in cash and deposits, 255 million yen in notes and accounts receivable-trade, and contract assets, 376 million yen in securities and 718 million yen in merchandise and finished goods. Non-current assets were 14,423 million yen at the end of the third quarter, up 790 million yen from the end of the previous fiscal year. This was mainly because of an increase of 761 million yen in property, plant and equipment.

As a result, total assets increased 3,023 million yen from the end of the previous fiscal year to 52,121 million yen.

Liabilities

Current liabilities at the end of the third quarter were 12,352 million yen, down 461 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 406 million yen in provision for bonuses. Non-current liabilities were 3,769 million yen at the end of the third quarter, up 1,006 million yen from the end of the previous fiscal year. This was mainly due to an increase of 1,062 million yen in other non-current liabilities. As a result, total liabilities increased 545 million yen from the end of the previous fiscal year to 16,121 million yen.

Net assets

Net assets at the end of the third quarter were 35,999 million yen, up 2,477 million yen from the end of the previous fiscal year. There were increases of 2,275 million yen in retained earnings and 183 million yen in foreign currency translation adjustment.

Consequently, the capital adequacy ratio was 68.6% (67.8% at the end of the previous fiscal year).

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

We maintain the full-year consolidated earnings forecasts that were disclosed in the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024” dated May 13, 2024.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY3/24 (As of Mar. 31, 2024)	Third quarter of FY3/25 (As of Dec. 31, 2024)
Assets		
Current assets		
Cash and deposits	8,061,103	8,739,359
Notes and accounts receivable-trade, and contract assets	7,489,039	7,744,654
Electronically recorded monetary claims-operating Securities	5,055,261	5,257,954
	326,566	703,219
Merchandise and finished goods	6,690,541	7,408,941
Work in process	2,620,728	2,725,246
Raw materials and supplies	4,344,508	4,148,507
Other	934,462	1,008,926
Allowance for doubtful accounts	(57,069)	(38,791)
Total current assets	35,465,142	37,698,019
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,349,260	8,339,455
Accumulated depreciation and impairment loss	(4,487,271)	(4,622,376)
Buildings and structures, net	3,861,988	3,717,079
Machinery, equipment and vehicles	3,832,670	4,027,821
Accumulated depreciation and impairment loss	(3,240,837)	(3,445,476)
Machinery, equipment and vehicles, net	591,832	582,344
Tools, furniture and fixtures	2,519,547	2,571,941
Accumulated depreciation and impairment loss	(2,014,604)	(2,098,429)
Tools, furniture and fixtures, net	504,942	473,511
Land	1,057,080	1,058,308
Leased assets	336,316	443,625
Accumulated depreciation	(186,790)	(180,611)
Leased assets, net	149,525	263,013
Construction in progress	108,343	33,237
Other	920,883	1,694,649
Accumulated depreciation	(358,150)	(224,375)
Other, net	562,733	1,470,273
Total property, plant and equipment	6,836,447	7,597,769
Intangible assets		
Goodwill	2,241,223	2,062,705
Trademark right	9,017	0
Other	765,852	717,376
Total intangible assets	3,016,093	2,780,082
Investments and other assets		
Investment securities	1,396,436	1,330,079
Deferred tax assets	575,028	685,540
Retirement benefit asset	1,328,313	1,344,913
Other	480,776	685,123
Total investments and other assets	3,780,555	4,045,656
Total non-current assets	13,633,096	14,423,508
Total assets	49,098,238	52,121,528

	(Thousands of yen)	
	FY3/24 (As of Mar. 31, 2024)	Third quarter of FY3/25 (As of Dec. 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,885,279	2,013,308
Electronically recorded obligations-operating	4,861,171	4,678,401
Short-term borrowings	1,055,960	969,090
Current portion of long-term borrowings	155,000	155,000
Lease liabilities	115,175	128,788
Income taxes payable	777,937	890,137
Contract liabilities	529,095	350,959
Provision for bonuses	1,168,151	761,417
Provision for bonuses for directors (and other officers)	343,038	189,890
Provision for product warranties	91,529	84,841
Other	1,831,846	2,130,884
Total current liabilities	12,814,186	12,352,719
Non-current liabilities		
Long-term borrowings	1,012,500	857,500
Lease liabilities	379,703	480,396
Deferred tax liabilities	9,184	1,212
Retirement benefit liability	92,823	98,361
Asset retirement obligations	223,631	224,457
Other	1,044,538	2,107,243
Total non-current liabilities	2,762,380	3,769,170
Total liabilities	15,576,566	16,121,889
Net assets		
Shareholders' equity		
Share capital	1,044,691	1,044,691
Capital surplus	713,604	786,971
Retained earnings	28,780,249	31,055,346
Treasury shares	(411,211)	(376,249)
Total shareholders' equity	30,127,333	32,510,759
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,319	5,829
Foreign currency translation adjustment	2,073,255	2,256,599
Remeasurements of defined benefit plans	1,078,125	988,759
Total accumulated other comprehensive income	3,154,700	3,251,188
Non-controlling interests	239,636	237,690
Total net assets	33,521,671	35,999,638
Total liabilities and net assets	49,098,238	52,121,528

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

	(Thousands of yen)	
	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)	First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)
Net sales	33,683,707	34,107,021
Cost of sales	19,804,786	19,985,286
Gross profit	13,878,920	14,121,734
Selling, general and administrative expenses	9,353,628	9,440,054
Operating profit	4,525,292	4,681,680
Non-operating income		
Interest income	33,755	75,755
Dividend income	19,053	29,382
Share of profit of entities accounted for using equity method	498,840	417,235
Foreign exchange gains	35,298	1,332
Other	109,673	105,176
Total non-operating income	696,621	628,882
Non-operating expenses		
Interest expenses	60,718	62,665
Commission expenses	18,128	2,840
Expenses related to deferred compensation plan	14,832	13,271
Other	3,577	4,447
Total non-operating expenses	97,256	83,223
Ordinary profit	5,124,657	5,227,339
Extraordinary income		
Gain on sale of investment securities	3,796	1,460
Gain on reversal of foreign currency translation adjustment resulting from liquidation of foreign subsidiaries	-	21,509
Other	910	-
Total extraordinary income	4,706	22,969
Extraordinary losses		
Loss on retirement of non-current assets	3,371	3,706
Loss on sale of non-current assets	55	82
Total extraordinary losses	3,427	3,789
Profit before income taxes	5,125,937	5,246,519
Income taxes	1,397,280	1,415,845
Profit	3,728,656	3,830,674
Profit attributable to non-controlling interests	110,361	97,412
Profit attributable to owners of parent	3,618,295	3,733,261

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

	(Thousands of yen)	
	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)	First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)
Profit	3,728,656	3,830,674
Other comprehensive income		
Valuation difference on available-for-sale securities	557	2,006
Foreign currency translation adjustment	1,308,288	211,206
Remeasurements of defined benefit plans, net of tax	(77,114)	(89,366)
Share of other comprehensive income of entities accounted for using equity method	84,876	(20,375)
Total other comprehensive income	1,316,607	103,470
Comprehensive income	5,045,264	3,934,144
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	4,924,833	3,829,749
Comprehensive income attributable to non-controlling interests	120,431	104,395

(3) Notes to Quarterly Consolidated Financial Statements**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 that includes the third quarter of FY3/25, and multiplying that rate by the profit before income taxes.

Segment and Other Information

Segment information

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

Significant Changes in Shareholders' Equity

Not applicable.

Going Concern Assumption

Not applicable.

Quarterly Consolidated Statement of Cash Flows

A quarterly consolidated statement of cash flows for the first nine months of FY3/25 has not been prepared. Depreciation (includes amortization expenses related to intangible assets minus goodwill) and goodwill amortization for the first nine months of FY3/24 and FY3/25 is as follows.

(Thousands of yen)

	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)	First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)
Depreciation	694,875	857,506
Goodwill amortization	204,692	223,917

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.

Independent Auditor’s Quarterly Review Report on Quarterly Consolidated Financial Statements

February 14, 2025

Board of Directors
IWAKI CO.,LTD.

KPMG AZSA LLC
Satoshi Hosoya, CPA, Designated Partner and
Managing Partner
Michiko Muramatsu, CPA, Designated Partner and
Managing Partner

Auditor’s conclusions

We have conducted a quarterly review of the quarterly consolidated financial statements of IWAKI CO.,LTD. (the “Company”) included in the attachment of the Consolidated Financial Results for the third quarter (from October 1, 2024 to December 31, 2024) and the first nine months (from April 1, 2024 to December 31, 2024) of the fiscal year beginning on April 1, 2024 and ending on March 31, 2025, which consisted of the quarterly consolidated balance sheet, quarterly consolidated statement of income, quarterly consolidated statement of comprehensive income and notes to the quarterly consolidated financial statements.

Based on our quarterly review, nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements referred to above are not prepared, in all material respects, in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

Basis for auditor’s conclusions

We conducted the quarterly review in accordance with quarterly review standards generally accepted as fair and appropriate in Japan. Our responsibilities under those standards are further described in the auditor’s responsibilities for quarterly review on the quarterly consolidated financial statements section of this report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and we have fulfilled other ethical responsibilities as an auditor. We believe that we obtained evidence that forms the basis for expressing our conclusions.

Responsibilities of management, Audit & Supervisory Board members and the Audit & Supervisory Board for the quarterly consolidated financial statements

The Company’s management is responsible for the preparation of the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards. This includes the establishment and operation of internal control systems that are regarded as necessary by management to ensure the preparation of the quarterly consolidated financial statements without material misstatement due to fraudulence or errors.

In preparing the quarterly consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the quarterly consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors’ duties related to designing and operating the financial reporting process.

Auditor's responsibilities for quarterly review on the quarterly consolidated financial statements

Our responsibility is to express conclusions on the quarterly consolidated financial statements from an independent standpoint in a quarterly review report, based on the quarterly review.

We make professional judgment in the quarterly review process in accordance with quarterly review standards generally accepted as fair and appropriate in Japan, and perform the following while maintaining professional skepticism.

- Quarterly review procedures mainly consist of analytical procedures and questions posed to management, persons responsible for matters pertaining to finance and accounting, and other individuals. Said procedures are conducted in limited scope compared to audits of annual financial statements conducted in accordance with auditing standards generally accepted as fair and appropriate in Japan.
- In the event that it is determined that there is a significant uncertainty regarding events or circumstances that may cast significant doubt on the premise of a going concern, we conclude, based on the evidence obtained, on whether anything has come to our attention that causes us to believe that the quarterly financial statements have not been prepared in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards. If there is a significant uncertainty concerning the premise of a going concern, we are required to call attention to the notes to the quarterly consolidated financial statements in the Quarterly Review Report, or if the notes to the quarterly consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a qualified or negative conclusions on the quarterly consolidated financial statements. While our conclusions are based on the evidence obtained up to the date of the quarterly review report, depending on future events or conditions, the Company may be unable to continue as a going concern.
- We evaluate whether anything has come to our attention that causes us to believe that the presentation of and notes to the quarterly financial statements have not been prepared in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.
- We obtain evidence regarding the financial information of the Company and its consolidated subsidiaries to express conclusions on the quarterly consolidated financial statements. We are responsible for the direction, supervision and examination of the quarterly review on the quarterly consolidated financial statements. We remain solely responsible for our conclusions.

We report to Audit & Supervisory Board members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned quarterly review, and material quarterly review findings.

We report to Audit & Supervisory Board members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan concerning independence as well as matters that are reasonably considered to have an impact on our independence, and where applicable, measures taken to eliminate inhibiting factors or apply safeguards to reduce them to an acceptable level.

Vested interests

Our firm or Managing Partners have no vested interests in the Company and its consolidated subsidiaries that should be disclosed in accordance with the provisions of the Certified Public Accountants Act.

End

Notes: 1. The original copy of the above Quarterly Review Report is in the custody of the Company (the company that discloses the quarterly financial results).
 2. The scope of the quarterly review does not include the XBRL data and HTML data.