

Results of Operations for the
First Half of the Fiscal Year
Ending March 31, 2026 (FY3/26)

November 14, 2025



IWAKI

IWAKI CO.,LTD.

Stock code: 6237
Trade name: Iwaki Pump

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Terms used for periods

2Q

3-month periods

1H

6-month periods

I. Summary of 1H FY3/26 Financial Results

Sales slightly increased but gross profit continued to decline because of a higher cost of sales ratio. Despite a small decrease in SG&A expenses, operating profit decreased.

		1H FY3/25	1H FY3/26		
		Amount (Millions of yen)	Amount (Millions of yen)	Differences	YoY change
Net sales		22,540	22,693	153	+0.7%
Gross profit (Gross margin)		9,227 (40.9%)	9,111 (40.1%)	-115	-1.3%
Operating profit (Operating margin)		2,771 (12.3%)	2,726 (12.0%)	-45	-1.6%
Ordinary profit		3,102	3,231	128	+4.1%
Profit attributable to owners of parent		2,173	2,299	126	+5.8%
Net income per share (Yen)		98.37	103.82	+5.45	+5.5%
Exchange rate (average)	USD/JPY (Yen)	152.36	148.41		
	EUR/JPY (Yen)	164.69	162.25		
	CNY/JPY (Yen)	21.06	20.44		

1

Sales: The water treatment and chemicals categories performed steadily, but the overall results showed a slight year-on-year increase of 0.7%.

- Sales were strong in the water treatment and chemicals categories mainly in the United States.
- Performance was strong in the semiconductor/liquid crystal category in Taiwan and South Korea, resulting in a 7.2% year-on-year increase for Asia.
- In China, the semiconductor/liquid crystal category appear to have bottomed out as the year-on-year decline narrows, though a full recovery is expected to take more time.

2

Operating profit:

The increase in the cost of sales ratio continues to have an impact due to inventory adjustments.

- As in 1Q, gross profit was down from one year earlier because of an increase in the cost of sales ratio, driven by production adjustments due to inventory reductions.
- Although SG&A expenses slightly decreased, operating profit was down 1.6% because of the lower gross profit.

3

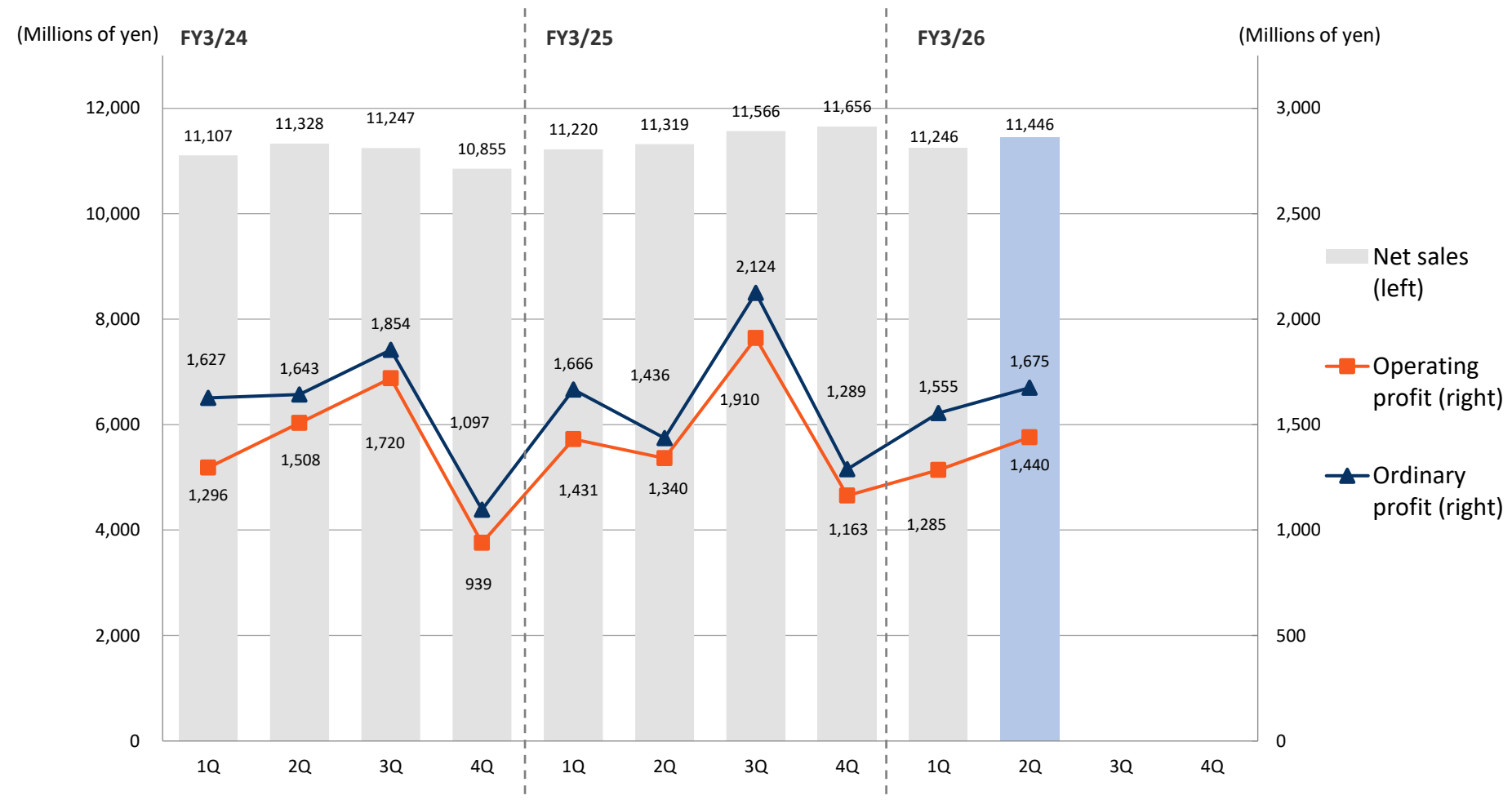
Profit attributable to owners of parent:

Contributions include an increase in equity method income and the recording extraordinary income.

- Because of higher equity method income, mainly due to earnings in Taiwan and other regions where the semiconductor/liquid crystal category performed well and foreign exchange gains (from a loss of ¥15 million in 1H FY3/25 to a gain of ¥50 million in 1H FY3/26), ordinary profit and profit attributable to owners of parent increased from one year earlier.
- The liquidation of the subsidiary (IWP Holding Company Limited) resulted in a ¥12 million extraordinary income. As a result, profit attributable to owners of parent increased by 5.8% year-on-year.

Net Sales and Operating Profit (Quarterly)

Although quarterly sales varied by market, overall sales posted a modest increase, and both operating profit and ordinary profit increased from the previous quarter.









Gross Margin and SG&A Expense Ratio (Quarterly)

While the cost of sales ratio was driven by production adjustments due to inventory reductions, it declined slightly from the previous quarter, leading to a modest increase in the gross margin.



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

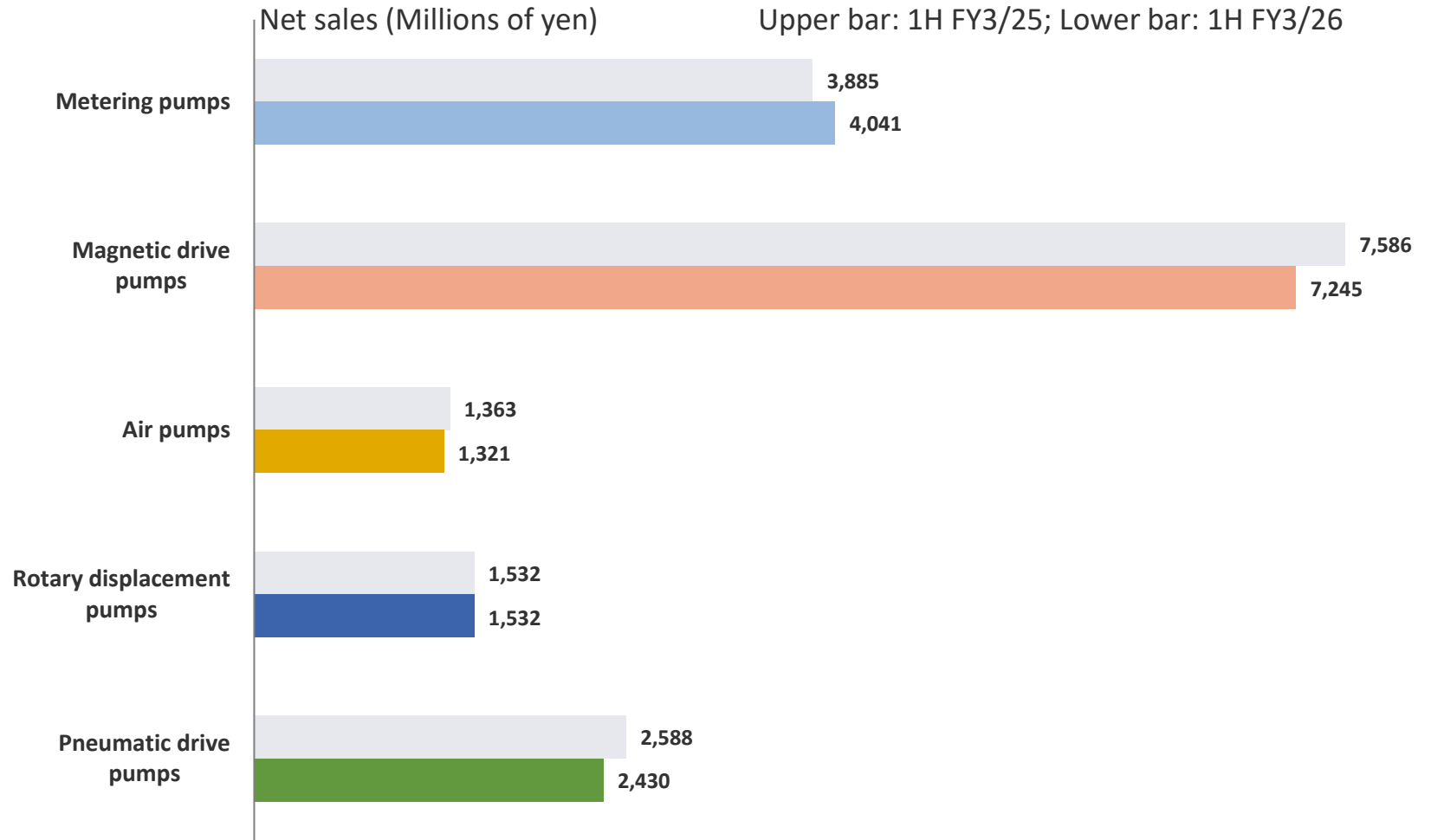
* A filled circle means major pumps in each market.

Profitability

High



Low



*Excluding systems products, purchased products and other

Market Category Sales

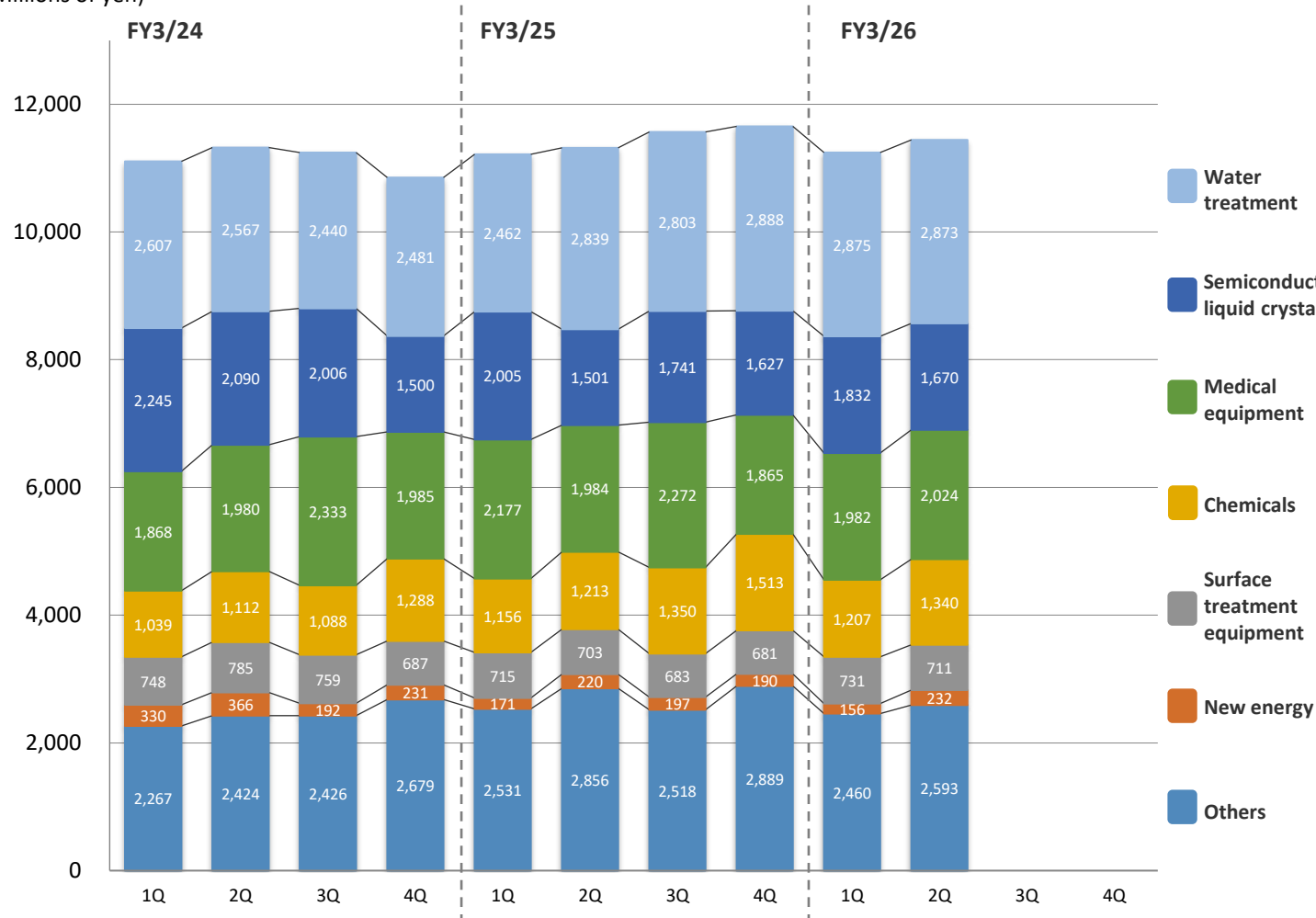
2Q

In the medical equipment category, sales were higher than in the previous quarter due to higher sales in Hong Kong.

1H

Sales in the water treatment and chemicals categories increased as sales were strong in the United States.

(Millions of yen)



- Water treatment
- Semiconductor/liquid crystal
- Medical equipment
- Chemicals
- Surface treatment equipment
- New energy
- Others

1H FY3/26 sales (Millions of yen)	YoY change (Millions of yen)	YoY change (%)
5,749	447	+8.4%
3,502	-4	-0.1%
4,007	-154	-3.7%
2,548	177	+7.5%
1,442	23	+1.7%
389	-2	-0.6%
5,053	333	-6.2%

Product Category Sales

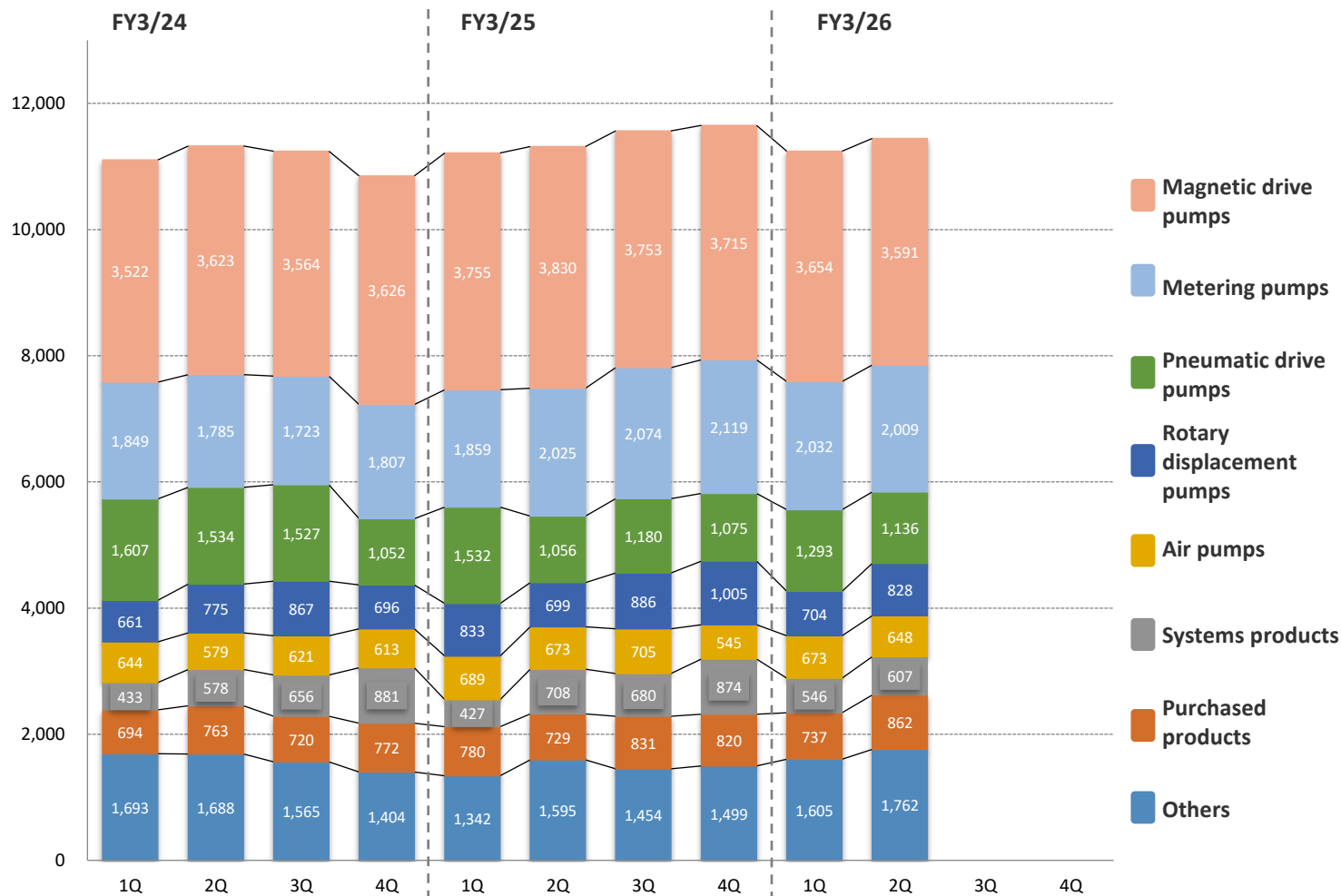
2Q

Sales of rotary displacement pumps increased from the previous quarter, in line with the steady growth of the medical equipment category.

1H

Reflecting sales growth in the water treatment category, sales of metering pumps, which are used mainly in this category, were higher. Sluggish sales in the semiconductor/liquid crystal category were responsible for lower sales of pneumatic drive pumps.

(Millions of yen)



	1H FY3/26 sales (Millions of yen)	YoY change (Millions of yen)	YoY change (%)
Magnetic drive pumps	7,245	-340	-4.5%
Metering pumps	4,041	156	+4.0%
Pneumatic drive pumps	2,430	-158	-6.1%
Rotary displacement pumps	1,532	-0	-0.0%
Air pumps	1,321	-41	-3.0%
Systems products	1,153	17	+1.5%
Purchased products	1,600	90	+6.0%
Others	3,368	430	+14.7%

Regional Sales

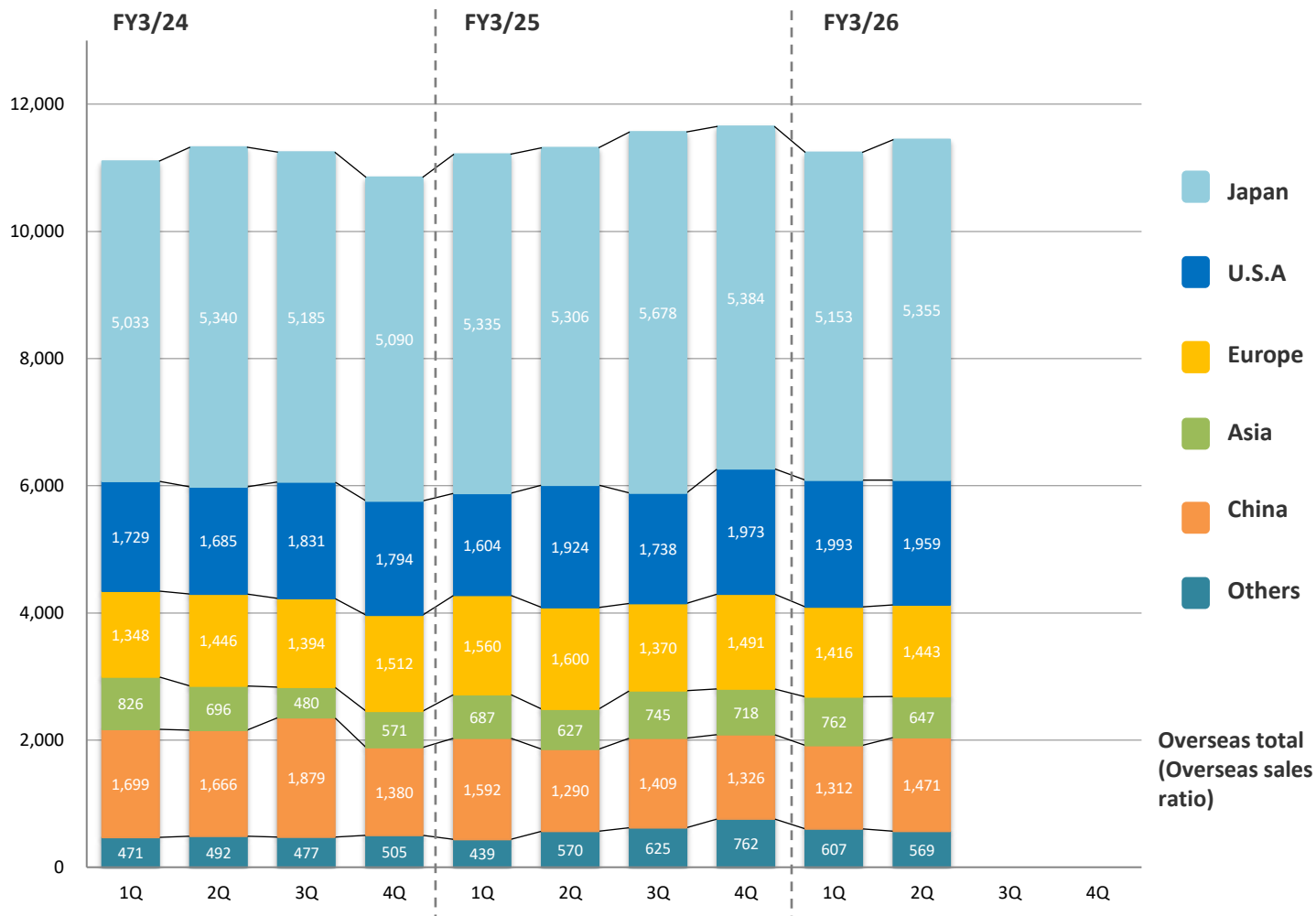
2Q

Sales were at the same level as in the previous quarter in all regions.

1H

In the United States, sales in the water treatment and chemicals categories were strong. Although China's semiconductor/liquid crystal category show signs of bottoming out as the decline narrows, a full recovery will still take time.

(Millions of yen)

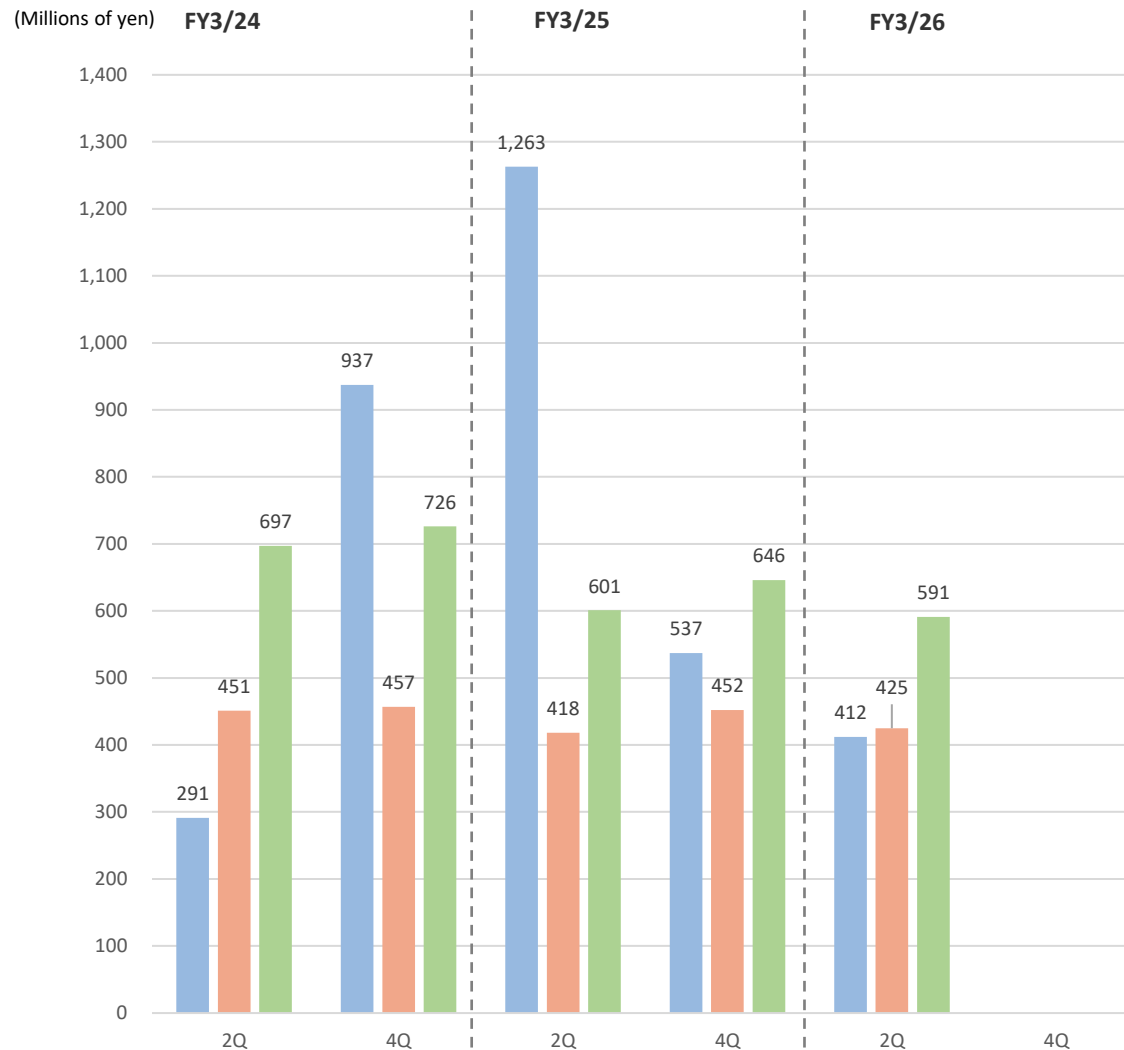


- Japan
- U.S.A
- Europe
- Asia
- China
- Others

Overseas total
(Overseas sales
ratio)

1H FY3/26 sales (Millions of yen)	YoY change (Millions of yen)	YoY change (%)
10,509	-132	-1.2 %
3,953	423	+12.0%
2,860	-300	-9.5%
1,409	94	+7.2%
2,784	-98	-3.4%
1,177	167	+16.6%
12,184 (53.7%)	286	+2.4%

Capital Expenditures, R&D Expenses and Depreciation (Semi-annual)



	1H FY3/26 (Millions of yen)	YoY change
Capital expenditures	412	-850
R&D expenses	425	+7
Depreciation	591	-9

*A building lease extension at Iwaki America is the primary reason for the big increase in capital expenditures in the 2Q of FY3/25.

II. Outlook for FY3/26

Forecast sales growth based on the outlook for growth to continue in the water treatment category and higher sales in the medical equipment category in the second half.

SG&A expenses are expected to increase due to higher R&D expenses and other reasons.

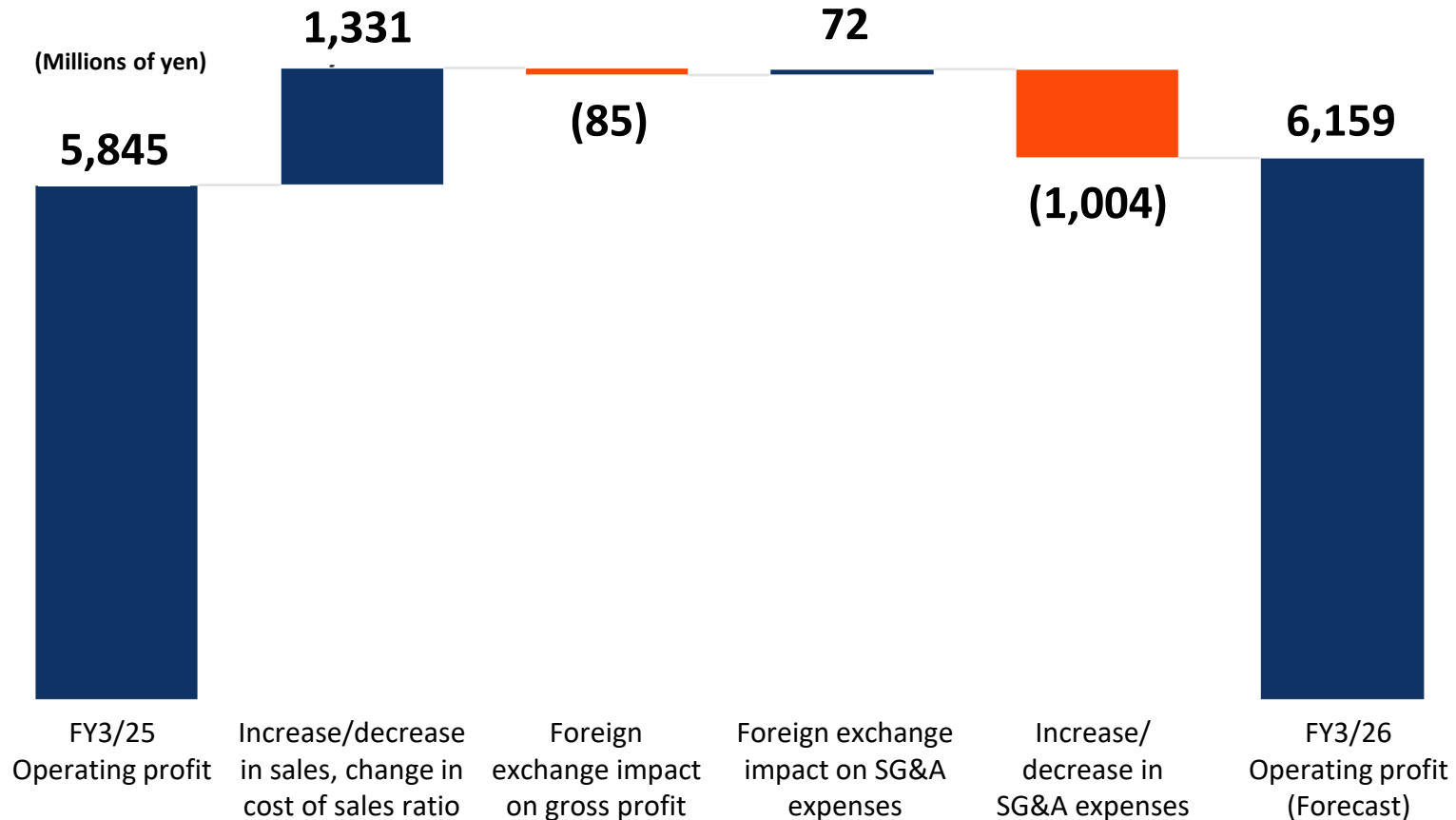
Based on the first-half results and the projected performance for the second half, the full-year forecast remains unchanged.

		FY3/25	FY3/26 (Forecast)		
		Amount (Millions of yen)	Amount (Millions of yen)	Differences	YoY change
Net sales		45,763	48,439	2,675	+5.8%
Gross profit (Gross margin)		18,498 (40.4%)	19,745 (40.8%)	1,246	+6.7%
Operating profit (Operating margin)		5,845 (12.8%)	6,159 (12.7%)	314	+5.4%
Ordinary profit		6,517	6,601	84	+1.3%
Profit attributable to owners of parent		4,468	4,788	320	+7.2%
Net income per share (Yen)		202.15	215.82	13.68	+6.8%
Return on equity (ROE)		12.6%	12.2%	-	(-0.4pt)
Exchange rate (average)	USD/JPY (Yen)	151.69	148.00		
	EUR/JPY (Yen)	164.04	162.00		
	CNY/JPY (Yen)	21.03	21.30		

FY3/26 Forecast – Factors Affecting Profitability

2H: Effect of ¥1 exchange rate change	USD	EUR	CNY
Net sales	37 million yen	20 million yen	158 million yen
Operating profit	3 million yen	6 million yen	67 million yen

*Second-half FX sensitivity, calculated by applying the progress ratio to “full-year forecast minus first-half results.”



FY3/26 Market Environment Assumptions

Priority Theme

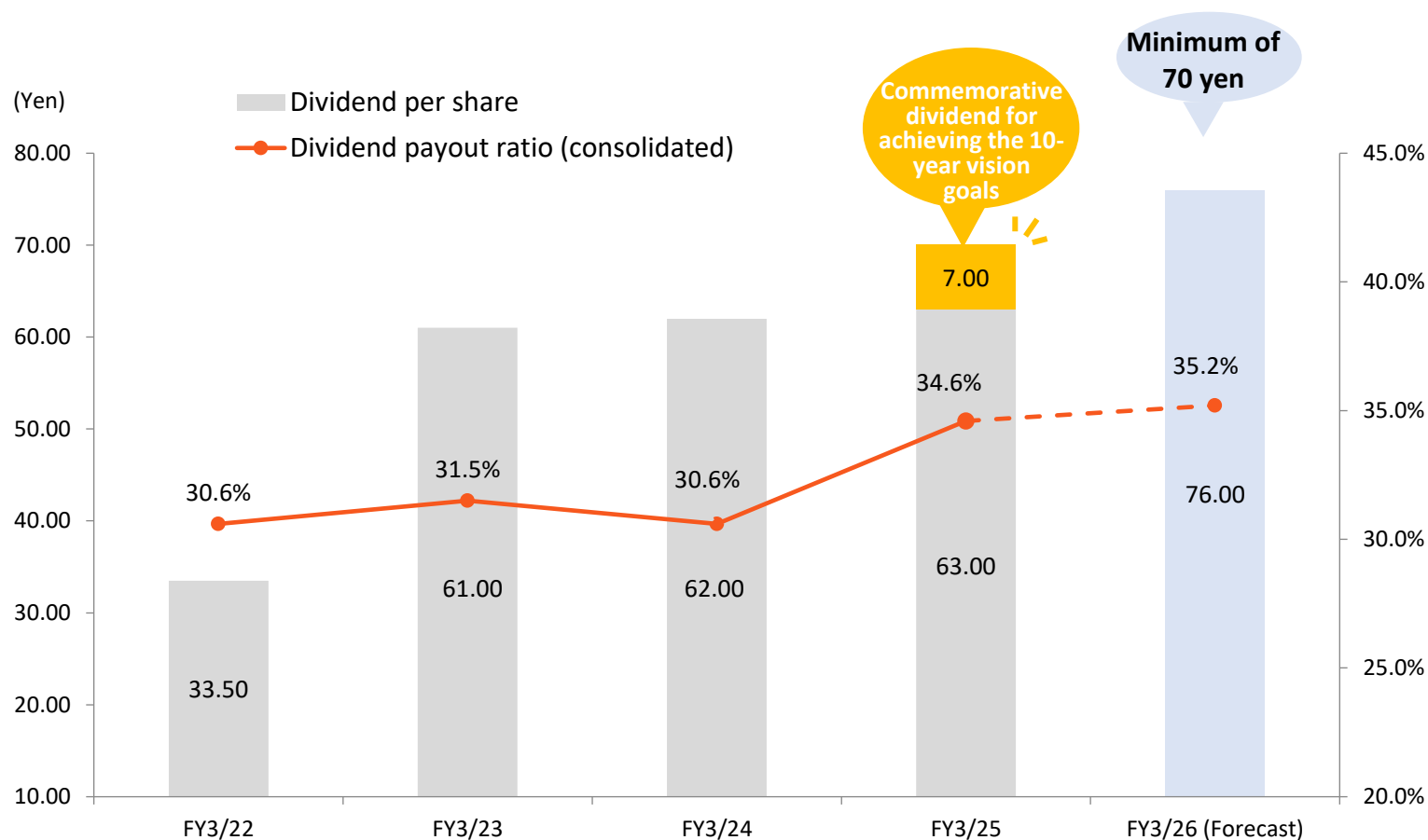
	Japan	Overseas
Water treatment market	<ul style="list-style-type: none"> • Slowdown in new public-sector orders and repair orders. In the private sector, the volume of industrial effluent treatment projects remains high. • Higher growth of the disinfection and ionized water markets due to higher demand created by inbound tourism booms • Hydroponics and pH control markets are growing for food safety, disaster resilience and other purposes. 	<ul style="list-style-type: none"> • Large volume of water and sewer system expenditures for resilience to natural disasters • Steady capital investment in general industry • Concerns about effects of changes in U.S. tariffs
New energy market	<ul style="list-style-type: none"> • Large investments by battery cell manufacturers, materials and companies in the recycling industry • Although large-scale investments in hydrogen/Carbon neutral projects have seen notable withdrawals, development-related demand remains solid. • Although production of household fuel cells is recovering with the support of government subsidies, the outlook is not positive due to ongoing inventory reductions. 	<ul style="list-style-type: none"> • Although electric vehicle sales are recovering in Europe and China, capital investment in rechargeable batteries remains sluggish, resulting in softer demand. • Expenditures for hydrogen/carbon capture are increasing in Europe and China.
Medical equipment market	<ul style="list-style-type: none"> • Companies have cleared previously procured components and are gradually returning to normal production planning. • Despite ongoing uncertainty for the global economy, especially around U.S.–China relations, North American demand for analytical instruments is showing a modest recovery, supported by the weaker yen. • The market for dialysis equipment is recovering. • No change in sales involving endoscope cleaning equipment 	<ul style="list-style-type: none"> • Medical equipment manufacturers' inventory reductions are taking longer than expected, creating challenges across the market. • Logistics disruptions are slowly ending, but U.S. tariff policies continue to impact the market, requiring close monitoring.
Semiconductor/ liquid crystal market	<ul style="list-style-type: none"> • The expected semiconductor market recovery is now likely to start later than anticipated and semiconductor manufacturing equipment companies will probably continue to reduce inventories. 	<ul style="list-style-type: none"> • The delay of the expected semiconductor market recovery is impacting the business climate. Signs of recovery in some regions have stalled as companies assess the impact of U.S. tariffs.
Chemicals market	<ul style="list-style-type: none"> • Performance is robust across pharmaceuticals/cosmetics, petrochemicals, and polymers. • All sectors of this market are strong. 	<ul style="list-style-type: none"> • In Europe and China, excess investment in secondary battery materials is driving a downward trend, leaving the outlook uncertain. • Negative sentiment about capital expenditures is continuing at companies in Europe due to the energy shortage. • Concerns about effects of changes in U.S. tariffs continue.
Surface treatment equipment market	<ul style="list-style-type: none"> • Uncertainty about this market as capital expenditures decline • Slow growth in the electronic component market 	<ul style="list-style-type: none"> • Slow recovery in Asia • Concerns about effects of changes in U.S. tariffs

*Red indicates negative outlooks

Return to Shareholders (Change in Dividend Policy)

Dividend payout ratio of 35% or more / Minimum dividend of 70 yen (FY3/26 to FY3/28)

*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.



III. Overview of the NEXT10 and Medium-term Management Plan 2027

NEXT10 Key Message



Our vision

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.

Qualitative targets

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



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.

Numerical targets

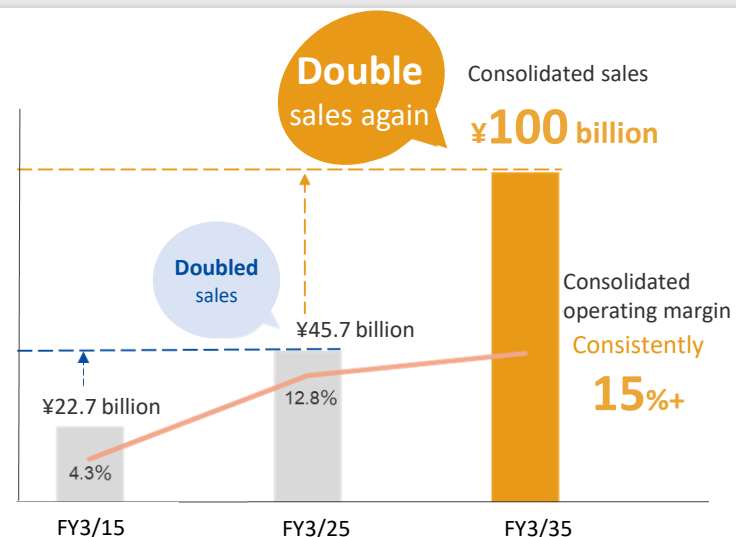
Consolidated sales

FY3/35
¥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.



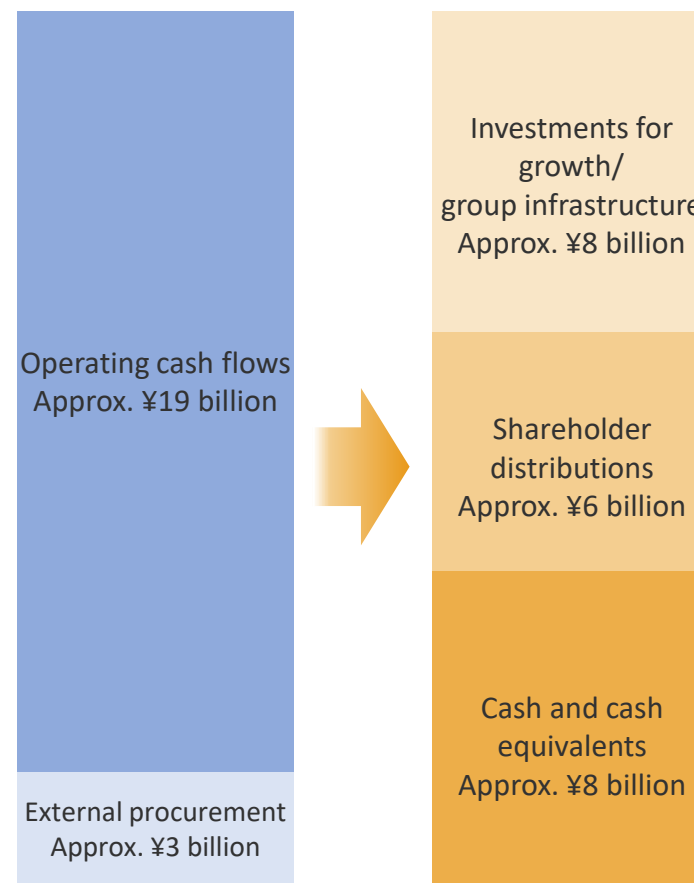
Medium-term Management Plan 2027

Through the Medium-Term Management Plan 2027, we will strengthen the foundation for future development for sustainable growth.

Financial targets

		FY3/25	FY3/28
		(Millions of yen)	(Millions of yen)
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.

Please refer to page 18 in the securities report for the fiscal year ended March 2025
https://ssl4.eir-parts.net/doc/6237/yuho_pdf/S100W3U3/00.pdf

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 The development of 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



IV. Appendix

Company Profile

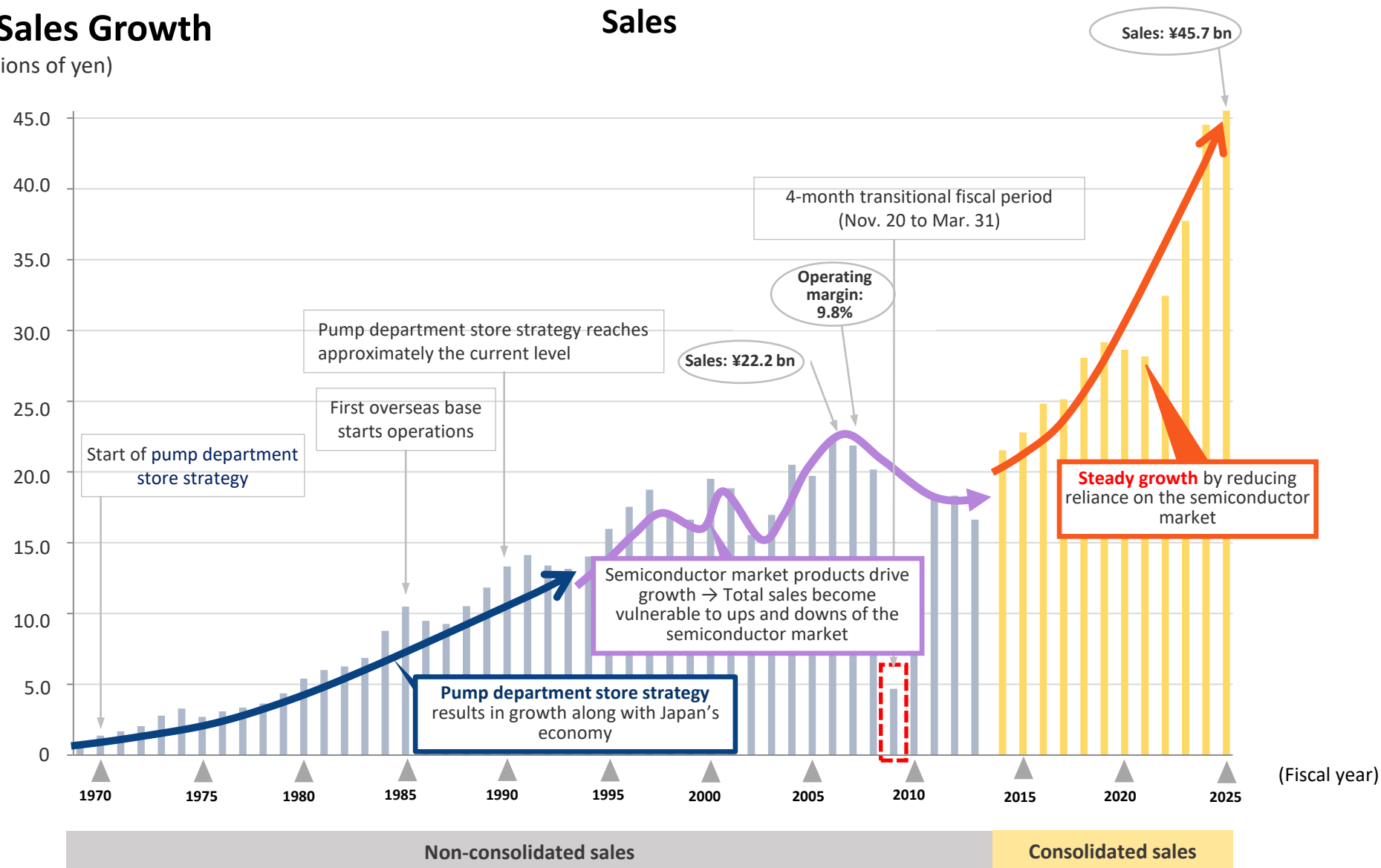


Name	IWAKI CO.,LTD.  A manufacturer of a broad line of chemical pumps
Establishment	April 10, 1956
Representative	Shigeru Fujinaka
Head office	2-6-6, Kanda Suda-cho, Chiyoda-ku, Tokyo
Capital	1,044.69 million yen
Number of Employees	Consolidated: 1,121/Non-consolidated: 788 (as of the end of March 2025)
Business	Development, manufacture, purchase, sale and other activities for chemical pumps and pump controllers and other pump peripherals
Listing	Prime Market of the Tokyo Stock Exchange Trade name: Iwaki Pump /Stock code: 6237

Sales Growth

(Billions of yen)

Sales



Chemical Pumps



Chemical pumps are used for the transmission of chemicals and other substances



Unlike water pumps, chemical pumps are used for the transmission of many types of liquids, including sulfuric acid and other hazardous chemicals.



Chemical pumps must meet **very high safety standards**
(No leaks)

Strengths That Define IWAKI

1

**A diverse lineup of products
to meet our customers' requirements**

2

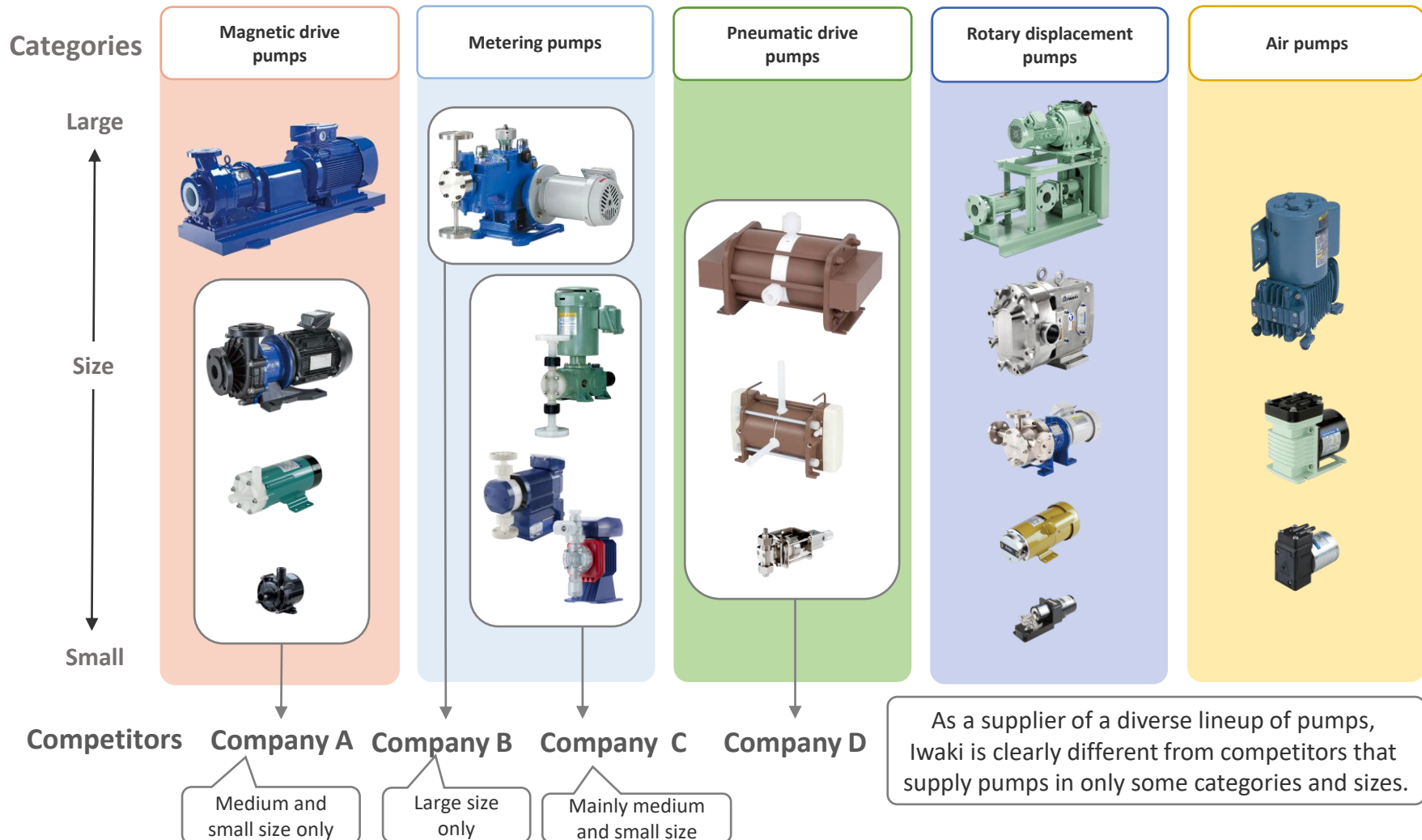
**Strong customer support backed by a
global production, sales and support infrastructure**

3

**Able to create solutions using fluid control functions
centered on pumps**

A Large and Diverse Product Lineup

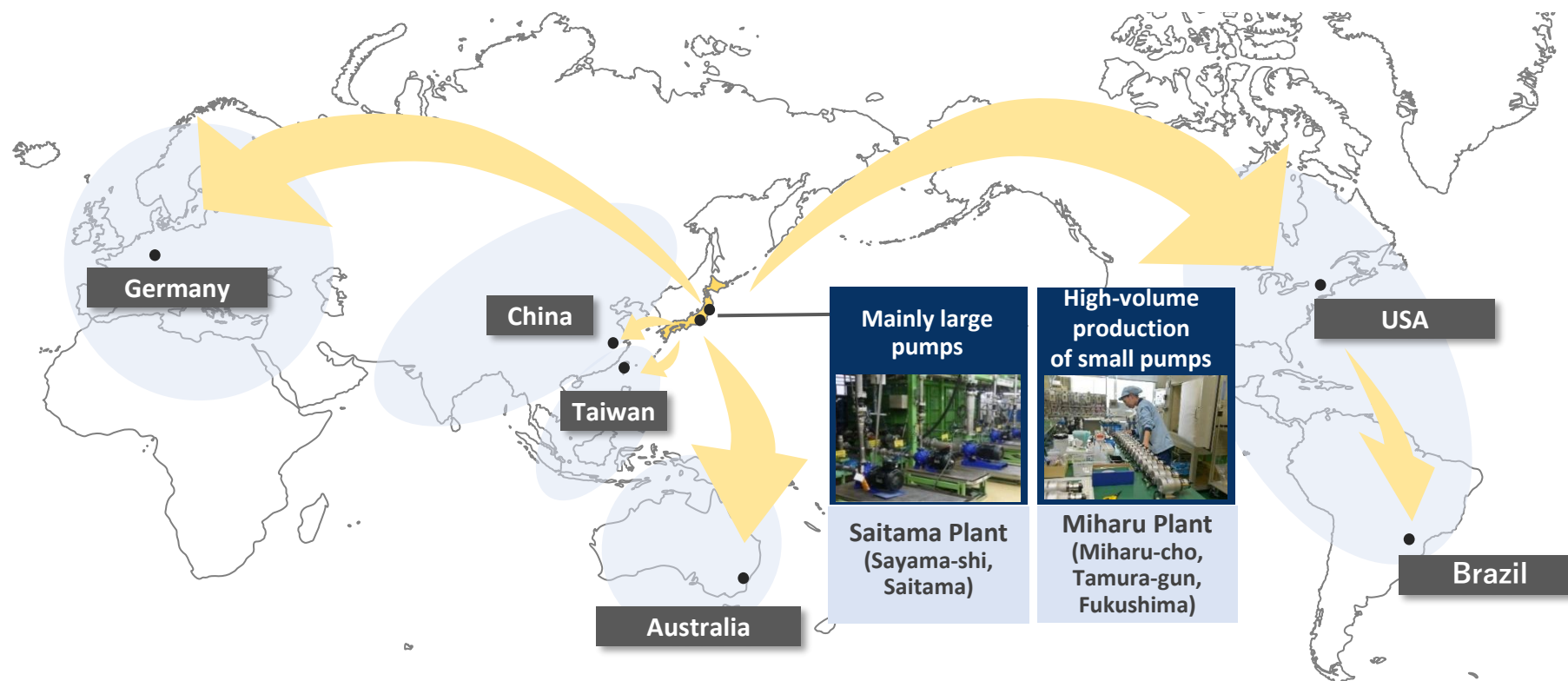
More than 60 series of pump models and **tens of thousands of models**
A **one-stop source** of comprehensive solutions for a broad array of pumps



Annual capacity of around 800,000 units with the ability to make many models in small quantities

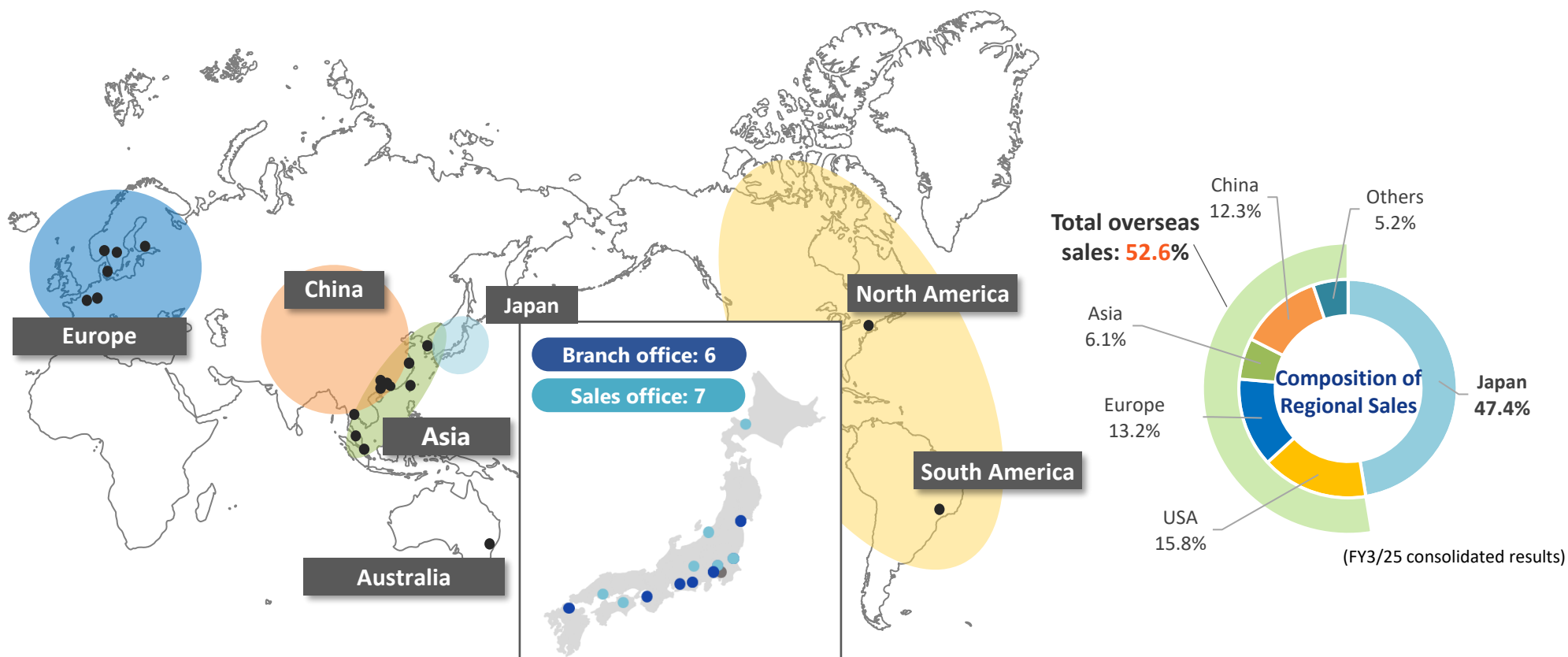
Japan: Small-lot production of many models and highly reliable quality assurance systems

Overseas: Six locations manufacture pumps using main parts (knock-down manufacturing), resulting in efficiency for deliveries and inventories

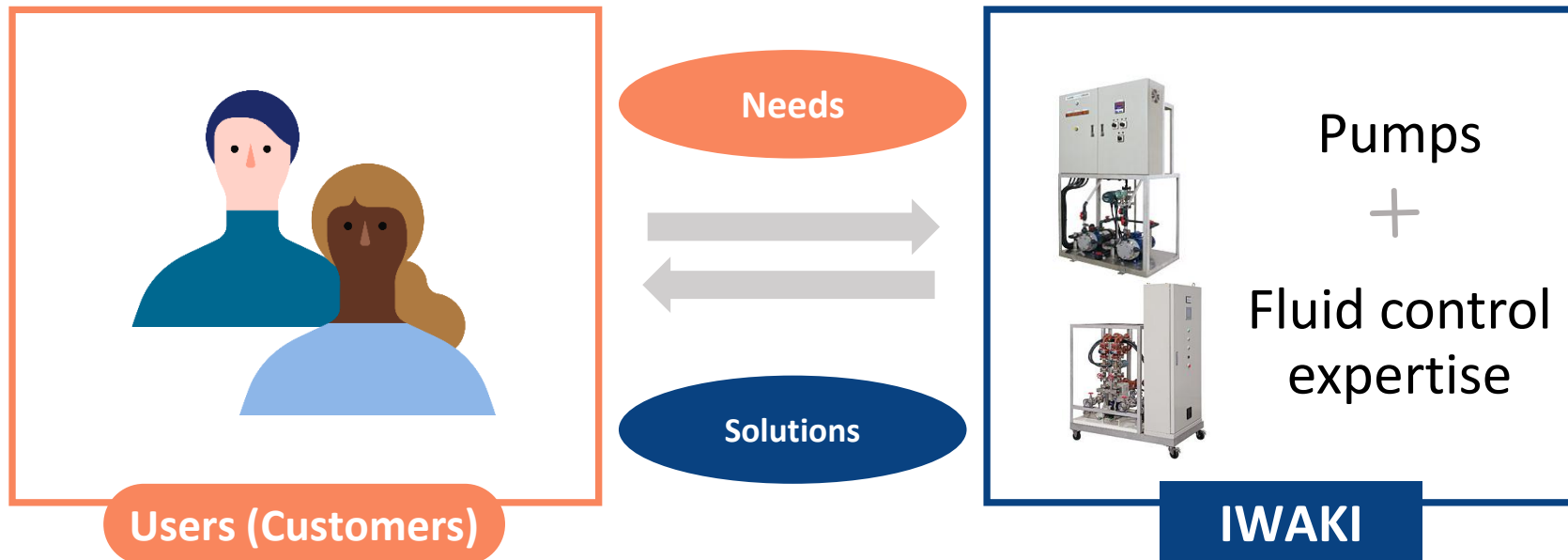


Branch offices and sales offices in 13 major cities in Japan in addition to the head office

A worldwide sales and service network with 19 group companies in 15 countries



IWAKI uses pumps and fluid control expertise to create **solutions** that match the **needs** of every customer



We want to operate wastewater treatment equipment remotely, both for monitoring purposes and for emergency operations...

We want to mix the yogurt and fruit sauce together without crushing the fruit pulp...



The Heart of Industry

We will continue to support industries at the forefront to contribute to the development of society and the happiness of people

For more information:
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E-mail: ir@iwakipumps.jp
Operating hours: 9:00 to 17:30

(Except Saturdays, Sundays, public holidays, and other business holidays)

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