

**Summary of Consolidated Financial Results**  
**for the First Quarter of Fiscal Year Ending March 31, 2023**  
**(Three Months Ended June 30, 2022)**

[Japanese GAAP]

Company name: IWAKI CO.,LTD. Listing: Tokyo Stock Exchange  
 Stock code: 6237 URL: <https://www.iwakipumps.co.jp/>  
 Representative: Shigeru Fujinaka, President  
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 Scheduled date of filing of Quarterly Report: August 10, 2022  
 Scheduled date of payment of dividend: -  
 Preparation of supplementary materials for quarterly financial results: Yes  
 Preparation of supplementary materials for financial results: None

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

**1. Consolidated Financial Results for the First Quarter Ended June 30, 2022**

(April 1, 2022 – June 30, 2022)

(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, 2022	8,390	10.4	744	98.8	1,158	103.8	974	91.0
Three months ended Jun. 30, 2021	7,603	12.9	374	26.9	568	37.4	509	(18.6)

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

Three months ended Jun. 30, 2021: 736 (up 36.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2022	44.47	-
Three months ended Jun. 30, 2021	23.22	-

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of Jun. 30, 2022	39,246	26,212	66.6
As of Mar. 31, 2022	37,963	25,251	66.3

Reference: Owner's equity (million yen) As of Jun. 30, 2022: 26,132 As of Mar. 31, 2022: 25,177

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended Mar. 31, 2022	Yen -	Yen 12.00	Yen -	Yen 21.50	Yen 33.50
Fiscal year ending Mar. 31, 2023	-	-	-	-	-
Fiscal year ending Mar. 31, 2023 (forecasts)	-	13.00	-	22.00	35.00

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

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)**

(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	17,082	9.6	1,196	13.0	1,533	0.5	1,091	(8.4)	49.83
Full year	34,830	7.4	2,748	28.5	3,411	14.0	2,547	6.3	116.31

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: | Yes  |
| 2) Changes in accounting policies other than 1) above:                              | None |
| 3) Changes in accounting-based estimates:   | None |
| 4) Restatements:  | None |

Note: Please refer to page 8 “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements, Changes in Accounting Policies” for details.

(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, 2022:	22,490,910 shares	As of Mar. 31, 2022:	22,490,910 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2022:	586,405 shares	As of Mar. 31, 2022:	585,863 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2022:	21,904,505 shares	Three months ended Jun. 30, 2021:	21,954,487 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, 2022).

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

Economic activity in Japan began to return to normal during the first quarter of the current fiscal year as restrictions involving the pandemic were reduced. However, the outlook for the Japanese economy and global economy is still uncertain because of the high cost of resources caused by the prolonged Ukraine crisis, the impact of lockdowns in China and other events.

Capital expenditures in Japan are recovering as earnings improve but there are concerns about the possibility of an economic downturn because of the high cost of raw materials, restrictions on the supply of many items and other issues.

Iwaki has been taking many actions in Japan to improve its corporate value based on the core policy of “winning by improving customer satisfaction.” 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.”

The semiconductor/liquid crystal market remained strong, increasing 21.8% to 1,810 million yen in sales from one year earlier. In the water treatment category, sales increased 19.1% to 1,898 million yen because of strong sales in the United States. These two sectors were responsible for most of the growth of first quarter sales and earnings.

Sales in Japan increased 4.6% from one year earlier to 4,403 million yen as a result of higher sales in the semiconductor/liquid crystal market. Overseas, sales in Europe increased 15.2% to 992 million yen due to recovery from the COVID-19 pandemic. Sales in the United States rose 39.3% to 1,252 million yen because of strong sales particularly in the water treatment market. In Asia, sales rose mainly in the semiconductor/liquid crystal and surface treatment equipment markets for South Korea and Taiwan. As a result, sales were 918 million yen (up 10.5% year-on-year). Sales in China were up 10.2% to 530 million yen because sales increased in the medical equipment market and sales in the semiconductor/liquid crystal market were also higher.

In product categories, sales of metering pumps, a core product of the IWAKI Group, and sales of pneumatic-drive pumps in the semiconductor/liquid crystal category were strong.

As a result, consolidated net sales increased 10.4% to 8,390 million yen.

Due to sales growth, operating profit increased 98.8% from one year earlier to 744 million yen. Ordinary profit was up 103.8% to 1,158 million yen as share of profit of entities accounted for using equity method and foreign exchange gains increased. Profit attributable to owners of parent increased 91.0% to 974 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 27,906 million yen, up 535 million yen from the end of the previous fiscal year. This was mainly due to increases of 236 million yen in merchandise and finished goods, 137 million yen in work in process and 139 million yen in raw materials and supplies. Non-current assets were 11,340 million yen at the end of the first quarter, up 747 million yen from the end of the previous fiscal year. This was mainly because of increases of 343 million yen in property, plant and equipment and 273 million yen in investment securities.

As a result, total assets increased 1,283 million yen from the end of the previous fiscal year to 39,246 million yen.

#### Liabilities

Current liabilities at the end of the first quarter were 11,072 million yen, up 38 million yen from the end of the previous fiscal year. There were decreases of 376 million yen in income taxes payable and 598 million yen in the provision for bonuses and a 1,175 million yen increase in other current liabilities mainly resulting from

moving the provision for bonuses to other current liabilities. Non-current liabilities were 1,961 million yen at the end of the first quarter, up 284 million yen from the end of the previous fiscal year. This was mainly due to an increase of 294 million yen in other non-current liabilities due to the application of ASC Topic 842 “Leases.”

As a result, total liabilities increased 322 million yen from the end of the previous fiscal year to 13,034 million yen.

#### Net assets

Net assets at the end of the first quarter were 26,212 million yen, up 960 million yen from the end of the previous fiscal year. There were increases of 503 million yen in retained earnings and 479 million yen in foreign currency translation adjustment.

Consequently, the capital adequacy ratio was 66.6% (66.3% 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, 2022” dated May 13, 2022.

## 2. Quarterly Consolidated Financial Statements and Notes

## (1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY3/22 (As of Mar. 31, 2022)	First quarter of FY3/23 (As of Jun. 30, 2022)
Assets		
Current assets		
Cash and deposits	8,781,886	8,807,554
Notes and accounts receivable-trade, and contract assets	6,575,664	6,522,983
Electronically recorded monetary claims-operating	3,896,433	3,782,848
Merchandise and finished goods	3,274,488	3,510,609
Work in process	119,888	257,580
Raw materials and supplies	4,285,302	4,424,874
Other	489,283	657,474
Allowance for doubtful accounts	(52,156)	(57,358)
Total current assets	27,370,790	27,906,566
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,866,212	7,940,297
Accumulated depreciation and impairment	(4,184,745)	(4,259,902)
Buildings and structures, net	3,681,467	3,680,394
Machinery, equipment and vehicles	3,246,918	3,281,966
Accumulated depreciation and impairment	(2,775,483)	(2,835,710)
Machinery, equipment and vehicles, net	471,435	446,255
Tools, furniture and fixtures	2,071,207	2,125,166
Accumulated depreciation and impairment	(1,770,695)	(1,805,035)
Tools, furniture and fixtures, net	300,511	320,130
Land	1,043,711	1,046,856
Leased assets	350,172	345,141
Accumulated depreciation	(176,849)	(189,234)
Leased assets, net	173,323	155,906
Construction in progress	16,369	17,968
Other	44,400	434,551
Accumulated depreciation	(34,044)	(61,659)
Other, net	10,356	372,892
Total property, plant and equipment	5,697,174	6,040,403
Intangible assets		
Goodwill	706,796	718,811
Trademark right	26,788	25,919
Other	529,048	531,477
Total intangible assets	1,262,634	1,276,208
Investments and other assets		
Investment securities	2,110,109	2,383,472
Deferred tax assets	323,464	359,629
Retirement benefit asset	887,160	929,880
Other	312,168	350,532
Total investments and other assets	3,632,902	4,023,513
Total non-current assets	10,592,711	11,340,126
Total assets	37,963,502	39,246,692

	(Thousands of yen)	
	FY3/22 (As of Mar. 31, 2022)	First quarter of FY3/23 (As of Jun. 30, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	2,492,928	2,209,216
Electronically recorded obligations-operating	3,884,760	3,993,961
Short-term borrowings	1,244,747	1,344,408
Current portion of long-term borrowings	75,000	75,000
Lease liabilities	74,399	71,146
Income taxes payable	587,120	211,052
Contract liabilities	44,987	65,648
Provision for bonuses	1,022,448	423,900
Provision for bonuses for directors (and other officers)	131,504	25,761
Provision for product warranties	90,778	91,586
Other	1,385,959	2,560,959
<b>Total current liabilities</b>	<b>11,034,634</b>	<b>11,072,640</b>
<b>Non-current liabilities</b>		
Long-term borrowings	562,500	525,000
Lease liabilities	124,271	109,046
Retirement benefit liability	-	42,075
Asset retirement obligations	223,382	223,658
Other	767,173	1,062,041
<b>Total non-current liabilities</b>	<b>1,677,327</b>	<b>1,961,821</b>
<b>Total liabilities</b>	<b>12,711,961</b>	<b>13,034,462</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	22,341,167	22,844,285
Treasury shares	(586,764)	(586,811)
<b>Total shareholders' equity</b>	<b>23,473,221</b>	<b>23,976,292</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,460	880
Foreign currency translation adjustment	669,870	1,149,469
Remeasurements of defined benefit plans	1,033,434	1,005,910
<b>Total accumulated other comprehensive income</b>	<b>1,704,765</b>	<b>2,156,260</b>
<b>Non-controlling interests</b>	<b>73,554</b>	<b>79,677</b>
<b>Total net assets</b>	<b>25,251,541</b>	<b>26,212,230</b>
<b>Total liabilities and net assets</b>	<b>37,963,502</b>	<b>39,246,692</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 FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)	First three months of FY3/23 (Apr. 1, 2022 – Jun. 30, 2022)
Net sales	7,603,207	8,390,649
Cost of sales	5,126,182	5,434,470
Gross profit	2,477,025	2,956,179
Selling, general and administrative expenses	2,102,401	2,211,416
Operating profit	374,623	744,763
Non-operating income		
Interest income	744	96
Dividend income	11,450	16,903
Share of profit of entities accounted for using equity method	170,749	299,463
Foreign exchange gains	9,474	92,214
Other	13,916	14,472
Total non-operating income	206,336	423,151
Non-operating expenses		
Interest expenses	6,365	5,854
Commission expenses	3,433	1,996
Loss on amortization of restricted stock remuneration	-	406
Other	2,886	1,489
Total non-operating expenses	12,685	9,748
Ordinary profit	568,273	1,158,166
Extraordinary income		
Gain on sale of investment securities	134,208	2,336
Other	989	208
Total extraordinary income	135,197	2,544
Extraordinary losses		
Loss on retirement of non-current assets	140	147
Loss on sale of non-current assets	848	-
Total extraordinary losses	988	147
Profit before income taxes	702,482	1,160,562
Income taxes	186,968	182,123
Profit	515,514	978,438
Profit attributable to non-controlling interests	5,651	4,361
Profit attributable to owners of parent	509,863	974,077



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

(Thousands of yen)

	First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)	First three months of FY3/23 (Apr. 1, 2022 – Jun. 30, 2022)
Profit	515,514	978,438
Other comprehensive income		
Valuation difference on available-for-sale securities	(101,813)	(701)
Foreign currency translation adjustment	258,204	369,383
Remeasurements of defined benefit plans, net of tax	(8,654)	(27,524)
Share of other comprehensive income of entities accounted for using equity method	72,821	112,099
Total other comprehensive income	220,559	453,256
Comprehensive income	736,073	1,431,695
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	729,093	1,425,572
Comprehensive income attributable to non-controlling interests	6,980	6,122

**(3) Notes to 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.

**Changes in Accounting Policies**

Application of the Guidance on Accounting Standard for Measurement of Fair Value

Iwaki started to apply the Guidance on Accounting Standard for Measurement of Fair Value (Accounting Standards Board of Japan Guidance (ASBJ) Statement No. 31, June 17, 2021) at the beginning of the first quarter of the current fiscal year, and has applied the new accounting policies set forth by the Guidance on Accounting Standard for Measurement of Fair Value prospectively in accordance with the transitional measures in Paragraph 27-2 of the Guidance on Accounting Standard for Measurement of Fair Value.

There is no effect of the application of these standards on the consolidated financial statements.

Application of Accounting Standards Certification (ASC) Topic 842 "Leases" of the U.S. Financial Accounting Standards Board

Beginning with the first quarter of the current fiscal year, some consolidated subsidiaries outside Japan that use U.S. accounting standards are using ASC Topic 842 "Leases." As a result, for all leases where these subsidiaries are the lessee, as a rule, all lease assets and liabilities are included in the balance sheet.

In accordance with the transitional measures allowed by ASC Topic 842, the cumulative monetary effects of the application of this topic were recognized on the first day of the application of this topic.

As a result, at the beginning of the first quarter, right-of-use assets, which are included in other, net property, plant and equipment, increased 386 million yen, lease obligations included in other current liabilities increased 101 million yen, and lease obligations included in other non-current liabilities increased 308 million yen.

The effect of this change on earnings in the first quarter of the current fiscal year is insignificant.

*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.*