

The Iwaki Group Vision NEXT10 and Medium-term Management Plan 2027

May 14, 2025

IWAKI CO.,LTD.



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01 The Previous Long-term Vision | Iwaki Group 10-year Vision Overview

The vision was announced in 2015 and covers the 10-year period ending with FY3/25.

The numerical targets of consolidated sales of **¥40 billion** (¥20 billion each in Japan and overseas) and an operating margin of **10%** were accomplished one year early.

The Iwaki Group 10-year Vision

Numerical targets

Consolidated sales of ¥40 billion (¥20 billion each in Japan and overseas)

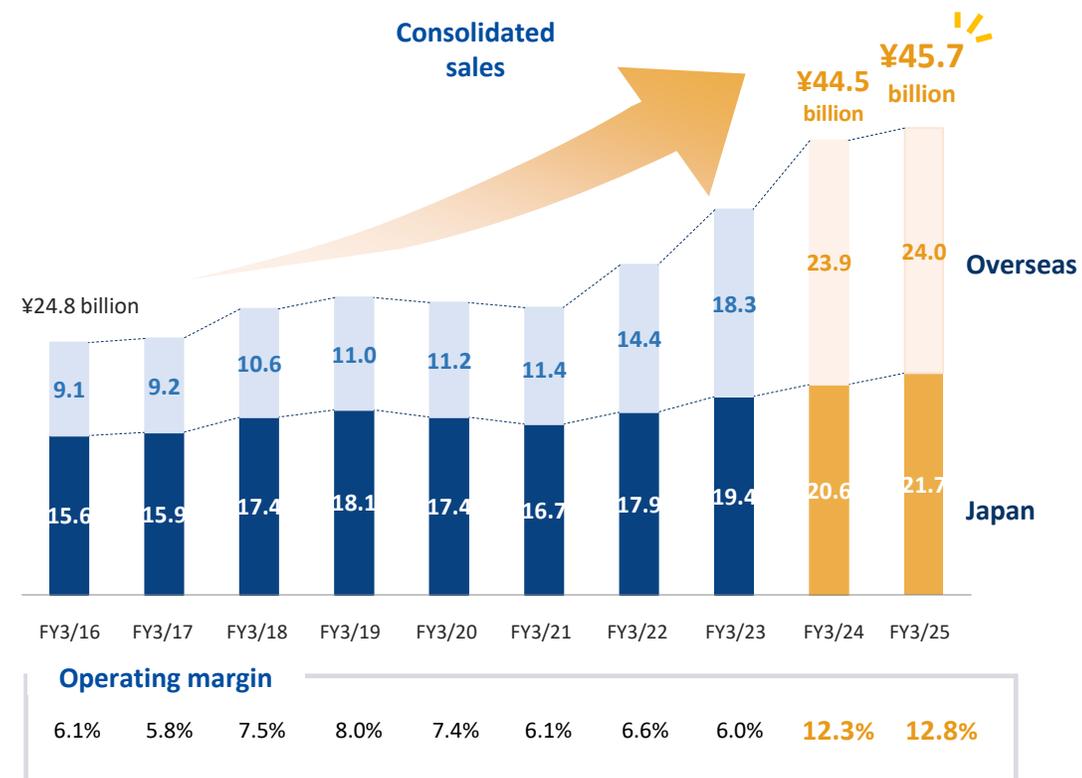
Operating margin of 10%

Qualitative targets

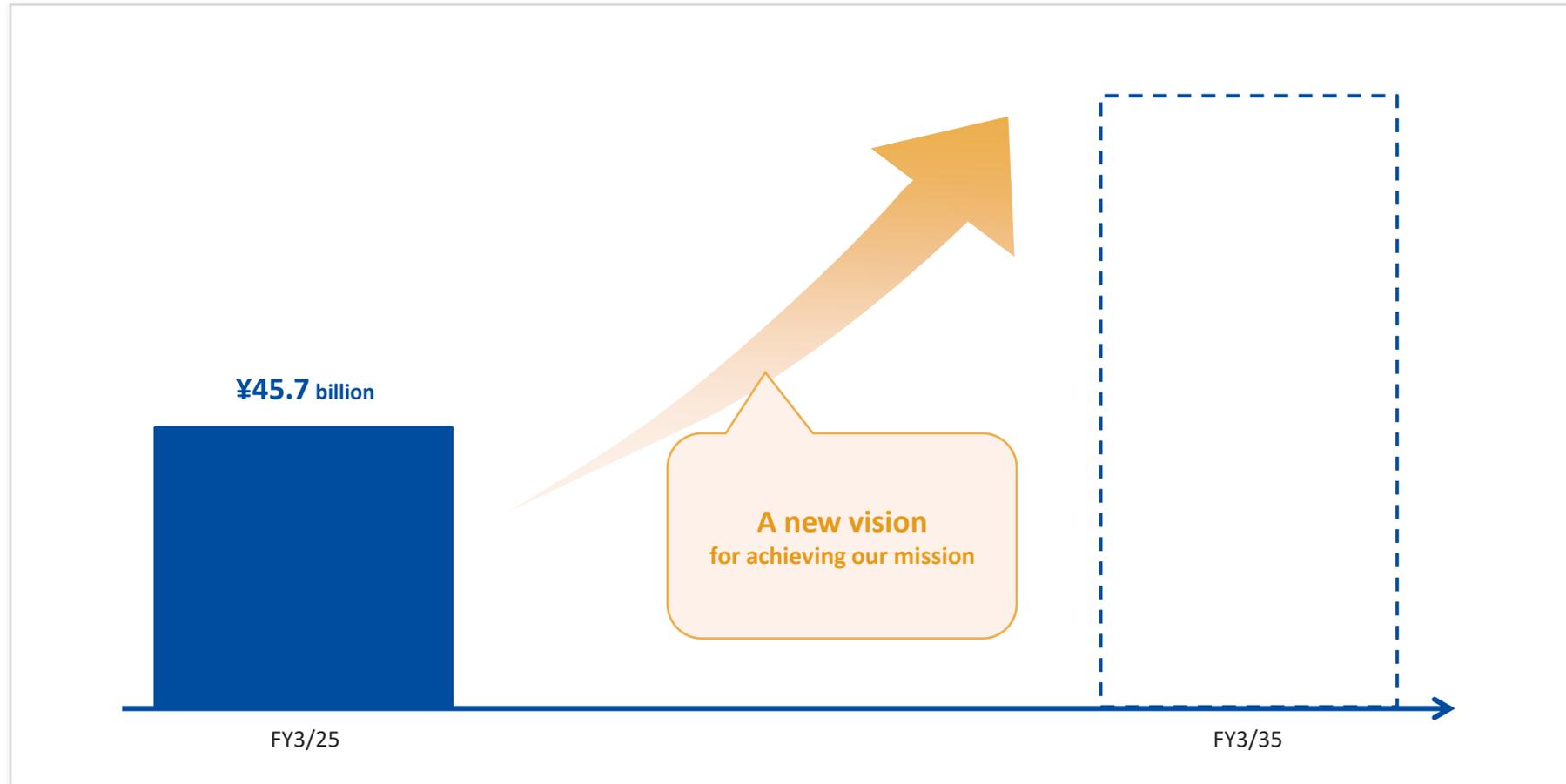
To supply the world's best products as All Iwaki
– We will work together to supply the world's best products, quality, value, and services –

Qualitative targets

“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 –



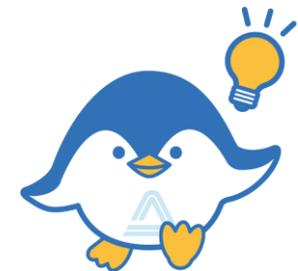
To achieve our mission, we will constantly respond to changes in society and the diversifying needs of our customers. We are also dedicated to contributing to creating a sustainable society by operating in an environmentally and socially responsible manner. **Our goal is the growth of corporate value.**



02 The New Long-term Vision Iwaki Group Vision

NEXT10

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





Aid daily life globally, evolving for future needs.

For the Iwaki Group Vision NEXT10, the key message is "Our vision," the vision for our future within the context of our corporate guidelines.

NEXT10

Qualitative targets underpin **our vision** and define **the basic policy for accomplishing this vision.**

Qualitative targets

Our vision

Aid daily life globally, evolving for future needs.

Basic policy

Use business activities to increase the number of **Iwaki fans** worldwide and to play a role in creating a sustainable society.



NEXT10

Numerical targets

FY3/35

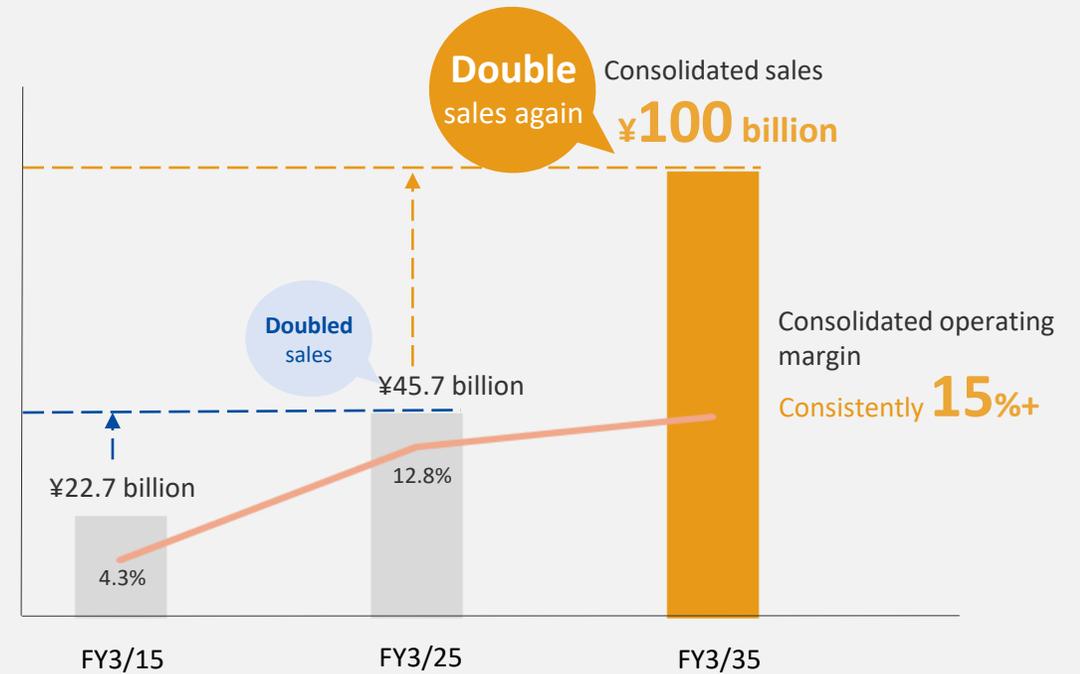
Consolidated sales

¥ **100** billion

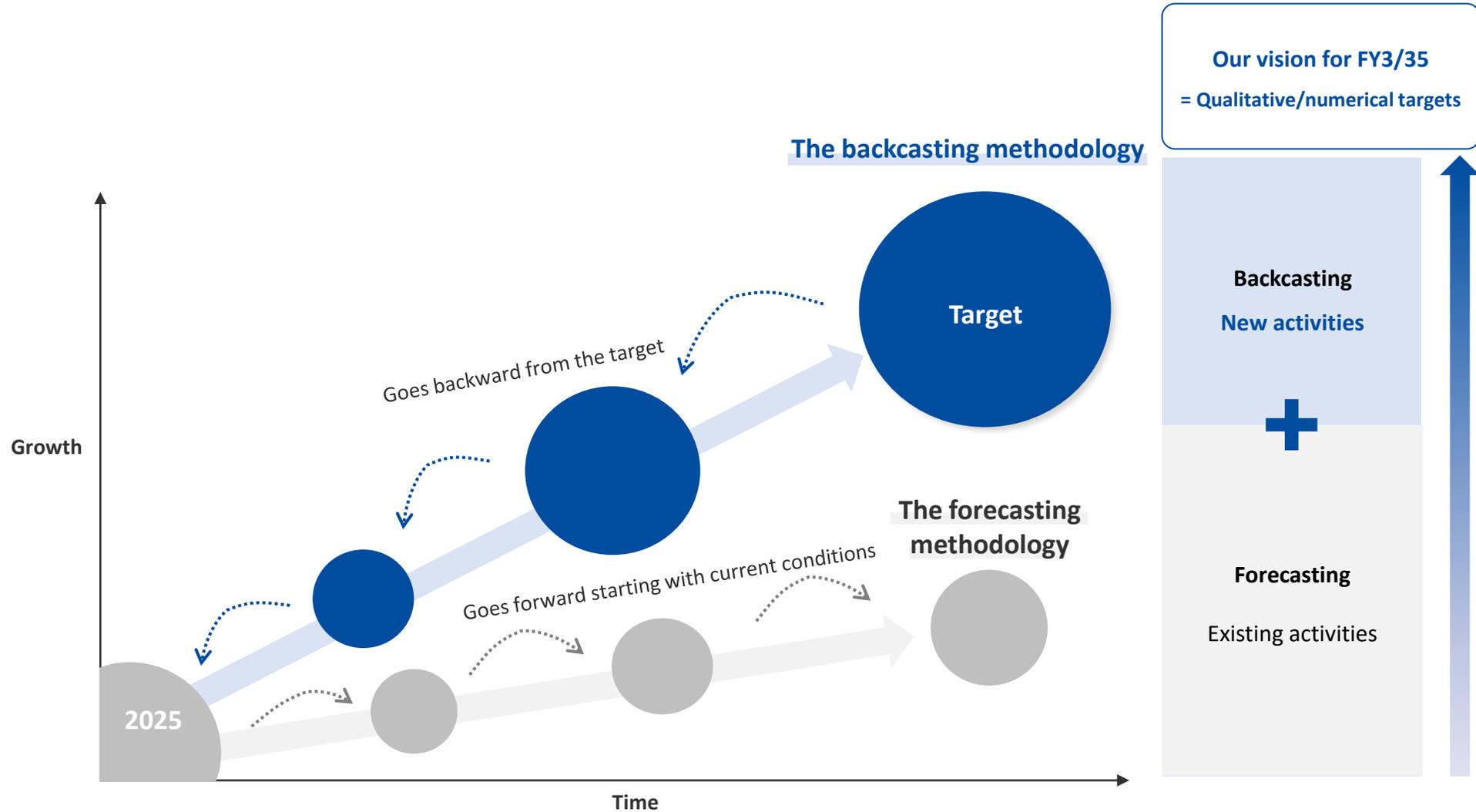
Consolidated operating margin

Consistently **15**%+

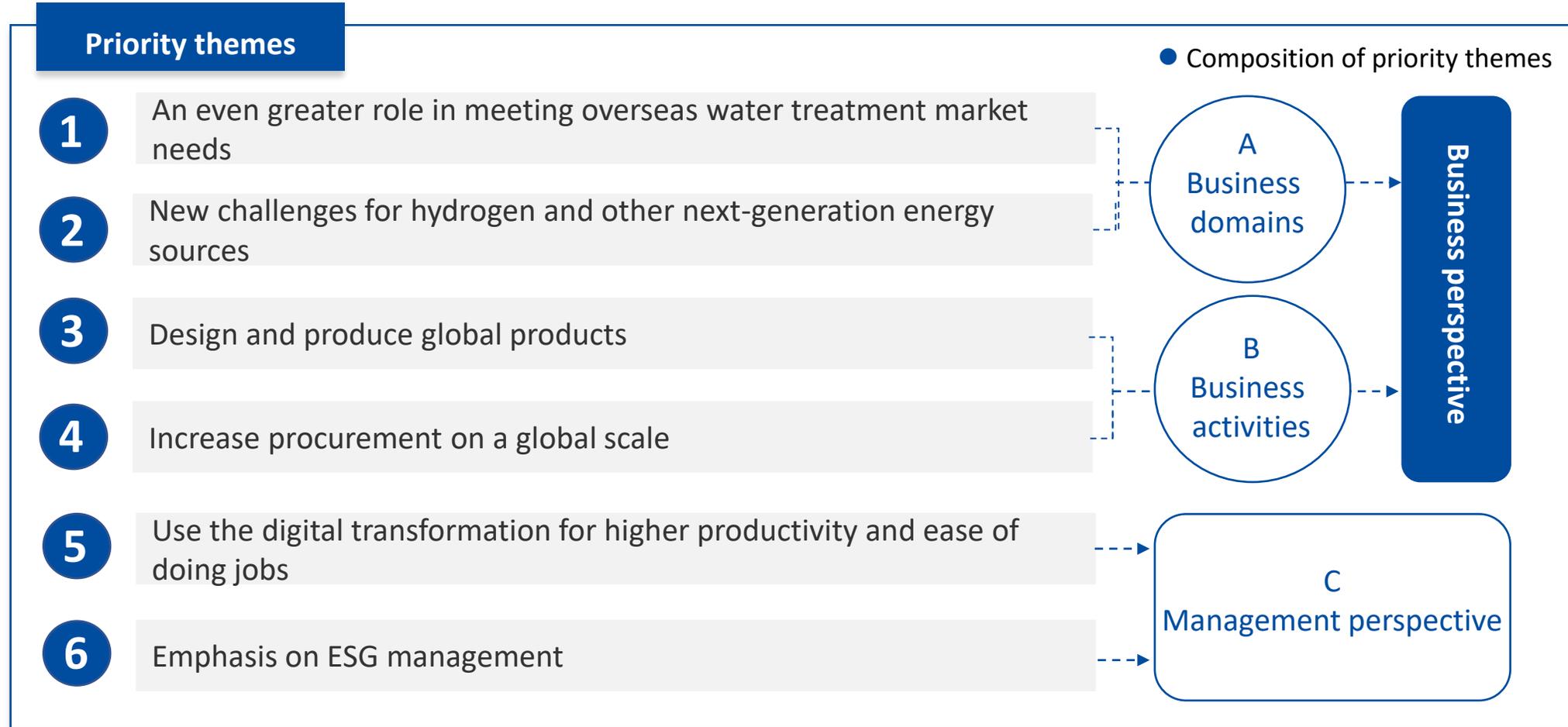
Once again take on the challenge of doubling sales during the next 10 years, as we achieved under the 10-year Vision.



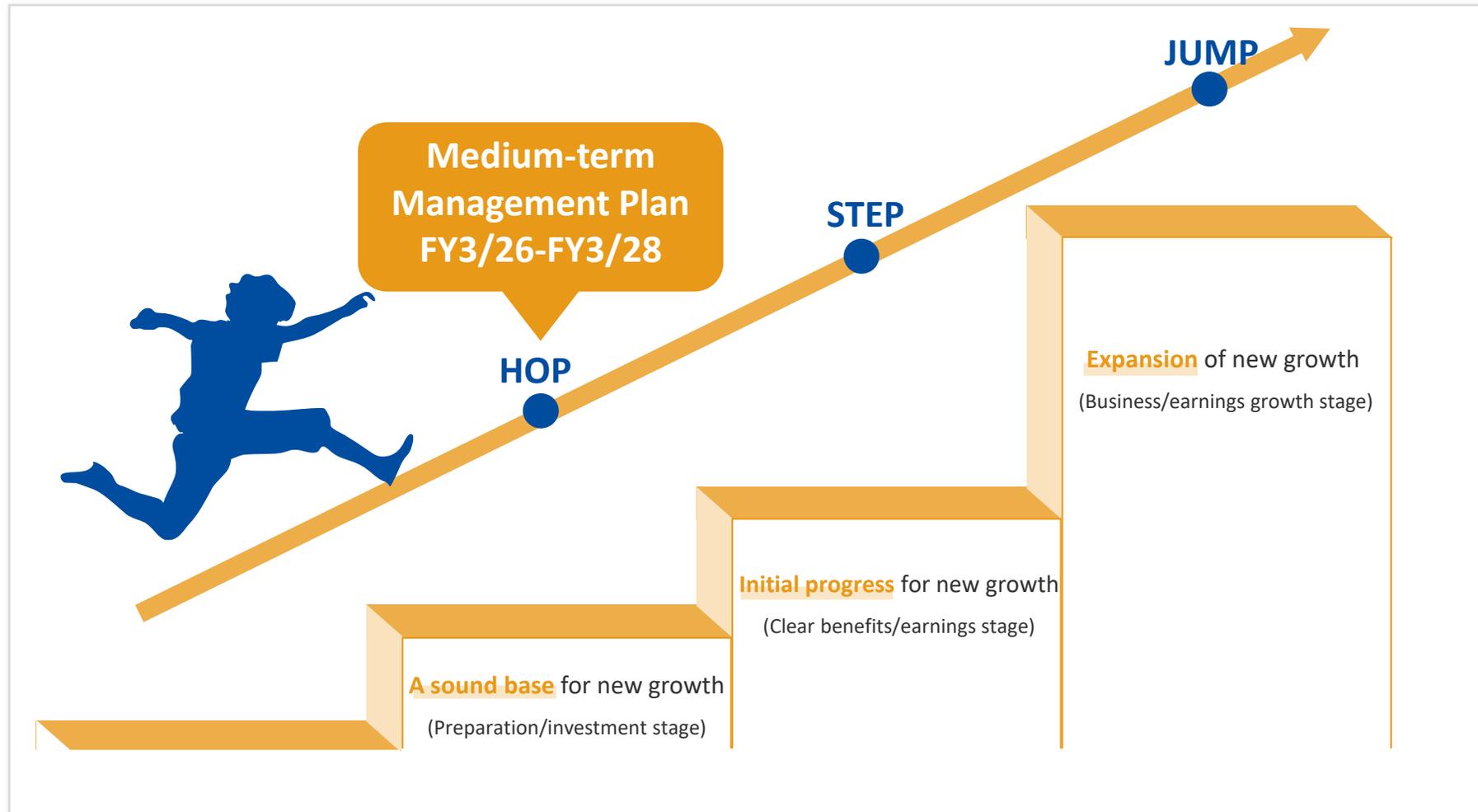
For Iwaki Group Vision NEXT10, priority themes were selected by identifying **new activities** required based on backcasting, which involves working backward from the final targets.



Iwaki Group Vision NEXT10 has six **priority themes**.



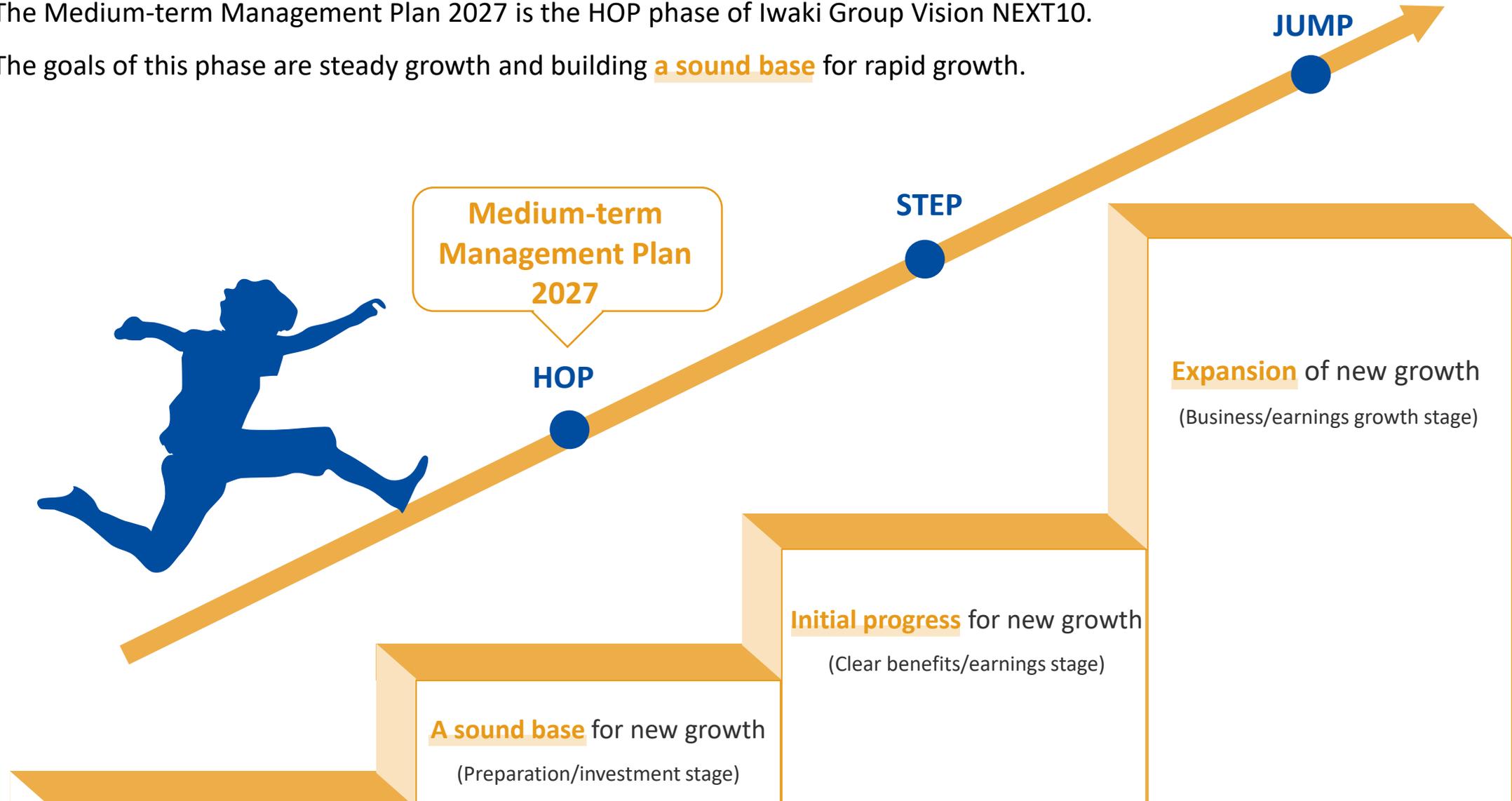
Iwaki Group Vision NEXT10 activities are divided into three stages: **HOP**, **STEP**, **JUMP**.



03 Medium-term Management Plan 2027

The Medium-term Management Plan 2027 is the HOP phase of Iwaki Group Vision NEXT10.

The goals of this phase are steady growth and building **a sound base** for rapid growth.



Priority theme 1

An even greater role in meeting overseas water treatment market needs

Many activities in new regions for the Iwaki Group

Priority theme 2

New challenges for hydrogen and other next-generation energy sources

Target fluid control solution needs in the hydrogen supply chain

Monitor progress involving the emergence of next-generation energy other than hydrogen

Priority theme 3

Design and produce global products

Redefine quality to reflect the needs of overseas users and transform needs into products

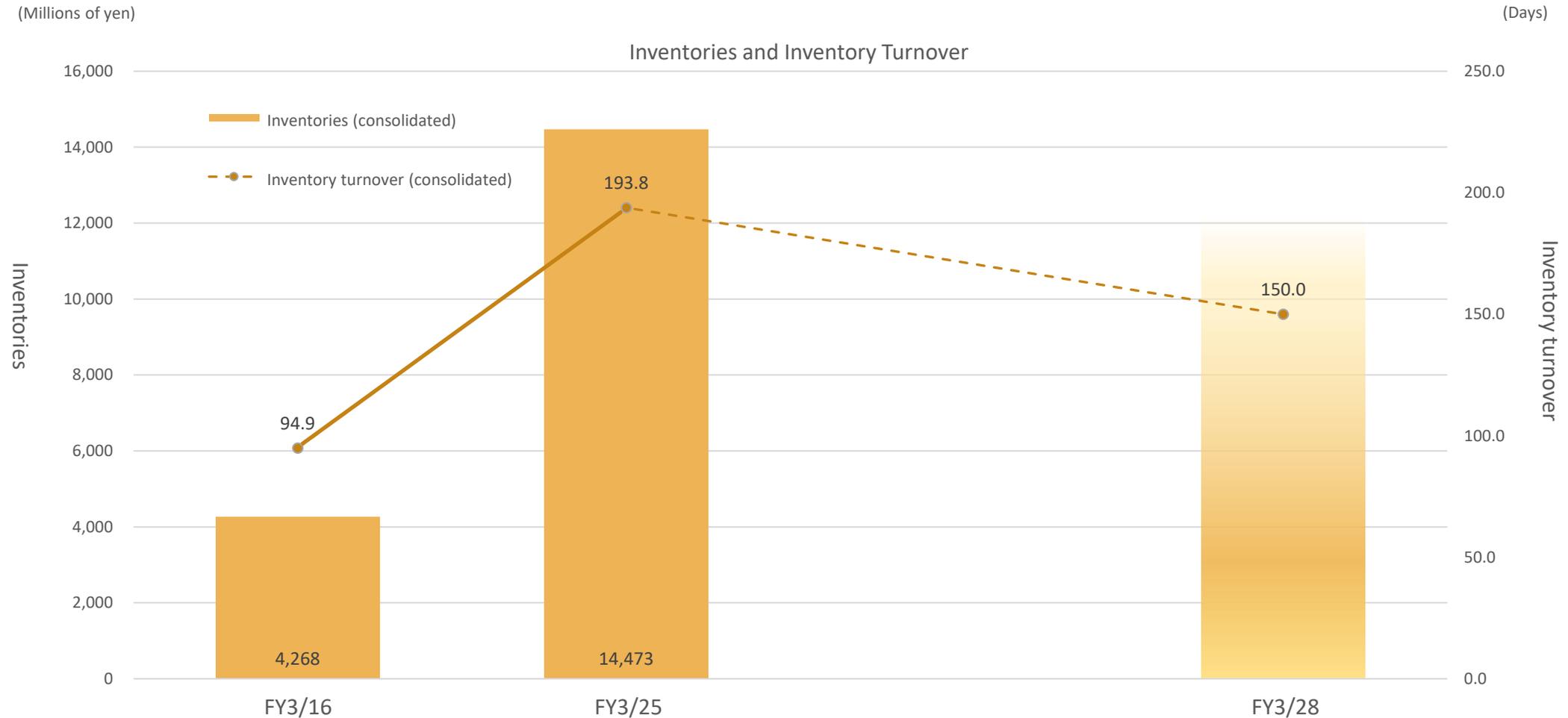
Priority theme 4

Increase procurement on a global scale

Procurement activities outside Japan and procurement risk management

Increase Procurement on a Global Scale – Inventory Optimization

In prior years, Iwaki increased inventories as one measure for delivering products faster, which raises customer satisfaction. Although faster deliveries produced benefits, lower demand in some categories caused a rapid increase in inventories, which used cash. To swiftly restore financial stability, inventory turnover has been established as a key performance indicator (KPI), and optimizing inventory levels has been positioned as one of the top priorities.



Priority theme 5



Use the digital transformation for higher productivity and ease of doing jobs

Increase the use of IT at an even faster pace for making business processes more efficient, which allows employees to use their time for the most important tasks.

Promote work styles that enable employees to perform their jobs smoothly and efficiently.

Priority theme 6



Emphasis on ESG management

Iwaki Group Materiality

Coexistence with the global environment

Pursuing product safety and quality

Promotion of procurement that considers the environment and human rights

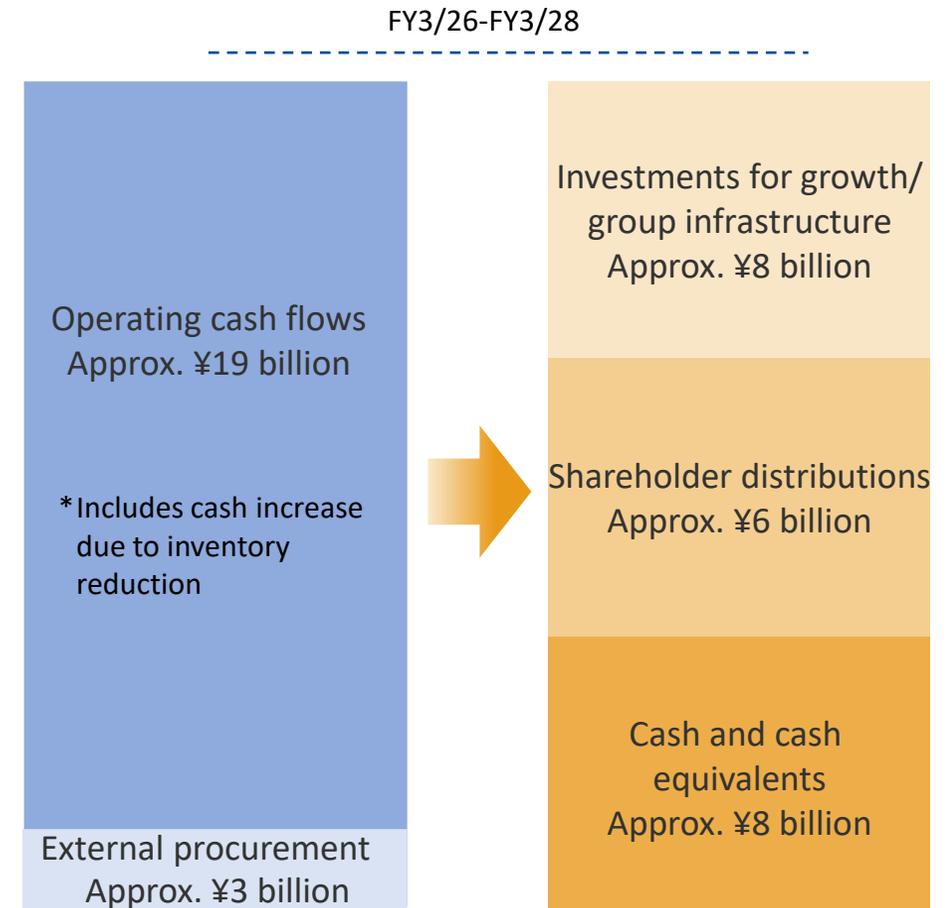
Developing a human resource base that supports sustainable growth

Strengthening governance and ensuring compliance

Financial targets

		FY3/25	FY3/28
		Results	Targets
Net sales		¥45.76 billion	¥53.0 billion
	Japan	¥21.70 billion	¥23.5 billion
	Overseas	¥24.06 billion	¥29.5 billion
Operating profit		¥5.84 billion	¥6.9 billion
Operating margin		12.8%	13%
ROE		12.6%	Maintain 12%+
Inventory turnover		193.8 days	150 days

Cash allocation



Non-financial targets

*Only major non-financial targets are shown.

1 Coexistence with the global environment

- Lower GHG emissions (Scope 1+2): Down 39% from 2020 to 2027
- Maintain CDP climate change score of B

2 Pursuing product safety and quality

- Major quality complaints reported: None
- Use solution-driven sales activities for sales growth

3 Promotion of procurement that considers the environment and human rights

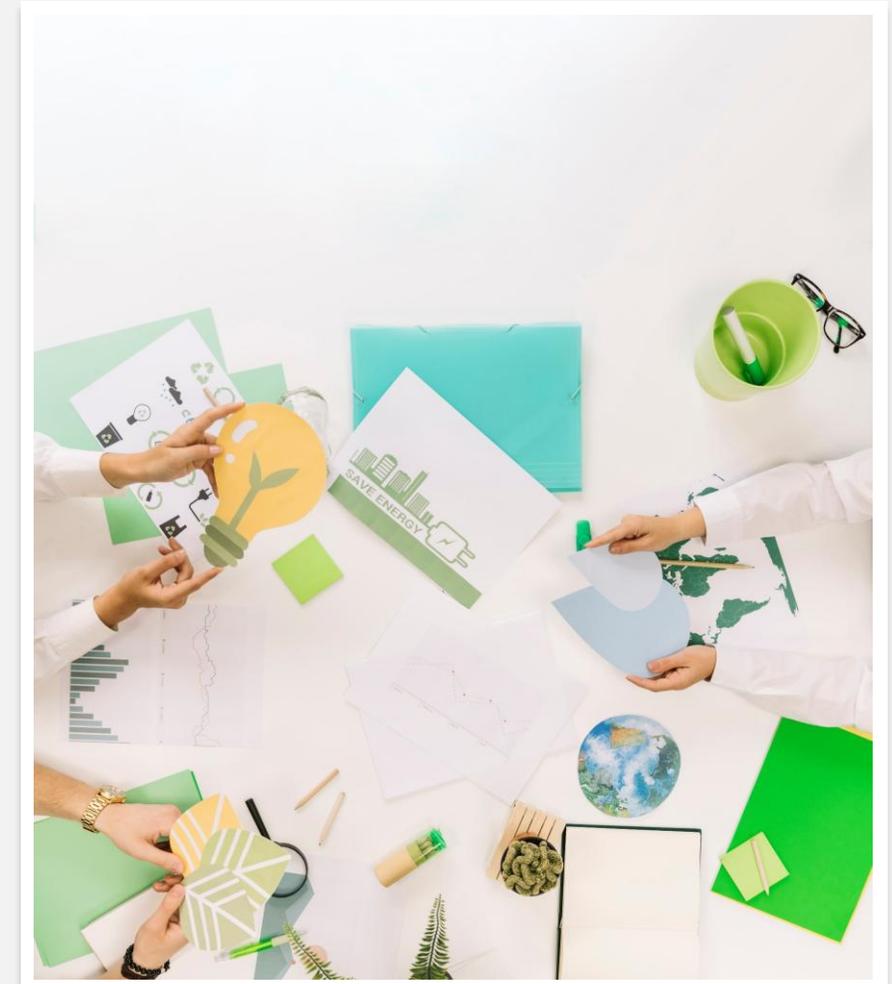
- Self-assessment questionnaires for major customers in Japan
- Establish numerical targets for these questionnaires

4 Developing a human resource base that supports sustainable growth

- Constantly improve the engagement score
- The full return of all employees from childcare and caregiving leave

5 Strengthening governance and ensuring compliance

- Active and proper information transparency: Ongoing enhancement of disclosed content
- Strengthening board performance through ongoing assessment-driven improvements

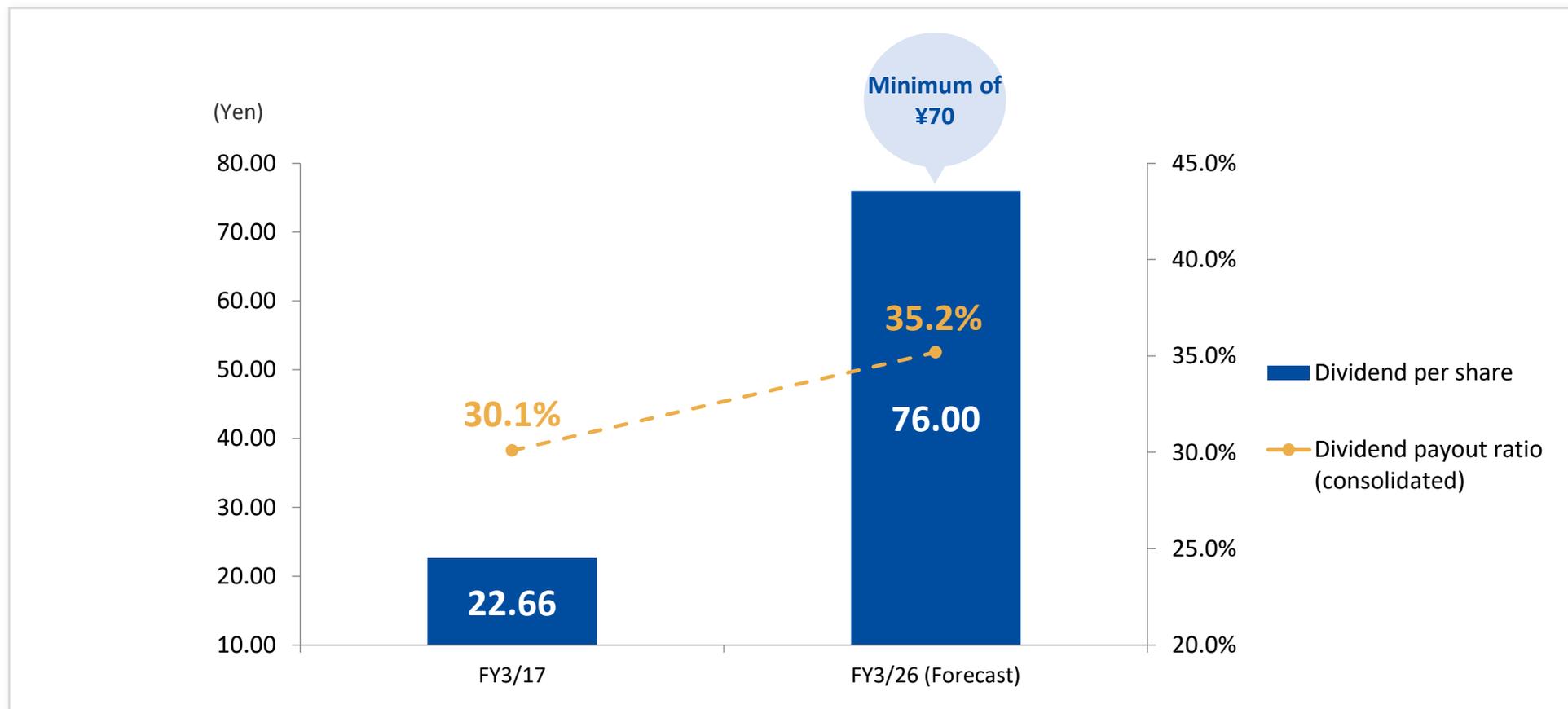


Before change) Dividend payout ratio of over 30%, steady distribution of dividends



After change) Dividend payout ratio of **35% or more**, minimum dividend of **¥70** (FY3/26 to FY3/28)

Note: If a one-time event occurs that has a significant impact on profit attributable to owners of parent, Iwaki may determine the dividend after excluding the effect of the event on earnings.



Note: Dividend for FY3/17 is adjusted (with fractions after the hundredths place dropped) to reflect the 3-for-1 common stock split.

This presentation includes forward-looking statements about results of operations and other items. These statements are based on currently available information and assumptions that are believed to be reasonable. Actual results of operations and other upcoming events may differ from these forward-looking statements due to changes involving a variety of risk factors and uncertainties, changes in the global economy, and other reasons.

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The Heart of Industry

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