



### Company Information

Company name	IWAKI CO., LTD.
Location of the office	Head office: Nissei Kandasudacho Building, 2-6-6, Kanda Suda-cho, Chiyoda-ku, Tokyo Tel: +81-3-3254-2931 (main number) Fax: +81-3-5295-8573
Establishment	April 10, 1956
Capital	1,044,691,100 yen
Number of employees	1,124 (consolidated) 788 (non-consolidated) * As of March 31, 2024

<https://www.iwakipumps.co.jp/en>



# The Heart of Industry

Precise Fluid Control That Meets Your Requirements



## Philosophy

### Our mission

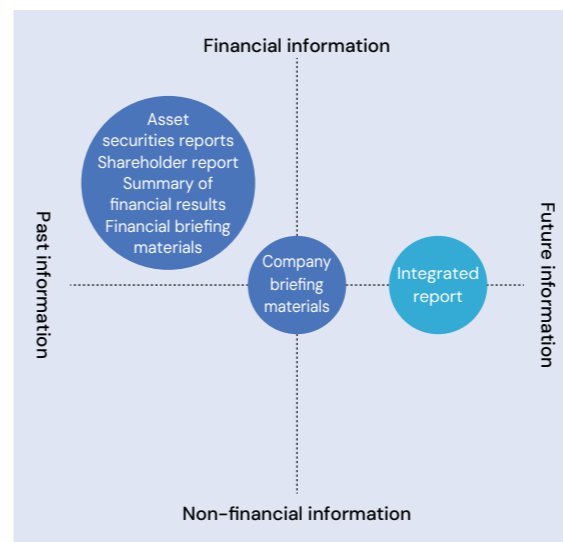
Always be at the forefront of efforts to advance development in the global markets, industries and communities where we operate while building trust with, and contributing to the happiness of everyone we interact with.



Since the day of establishment in 1956, IWAKI has manufactured chemical pumps and other fluid control devices, and provided them mainly to various industries. The company has achieved business growth to become widely recognized as the leader in the chemical pump industry. We believe this accomplishment is the result of the ability to constantly meet the needs of markets by continuously providing society with the latest technologies and innovative ideas. In line with our company philosophy, we will continue to develop and provide highly advanced fluid control devices in order to contribute to the advancement of society and happiness and wellbeing of people.

## Editing Policy

This report was created with the purpose of helping our stakeholders to understand the thoughts of IWAKI CO., LTD. and the IWAKI Group, as well as the efforts we are making toward improving our corporate value. We will also work to enhance communication with our stakeholders through information disclosure, and strive to achieve sustainable growth and further increase our corporate value.



### Period and scope covered by the report

Period covered: April 1, 2023 to March 31, 2024  
Some information from outside of the said period is also included.  
Scope covered: This report mainly provides information on IWAKI CO., LTD., and some information on the IWAKI Group.

### Notes concerning future information

Forward-looking statements including those about future performance contained in this report are based on judgments and assumptions derived from information currently available; therefore, the actual performance, etc. may result in large difference from the targets described in the statements due to uncertainty inherent in judgments and assumptions and potential future changes in business operations, etc.

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# PROFESSIONAL IN PRECISE FLUID CONTROL

INTRODUCTION

INTRODUCTION

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## IWAKI is the Professional in Development of Fluid Control Devices

IWAKI has continued to provide fluid control devices focused on chemical pumps to society for almost 70 years. Therefore, we have accumulated a wealth of various expertise related to the transfer of a variety of chemical liquids. By leveraging such know-how and selecting materials suitable for chemical liquids to be transferred, it becomes possible to safely transport hazardous chemicals. Additionally, since a variety of products uniquely created by IWAKI are custom-designed to meet individual use conditions, they can provide optimum solutions to accommodate the needs of customers.

### Market in

Providing products developed based on market research, feedback from our customers and their needs

#### Magnetic drive pumps

They have a completely leak-free structure that allows an impeller to be rotated by magnetic force from outside the pump chamber. Magnetic drive pumps use materials having excellent corrosion resistance, allowing safe transfer of chemical liquids. We offer a wide range of products from small-sized ones to large-sized ones.



#### Metering pumps

They are pumps that can inject a certain quantity of chemical liquids with high accuracy. Metering pumps are made from materials resistant to chemical agents, having excellent corrosion resistance. We have a variety of metering pumps that are different in sizes and can respond to various use conditions such as different pressures and viscosities.



#### Pneumatic drive pumps

Pneumatic drive pumps are powered by compressed air. Since bellows pumps are highly chemical and heat resistant, and designed to prevent contamination by foreign materials, they can be used in clean circumstances such as those for semiconductor manufacturing process. Diaphragm pumps can handle slurry liquid and high-viscosity liquid, and are designed for high-pressure discharge.



#### Rotary displacement pumps

Multiple product variation with unique structure characterized by rotation motion are available. Rotary displacement pumps can be used under various use conditions and for applications, such as the transfer of slurry liquid and highly viscous liquids as well as pulse-less metering transfer and ultra-high accuracy injection.



#### Air pumps

They are pumps to supply and intake air, which can be used for corrosive gas and high-temperature gas. Air pumps are oil-less products that can be used for clean air transfer. We offer a wide range of products exceeding 90 types of models with various sizes and drive systems.



#### Systems products

They provide solutions such as pump control by a controller as a package. Since we design fully customized products according to use conditions and applications in addition to Standard products, we can solve any issue related to fluid control that our customers may face.



### Product out

Providing pumps and fluid control devices with unprecedented functionality and performance we have developed

#### Linear pumps LR series

A pump that achieves non-pulsating and constant liquid delivery by alternating movement of two pump sections. It is a high-performance pump that allows for a wide range of fluid control from micro flow volume of 0.01mL/min to 100mL/min, covering a wide range of applications, such as medical, research, food, and environmental analyses.



#### Maglev pumps MJ-100

They have a completely leak-free structure that allows an impeller to be rotated by magnetic force from outside the pump chamber. Since the structure, which is similar to that of a magnet drive pump, is designed to completely levitate the impeller, there are no contact parts within the pump chamber, which contributes to the extension of the pump's lifespan and the reduction of particle generation.



## Q & A

### Q: What are chemical pumps?

A: They are pumps used to transfer chemical liquids such as chemical agents and industrial chemicals.

Some chemical liquids can corrode metal materials and create holes or cracks, resulting in such liquids leaking outside. To prevent hazardous chemicals from leaking outside, it is necessary to use materials that will not crack, melt, or create holes for liquid-contacting components.

### Q: How are chemical pumps used?

A: There are two types of chemical pumps, installation-type pumps and built-in type ones, according to application.

Broadly speaking, pumps can be categorized into two types: relatively large-sized installation-type pumps that are installed in piping lines of facilities such as customers' plants, and relatively small-sized built-in type pumps incorporated into customers' equipment.

INTRODUCTION

# Where is IWAKI Working?

IWAKI's fluid control devices are supporting our daily lives in various places. For example, IWAKI's auto chlorine sterilization devices are used at swimming pools and hot springs. A magnetic drive pump circulates water in a swimming pool or hot spring water, whose chloride concentration is measured by a residual chlorine meter, and a metering pump automatically injects sodium hypochlorite so that the chloride concentration will reach its set level. Additionally, pumps are used in the wafer cleaning process in the semiconductor manufacturing process, and also for the transfer of ketchup, mayonnaise, etc. in food factories. Thus, since IWAKI offers over 60 series and tens of thousands of models, we can respond to a wide variety of applications with our fluid control devices including chemical pumps. IWAKI's products function as a heart to make society work. Flows generated by our fluid control devices continues to play important roles in every department of industry.

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## 02 Medical equipment



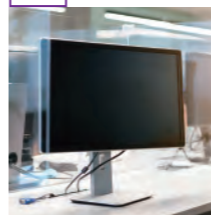
Our products are built in various types of equipment and devices such as dialysis equipment and biochemical analyzers to be used to collect waste liquids and clean instruments, helping to support advanced medical fields. IWAKI's products are making a contribution in the field of medical device, where high levels of safety and reliability are always required, with fluid control technologies.

## 03 Surface treatment equipment

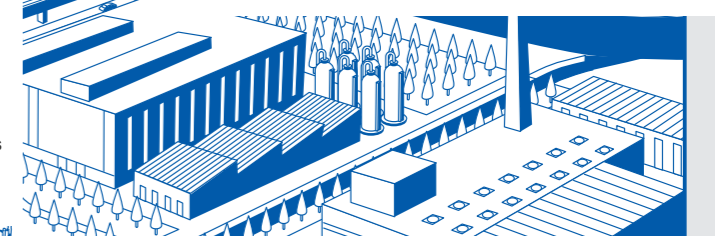


Our products are designed to ensure durability for continuous operation while maintaining constant quality in delicate processing areas, as well as stable chemical supply performance and sufficient corrosion-resistant characteristics. We have developed a number of fluid control devices to solve issues that needed to be dealt with in the field of surface treatment.

## 01 Semiconductors/Liquid crystal



Thorough control of particle generation and elimination of contamination have been achieved in semiconductor and liquid crystal processes, where a clean environment is essential. We have a firm confidence in our technology for controlling the transfer of ultrapure water and chemical liquids required for delicate processes.

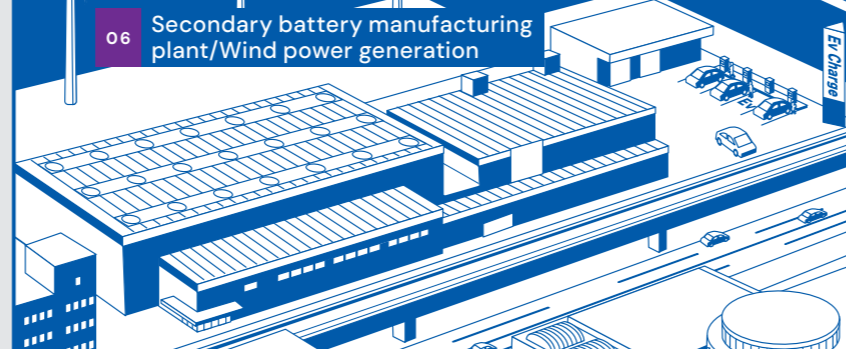


01 Semiconductor manufacturing plant

03 Electronic component manufacturing plant

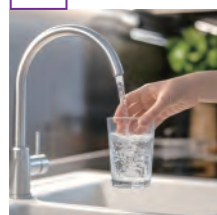


06 Secondary battery manufacturing plant/Wind power generation



05 Chemical factory

## 04 Water treatment



In addition to water purifying apparatuses, we provide various solutions related to water treatment, such as secondary sterilization of drinking water, sewage treatment, supply water treatment, cooling-water treatment, and well-water treatment.

## 05 Chemicals



In the scene of chemical processes, it is essential to transfer strong acids, strong alkalis and strong high-purity chemical liquids. IWAKI's magnetic drive pumps to safely transfer hazardous chemical liquids are designed to achieve high corrosion resistance and absolute safety, greatly contributing to the development of chemical processes.

## 06 New energy



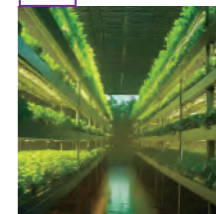
In new energy fields, we support the manufacture of devices contributing to a low-carbon society, including fuel cells, secondary batteries, and solar batteries. In addition, our products to circulate transformer cooling oil are playing vital roles at wind-power plants.

04 Aquarium/Swimming pool/Bathhouse/Water purification plant

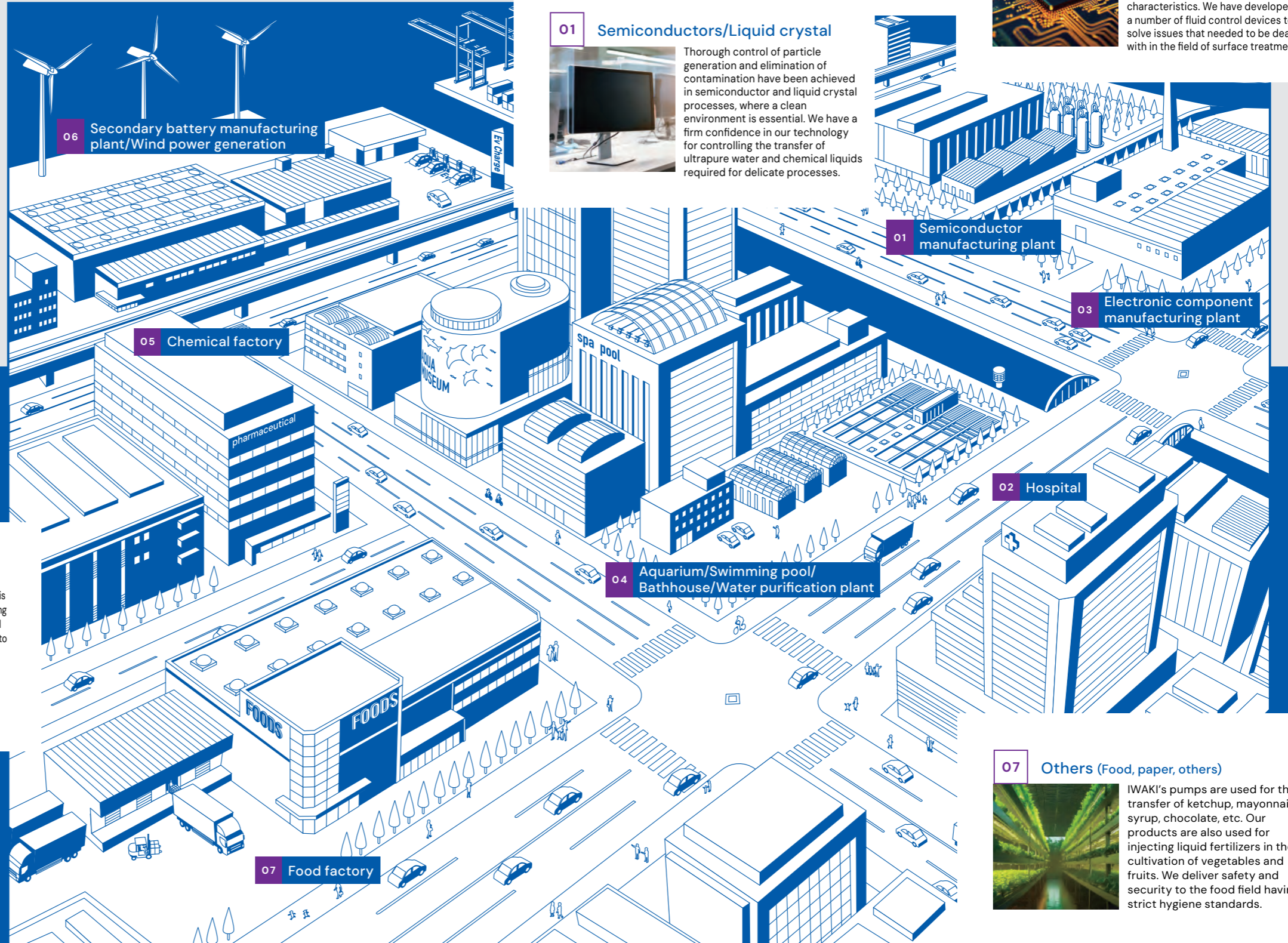
02 Hospital

07 Food factory

## 07 Others (Food, paper, others)



IWAKI's pumps are used for the transfer of ketchup, mayonnaise, syrup, chocolate, etc. Our products are also used for injecting liquid fertilizers in the cultivation of vegetables and fruits. We deliver safety and security to the food field having strict hygiene standards.



INTRODUCTION

Our Journey So Far is the History of Chemical Pump Development

Aiming to number one in the world for chemical pumps (1970)



IWAKI has given top priority to responding to requests from users in various industrial arenas. Therefore, our product lineup gradually expanded, with 16 types of chemical pumps handled under the brand name of "IWAKI" even in those days. Furthermore, under the slogan of becoming a "department store of chemical pumps," IWAKI declared its policy to handle all kinds of chemical pumps. IWAKI's challenge to becoming number one in the world for chemical pumps started here.

Leaping into the global market (1985)



Aiming to expand product sales worldwide, IWAKI established IWAKI CORPORATION, a local corporation in the U.S., and IWAKI Europe GmbH, a local corporation in Germany, and launched overseas operations. Although there were many difficulties, such as the closure of the corporation in the U.S. due to an increase in the yen's value, we overcame them and established overseas joint venture companies in Singapore and Malaysia. After that, we established joint venture companies in Taiwan, Italy, the U.S., Thailand, Australia, Denmark, Hong Kong, Switzerland, France, and the U.K. over a short time, aggressively expanding our operations overseas.

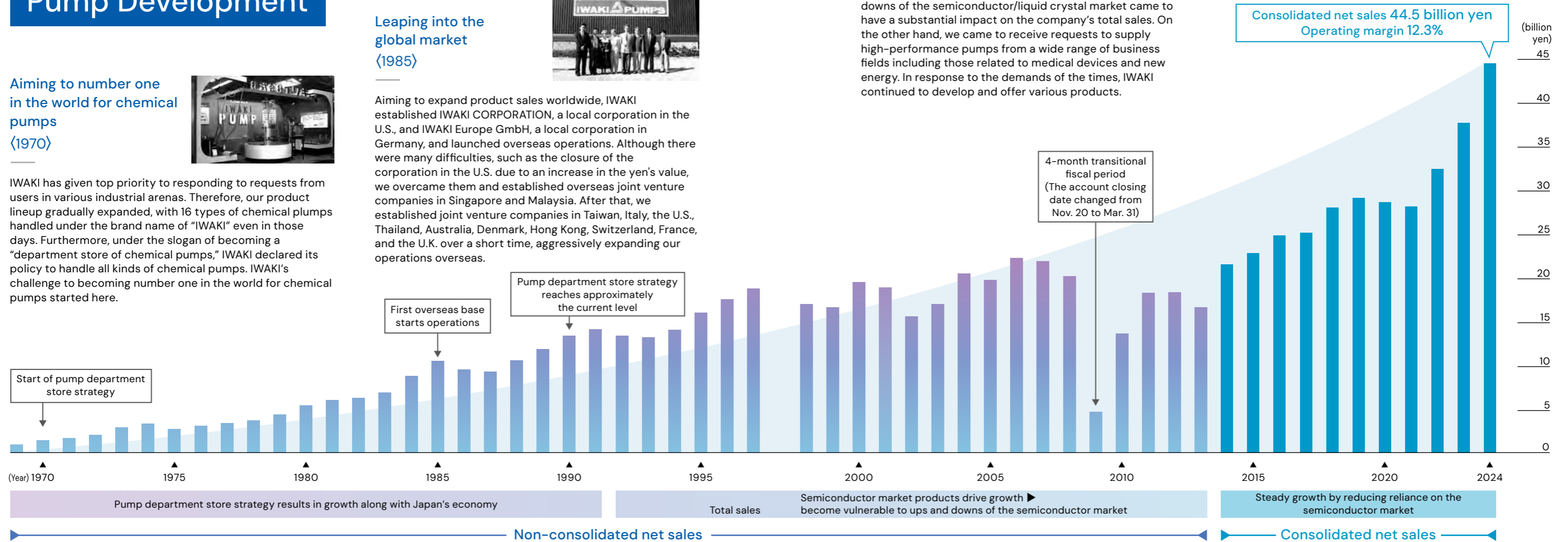
Product lineups expanding to meet the needs of the times (2000)



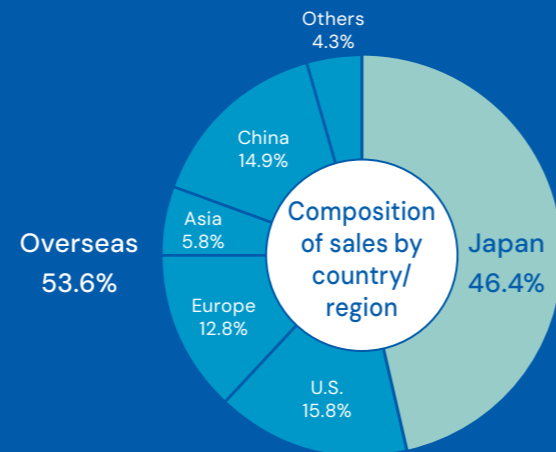
IWAKI, which began to supply pumps for semiconductors and liquid crystal displays at its early stage, went on to solidify its position in these fields. At the same time, ups and downs of the semiconductor/liquid crystal market came to have a substantial impact on the company's total sales. On the other hand, we came to receive requests to supply high-performance pumps from a wide range of business fields including those related to medical devices and new energy. In response to the demands of the times, IWAKI continued to develop and offer various products.

Selling in multiple markets globally toward achieving stable growth (Future)

IWAKI's various products are sold in multiple markets and used for many applications. Our new solutions utilizing know-how for chemical pumps and fluid control are also attracting attentions. We will continue to strive to make further growth by providing one-stop service to respond to all needs of industries and workplaces in the world with our flexibility and product appeal.



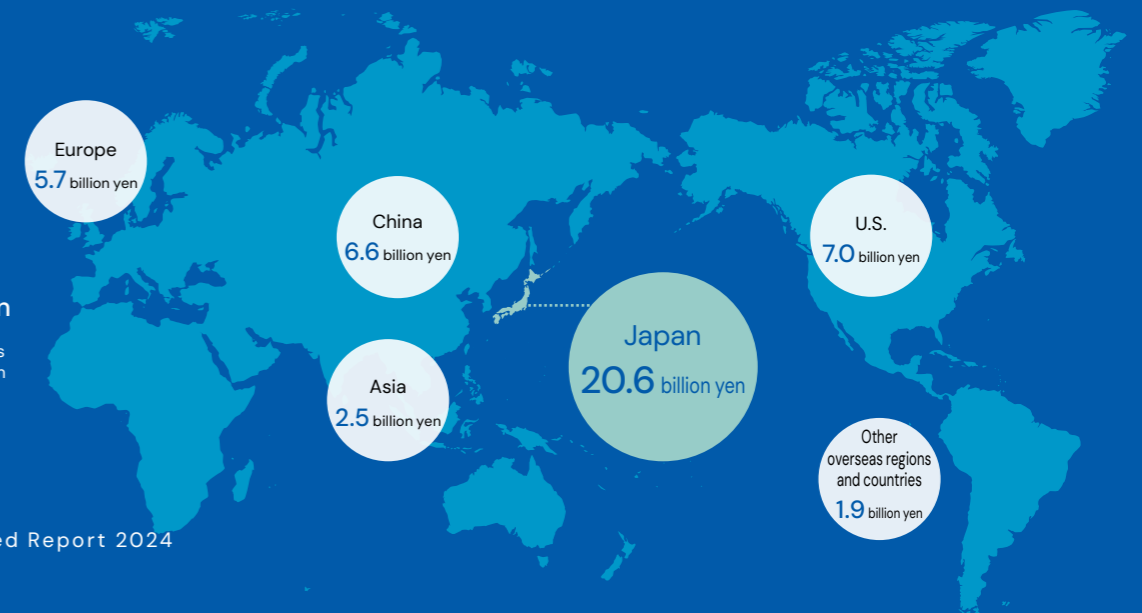
Creating worldwide sales and service network with 13 sales bases in Japan and 21 group companies in 15 countries



\* Consolidated results for the year ended in March 2024

Annual sales amount by country/region

\* Consolidated results for the year ended in March 2024



## Start of New Challenges Aiming at Still

## Greater Heights, Looking Ahead to the Future



Shigeru Fujinaka

President

### Approach to the IWAKI Group 10-Year Vision and results

It is true that I heard many people within the company saying these are so challenging targets hard to achieve when we formulated the current IWAKI Group 10-Year Vision. Most of the sales were made in the Japanese market, which we could not expect to make significant growth. Although we placed some expectation on overseas markets, we still had concerns because we had not entered Asian market deeply enough yet, the areas we had entered were still limited, and our market penetration rate was still low. Another concern was that since it was before our initial public offering, the company's management structure including its business systems and governance had not been well-established yet as it is today.

However, since making a stock market debut in the Second Section of the Tokyo Stock Exchange (at the time) as scheduled in 2016, our business performance has continued to grow smoothly, thanks in part to our improved management capabilities and social responsibility. In particular, sales expansion in overseas markets and the expansion of the group contributed to an year-by-year increase in overseas sales ratio, as a result of which overseas net sales exceeded those in Japan in the fiscal year ended March 2024.

We have also experienced some troubles in our business, but we have always faced them sincerely and responded honestly, which I believe is one of the reasons why IWAKI has been highly evaluated and continued to be chosen by our customers. This is the corporate culture we have built up, and it is the corporate climate that we have continued to cherish and protect.

Looking at sales growth by market for the fiscal year ended March 2024 shows that among all markets, each of which showed growth, the medical equipment market achieved remarkable growth. The medical equipment market achieved robust sales growth, mainly in Japan and China, becoming a driving force for the entire growth. In the semiconductor/liquid crystal market, although there appeared to be a lull in the trend of Japan's domestic market and there was a sales decline due to production adjustments by major overseas customers, overall sales increased due to the contribution of our consolidated subsidiaries in China to business performance.

I would like to mention the measures we have taken to step up our research and development. In 2018, we completed the construction of the Research & Development Center in Miyoshimachi, Irumagun, Saitama, to further promote research and development. Our new products such as reciprocating

diaphragm liquid pumps HSR-80, maglev pumps MJ-100, immersion denitrification module FAD series, and linear pumps LR series were created there.

In addition, the Product Research Development Department was separated from the Technology Department and became independent in April 2024. Previously, product development including design for mass production and customization as well as research and development were carried out in the same department. We made this adjustment with the aim of stepping up our efforts toward research and development from now on. Going forward, the Product Research Development Department will develop more proposal-based new products, which can be called creations of the product-out approach.

In terms of enhancing the structure of our group companies, in Japan, we acquired TechnoECHO Co., Ltd., which engaged in the development and sales of residual chlorine meters, as a subsidiary in 2016. (It was absorbed into IWAKI in 2021.) In Europe, IWAKI Europe GmbH, IWAKI's wholly owned subsidiary, acquired IWAKI Nordic A/S as a subsidiary in 2020. IWAKI America Inc. launched its aquatics business in 2015, and we established IWAKI Do Brasil Comercio De Bombas Hidraulicas LTDA. in 2016. In addition, in China, we acquired the IWAKI Hong Kong Group and IWAKI Pumps (Shanghai) Co., Ltd. as subsidiaries in 2022. As mentioned in the section about business growth by market, this acquisition of the IWAKI Hong Kong Group and IWAKI Shanghai as subsidiaries greatly contributed to the achievement of our numerical target of consolidated net sales of 40 billion yen. We will continue to expand the IWAKI Group's technological and sales capabilities globally.

Since we were listed on the First Section (now Prime) of the Tokyo Stock Exchange in 2019, attracting increasing attention from stakeholders, I believe that we are starting to be recognized by the general public as a company that is an attractive target for investment.

Even though we set challenging targets in the IWAKI Group 10-Year Vision, we were able to achieve them ahead of schedule, which I believe is a major achievement that came along with our global business expansion. However, we are still in the process of advancing the globalization of our management, and responding to the requests and expectations from our stakeholders regarding sustainability, which I believe are major challenges to be addressed in the future.

### IWAKI Group 10-Year Vision

\* Period covered: Fiscal year ended March 2016 to fiscal year ending March 2025  
\* Scope covered: IWAKI Group

#### Numerical targets

Net sales: **40 billion yen** (¥20 billion each in Japan and overseas), Operating margin: **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 -

#### "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 -

#### 10 Goals

1	Achieve information sharing by IT system and prompt decision making and action	6	Establishment of strong and effective sales structure
2	To become a cluster of experts	7	Establishment of core technology and creation of new technology
3	Restructuring of products range to win in the marketplace	8	Enhancement of maintenance service
4	Manufacturing organization which can keep up 100% with market demand	9	Rapid development of creative products based on marketing
5	Building an organization which enables employees to turn their motivation into work	10	Optimization by seamless group management

Top Message

Essential workers in the industrial arena

Under our mission of “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,” the IWAKI Group believes it is necessary to balance the realization of a sustainable society and the improvement of corporate value as a global company of chemical pumps and fluid control devices.

During the spread of COVID-19 infections, we often heard the word “essential workers,” and I believe that we are essential workers in the industrial arena. Since medical care and water treatment belong to our field, I think working hard on our core business, instead of trying to do something special, will lead to our sustainability. Of course, I recognize that is not all we should do and that it is important to work on measures considering our environment and society and heed the voices of various stakeholders. I think maintaining balance is essential. Based on this idea, we are actively promoting sustainability management.

Creating group synergy for sustainable development

The IWAKI Group’s main business includes the development, manufacture, procurement and sale of chemical pumps used to transfer chemical liquids and other chemical agents, as well as peripheral devices such as pump controllers. We also provide product-repair service, after-sales service, and installation work.

From now on, we would like to accelerate the utilization of information technology to further promote the above-mentioned business model. Since non-digital technology is still widely used, I recognize that we have much room to improve to promote efficiency. It might be still a long way off in terms of the timeline, but system integration across the entire group and the unification of core systems are also major subjects to address for the promotion of streamlining.

Currently, product planning is being carried out based on the Japanese market, and then, specifications of such products are changed into overseas versions. However, since this approach inevitably makes it difficult to quickly respond to requests from Europe, the U.S., China and other countries, I feel it necessary to take global expansion into consideration even from the planning stage from now on to cope with this issue.



There are also some differences in business styles between Japan and overseas countries. In Japan, business activities are conducted with a long-term perspective with an eye towards a few years in the future, which leads to successful results. However, in other countries, because of the nature of commission sales, it is difficult to conduct business activities with a long-term perspective like in Japan. Therefore, business activities are mainly focused on getting a good result in a short time. We will also adopt evaluation methods that allow evaluation from a long-time perspective so that overseas employees can also actively engage in sales activities with a long-term vision like in Japan.

In overall personnel evaluations, we will highly value willingness to take on new challenges. We will also incorporate into our evaluation system the idea that failures as a result of taking on challenges are deserving of recognition.

Now, let me talk about manufacturing. Presently, overseas factories employ the knockdown manufacturing method\*, and major parts are sent from Japan. I think increasing local procurement ratios will lead to further cost-cutting and speed up of production. In Japan, we increase purchases of parts from overseas. This approach is important not only in terms of cost-saving, but also from the perspective of BCP.

\* A manufacturing method in which semi-finished products produced domestically are sent to local production sites to create final products by incorporating locally procured parts.

Market in and Product out

Broadly speaking, pumps are used in two ways. The first type includes large-sized installation-type pumps used in chemical plants and factories. Our group companies will take care of them, including maintenance work after their operation starts.

The other type includes small-sized pump incorporated into customers’ equipment. When our customers develop new equipment, they need new pumps incorporated into it. Our business is to develop and deliver such newly developed pumps, after which not only the first customer but also other companies often show interest, and we sometimes supply our products to such companies. This is all about market-in business.

However, since these pumps are so-called “mature products” in terms of technological development, focusing heavily on this field contains an aspect of making it difficult to develop game-changing products based on innovative technology.

In addition, we cannot expect significant market expansion with the traditional business model. For that reason, I believe that we must increase the number of one-of-a-kind products that only IWAKI can offer. They are products that do not yet exist on the market. It is necessary to develop products of a new realm with IWAKI’s product development capabilities. We need products which enable us to make proposals to customers from various aspects, saying: “We have developed a pump with unprecedented functions and performance” or “Why don’t you think of utilizing this technology for a different application?” This is product-out approach. For the IWAKI Group to make further growth, this product-out approach will play a key role. I am convinced that the business model focusing on market-in and product-out as two wheels on a single axle will shape the future of IWAKI.

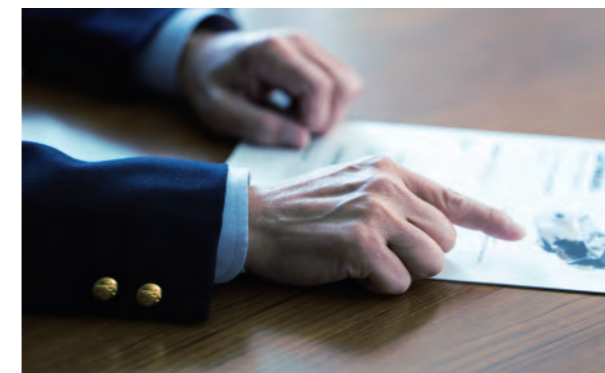
Trend of markets and products

The IWAKI Group’s consolidated net sales for the fiscal year

ended March 31, 2024, reached 44,539 million yen, increasing as much as 18.0% from the previous fiscal year. There are several factors contributing to this result, including a remarkable growth of our medical equipment market. Net sales of the same market showed a significant growth of 47.2% compared to the previous year, leading the overall growth. This market is expected to grow further. It should have a plenty of room for growth in overseas countries including the U.S.

The water treatment market that has the highest sales occupancy ratio showed a steady growth, and its net sales remained stable, achieving 9.6% increase from the previous fiscal year. The semiconductor/liquid crystal market is positioned as a focus market along with the medical equipment market, the water treatment market, and the new energy market. However, its market conditions tend to fluctuate greatly, resulting in market decline in Japan, South Korea and other regions toward the second half of the fiscal year. Currently, we are organizing our internal systems so as to keep up with the trend of semiconductor demand, which is expected to expand rapidly due to the utilization of generative AI and other technologies.

As for net sales by product, net sales of rotary displacement pumps and air pumps, which are mainly supplied to the medical equipment market, marked a significant increase, and are expected to continue to increase in the future. Net sales of both magnetic drive pumps and metering pumps, which are our flagship products, marked double-digit growth, supporting the foundation for the sales of the IWAKI Group. Systems products constitute a product category that holds promise for the future along with their sales styles. Going forward, we will promote initiatives that enable us to develop products that are more suitable for the conditions and markets of individual countries.



Achieving numerical targets one year ahead

Since the day of establishment, the IWAKI Group has continued to supply chemical pumps and other fluid control devices, and we can humbly pride ourselves that we have achieved business growth to become recognized as the leader in the chemical pump industry.

In 2014, prior to our initial public offering, we began to formulate a three-year medium-term management plan, which, however, simply allows us to see a vision that is an extension of the current situation.

Therefore, we decided to take the bold course of formulating a 10-Year Vision that considers the company’s future vision further into the future. That is the IWAKI Group 10-Year Vision, and it will finally reach its goal in the fiscal year



ending March 2025.

We have set the numerical targets of “achieving consolidated sales of 40 billion yen and an operating margin of 10% by the fiscal year ending in March 2025” and the qualitative targets of “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-.” The numerical targets of achieving consolidated sales of 40 billion yen and an operating margin of 10% were achieved in the fiscal year ended in March 2024. However, since there are still some issues remaining unaddressed, we will continue to make concerted efforts as the IWAKI Group.

Formulating a new vision that looks ahead to the next generation

In order to continue providing value to society in the age to come expected to bring about violent changes, it will be essential to work on the issues remaining unaddressed in the 10-Year Vision and take on new challenges, as well as make efforts for sustainability. In the final year of the 10-Year Vision, we will take steps toward the formulation and announcement of our next vision based on these matters.

Our products and services are used in a very wide range of industrial fields, and we often use a phrase like “Everything from sardines to semiconductors” to describe this situation. However, some of the IWAKI Group’s overseas bases have not started to work on areas such as water treatment, despite there being demands for such areas. I think it is necessary to provide support to such overseas bases from Japan so that they can more proactively work on new areas from now on.

Reflecting the voices of various stakeholders

Products and services provided by the IWAKI Group are supporting the flow of people’s lives all over the world. We want to be a corporate group that continues to support the flow of people’s lives even in the age to come expected to change rapidly. To that end, we will listen to the voices of our various stakeholders in a balanced way and reflect their voices in the management of the IWAKI Group.

# VALUE CREATION STORY

Value Creation Story

## IWAKI Group 10-Year Vision

\* Period covered: Fiscal year ended March 2016 to fiscal year ending March 2025  
\* Scope covered: IWAKI Group

### IWAKI Group 10-Year Vision and Growth Trajectory

When we formulated our IWAKI Group 10-Year Vision, we produced sales mainly in Japan, and it was becoming difficult to expect major expansion. Even though we had gained a foothold in the global market, we still had many challenges, such as low market penetration in Asian countries, and we heard many people within the company saying it would be difficult to achieve the targets of the 10-Year Vision. In the fiscal year ended March 2016, the initial year of the 10-Year Vision, domestic sales were 15.7 billion yen, while overseas sales were 9.1 billion yen. The consolidated net sales target of 40 billion yen was set on the premise of achieving net sales of 20 billion yen domestically and overseas respectively, in which the overseas sales at that time fell far behind the target. After that, due to sales expansion in overseas

markets and the expansion of the group, overseas sales ratio increased year by year, resulting in overseas net sales exceeding those in Japan in the fiscal year ended March 2024.

Looking at individual markets shows that the semiconductor/liquid crystal market and the medical equipment market are driving overall growth. The water treatment market, the foundation of the IWAKI Group's sales, also showed steady growth. As a result, we were able to achieve the numerical targets of the 10-Year Vision one year ahead of schedule, expecting to exceed the numerical targets for the year ending March 2025 as well. On the other hand, we are still in the process of advancing globalization and implementing measures for sustainability, which we recognize as challenges to be addressed in the future.

#### Numerical targets

Net sales: **40 billion yen** (¥20 billion each in Japan and overseas), Operating margin: **10%**

#### Qualitative targets

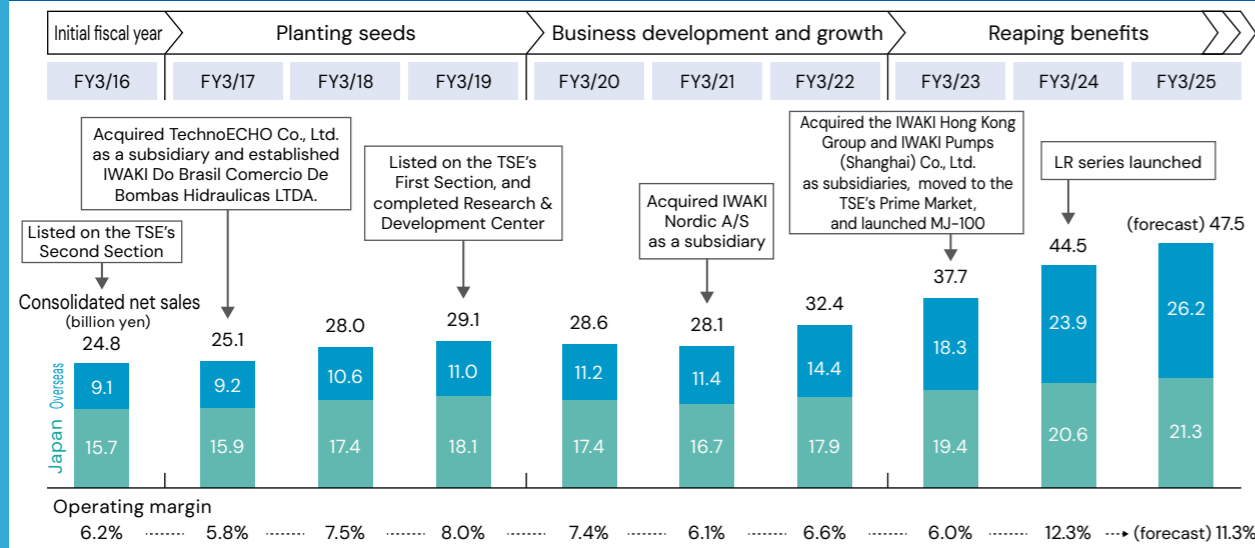
**To supply the world's best products as All IWAKI**

- We will work together to supply the world's best products, quality, value, and services -

**"Change & Challenge" is our stance for accomplishing this goal**

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#### Consolidated net sales/consolidated operating margin



#### Sales growth by region

Region	FY3/16	FY3/24	Compared to FY3/16
Japan	15.67	20.64	131.8%
Overseas	9.15	23.88	260.8%
Europe	2.37	5.7	239.8%
U.S.	3.34	7.04	210.5%
Asia	1.78	2.57	144.1%
China	0.77	6.62	852.2%
Others	0.87	1.94	223.4%

#### Sales growth by market

Market	FY3/16	FY3/24	Compared to FY3/16
Semiconductor/Liquid crystal	3.27	7.84	239.6%
Medical equipment	3.5	8.16	233.1%
Surface treatment equipment	2.01	2.98	148.1%
Water treatment	6.03	10.09	167.4%
Chemicals	2.57	4.52	175.7%
New energy	0.96	1.12	116.3%
Others	6.46	9.79	151.5%

#### Sales growth by product

Product	FY3/16	FY3/24	Compared to FY3/16
Magnetic drive pumps	8.46	14.33	169.4%
Metering pumps	4.55	7.16	157.3%
Pneumatic drive pumps	1.76	5.72	323.5%
Rotary displacement pumps	2.5	3.0	119.8%
Air pumps	1.46	2.45	167.6%
Systems products	1.18	2.54	215.3%
Purchased merchandise	2.2	2.95	133.6%
Others	2.67	6.35	237.2%

## IWAKI Group's Future Vision

The IWAKI Group 10-Year Vision is to be completed in the fiscal year ending March 2025. Under our mission, "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," we have provided value to society and supported people's lives by offering fluid control devices focused on chemical pumps used in every corner of the world. This approach will never change in the future. We want to be a corporate group that responds to further diversifying needs and continues to support the flow of people's lives in every corner of the world even in the

age to come of rapid change. With that thought in mind, we are going to revise the IWAKI Group's philosophy structure. As we realize our vision, we want to continue to be a corporate group that is supported by building relationships of trust with our diverse stakeholders and receiving their empathy. To that end, it is important not only to pursue business growth, but also to advance initiatives considering the environment and society toward the realization of a sustainable society. We are determined to make further efforts continuously, aiming to be a corporate group that is valuable and beloved by our stakeholders.

P. 35 IWAKI Group's Sustainability

#### Philosophy Structure (from January 1, 2025)

##### Our mission

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.

##### Our vision

これからの暮らしの流れを支える  
Aid daily life globally, evolving for future needs.

##### Our management attitude

We will provide products, services and job opportunities with substantial value and listen carefully to stakeholders to reflect their requests and needs in our business activities.

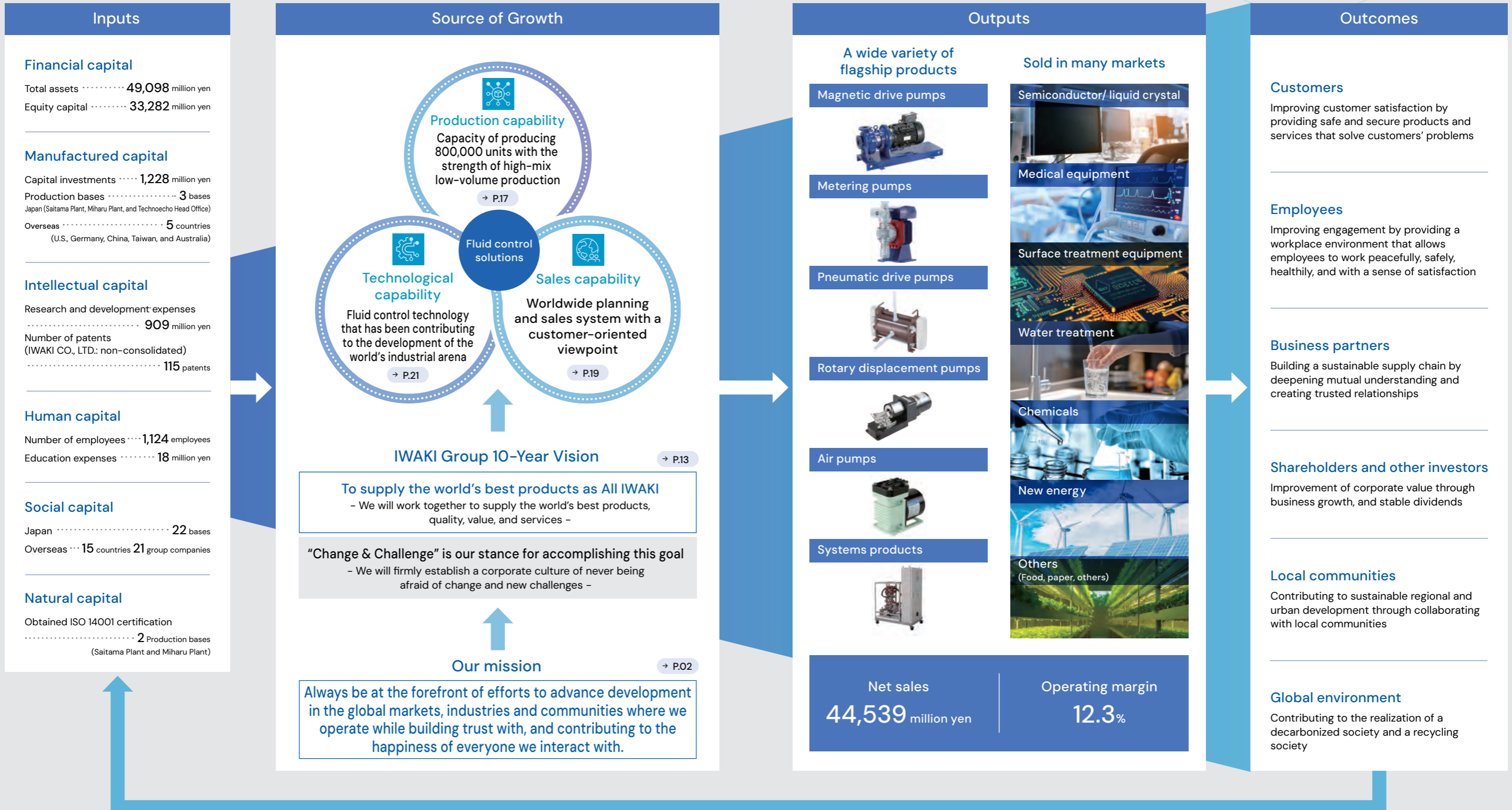
##### Our guideline for conduct

We will always have a positive attitude and use our creativity and original ideas for constant progress. We will never give up!



## We Will Continue to Support the Development of

## Various Industries through Fluid Control Devices





# Capacity of Producing 800,000 Units With the Strength of High-Mix Low-Volume Production

# PRODUCTION



**Hirokazu Kai**  
Executive Officer  
Senior General Manager  
of Production Head Office

### Reasons to make high-mix low-volume production possible

To maintain IWAKI's strength of high-mix low-volume production, it is necessary to ensure stable procurement of materials and flexibility in production planning, maintain finished goods inventory, and train multi-skilled assembly workers. To that end, we secure and maintain more than 500 suppliers so as to respond to everything from material arrangement to daily production planning, based on a variety of information pertaining to various matters such as past production performance, market needs, and sales plans, centered around Saitama Plant and Miharu Plant, our two main domestic plants. Overseas plants in the five countries of the U.S., Germany, China, Taiwan, and Australia employ the knockdown manufacturing method. Additionally, we have seriously advanced every possible effort such as the promotion of the development of multi-skilled workers to respond to required production volume and demand fluctuation, which has made high-mix low-volume production possible.

## Production Head Office

### Pursuing safety, high quality and durability uncompromisingly

In order to maintain the safety, high quality and durability of products, we conduct improvement activities toward the improvement of customer satisfaction while always keeping delivery times, quality and costs in mind. We have established a system in which all the produced products undergo performance inspection and their performance data is checked by the Quality Assurance Head Office. To maintain safety and high quality as a chemical pump manufacturer, all the employees are required to engage in production activities with a sense of responsibility. IWAKI's production style is labor-intensive, and it is characteristically highly dependent on individual skills. Therefore, we promote the implementation of self-checks to prevent human errors by doing a "point and confirm" after assembling parts, and the 6S campaign (orderliness, neatness, cleaning, hygiene, discipline, and kindness, all of which begin with "s" in Japanese), and are constantly work to create a work environment and corporate culture that contribute to the improvement of safety, quality, and productivity.

In the future, the hurdles that manufactures have to overcome will become even higher. In particular, to accommodate the needs for high-mix low-volume production, which is a sales advantage of IWAKI, it will be required to promote automatization by saving manpower. Hoping to explore automatization measures suitable for our company that will improve productivity while ensuring quality, we have begun introducing and utilizing humanoid assembly robots on our production lines.

### Background of our industry-leading production capacity

We have created our production system suitable for high-mix low-volume production method to support IWAKI's sales strategies through many years of repeated improvement and modification. First of all, I believe it is important to flexibly keep up with ever-changing market needs. To this end, in addition to setting production schedules according to our business environment and social circumstances and allocating personnel based on the idea of "the right person in the right place," we maintain a certain amount of stock.

Regarding human resource development, we implement competency management in accordance with ISO standards. By regularly rotating production lines, we improve the proficiency of workers and maintain a system enabling one worker to handle three to four models at any given time.

Furthermore, since it is necessary to procure parts and materials in a stable manner by purchasing them from multiple companies from the viewpoint of BCP, we also direct our efforts to building relationships with our suppliers. We communicate with them on a regular basis, and are making thorough efforts together to eliminate defective products. Additionally, by properly expanding and upgrading facilities based on facility planning, we work to maintain and improve production capacity.

We also thoroughly implement the RoHS Directives\* in collaboration with the Quality Assurance Head Office to address environmental issues. We constantly control the use of hazardous substances subject to regulation, and make sure whether they are used in product materials or production tools that fall under RoHS.

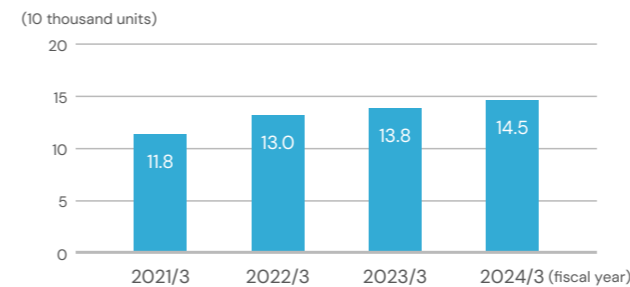
\* RoHS Directive: European law regarding the restriction of the use of certain hazardous substances contained in electrical and electronic devices



### Saitama Plant

This plant has facilities such as a hoist crane to hoist heavy objects, and mainly manufactures large-sized pumps. Characteristically, it also has a Class 1000 clean room and a clean booth as dedicated facilities for the production of semiconductors, liquid crystal, and other products used for medical devices.

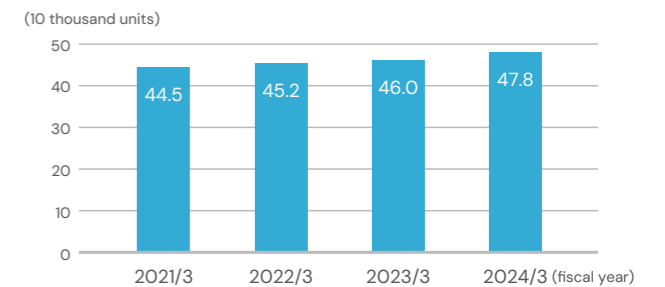
Changes in the number of units produced in Saitama Plant (four years)



### Miharu Plant

This plant mainly produces small-sized pumps, and has established a system to produce many products in a short time. It is also characterized by its aging apparatus that operates 24 hours a day to ensure stable product quality.

Changes in the number of units produced in Miharu Plant (four years)



## Value Creation Story

Source of Growth Sales capability

## Worldwide Planning and Sales System with a Customer-Oriented Viewpoint

### Collaboration among Domestic Sales Head Office, International Sales Head Office, and Product Planning Head Office

In order to build a worldwide sales system, we have established a dual-headquarters system, which consists of the Domestic Sales Head Office and the International Sales Head Office. The Domestic Sales Head Office conducts sales of products directly and through agents in Japan. The International Sales Head Office, which is based in Japan, provides marketing support to group companies in individual countries. The Product Planning Head Office collaborates with the Sales Head Offices to conduct domestic and international marketing, supporting the development and delivery of products.

# SALES & PRODUCT PLANNING

## Domestic Sales Head Office

### Maintain a business style attentive to customers' needs with 3S

The Domestic Sales Head Office values the concept of "3S Business." It is called 3S by combining the first letters of "service," "speed," and "solution." First, "service" refers to a business method giving importance to paying careful attention to customers' needs. Next, "speed" means the ability to respond quickly after receiving an inquiry to achieve a prompt delivery. Finally, "solution" involves visiting the site, using imagination to identify the issues customers are facing, and providing solutions. I believe it is important to always understand what our customers are asking for and what they are struggling with.

For example, if we propose pump control equipment and peripheral devices together with pumps, instead of simply selling pumps alone, we can provide even greater safety and peace of mind. I believe that this 3S business will lead to improved customer satisfaction, and for the further penetration of this spirit, we hold policy meetings at 13 bases in the country once every six months to share information.

We also think it important for an experienced sales person and a younger sales person to visit sites together. Because by catching up on customer issues from each perspective, they can sometimes find another perspective from which customers' needs that could not be seen with their own eyes can be seen. IWAKI is also characterized by having a lot of sales staff possessing knowledge of chemistry, electricity, and machinery. We have this strength because we have frequently visited sites and accumulated experience through trial and error.

In the future, we would like to utilize the sales know-how we have cultivated through market-in to expand the use of product-out products to areas that were not included in our initially targeted areas.



Hiroaki Itou  
Senior General  
Manager of  
Domestic Sales  
Head Office



Kiyoshi Fukuda  
Senior General Manager  
of International Sales  
Head Office

## International Sales Head Office

### Ability to collect information from customers, a key component of business activities

We are offering products to our customers through 21 group companies in 15 countries overseas and agencies. Although this approach is different from the one taken for our domestic sales in that products are not sold directly, as chemical pumps and fluid control devices are products used on-site, the basic principle of incorporating on-site requests remains the same. However, the approach taken by the International Sales Head Office allows contacts with customers to lessen, making it common to collect information only indirectly, which sometimes makes it quite difficult to hear opinions directly from customers.

Therefore, the work of International Sales Head Office starts with getting to know about local people's feelings and their daily lives. People's feelings vary from country to country. Senses for business also vary and can cause some troubles, but we do all kinds of things to understand more about local people, and make steady and patient efforts to communicate with them and draw out information. Such information we gained directly is useful for our daily business activities, and at the same time we share it among the Product Planning Head Office and the Engineering Head Office, as well as the Product Research Development Head Office in Japan in order to create products that will bring greater satisfaction to local people. The strength of IWAKI's products lies in their high quality, but it takes time to develop high-quality products. In the future, we need to tackle the challenge of how to reduce development time while maintaining high quality.

Markets showing steady growth overseas include the medical equipment market and the new energy market. In regions where we have not yet entered these fields, it is important to impart know-how to companies and agencies in such regions so that they can deal with any field instead being good at some fields but not good at others.

We also employ the knockdown manufacturing method to supply products overseas. By supplying semi-finished parts from Japan and assembling them locally to make final products, we have achieved shortening of delivery time and cost-cutting without carrying an inventory of finished products. Now, we have started to procure parts locally as well. This is expected to be effective in curtailing costs and bringing about positive effects in terms of BCP and exchange risks as well. It is our great strength that we have expanded our sales network in such a global scale. We will aim to make our sales structure even more resilient in the future.

## Product Planning Head Office

### See for ourselves for confirmation based on a hypothesis in order to make planning with high accuracy

The Product Planning Head Office explores market demands and trends, promptly plans products sought by customers, and then develops and provides them to customers.

The Product Planning Head Office has three organizations: the Product Strategy Department, which is responsible for the domestic market, the Overseas Strategy Department, which is responsible for overseas markets, and the Advertising Department, which is responsible for promotion. When we work on product planning, we make a hypothesis as to whether there is demand for chemical pumps and fluid control devices in the targeted market. When examining the hypothesis, we collect information from various viewpoints both inside and outside the company, but ultimately, we actually visit our customers and see for ourselves to confirm and determine whether that hypothesis is correct.

After that, we formulate product plans tailored to the market and give presentations to individual head offices, such as the Engineering Head Office and the Product Research Development Head Office, showing that "this type of product is wanted in this industry," before seeking a managerial judgment. Up until now, we have carried out a lot of market-in product planning, but from now on, we will also work with the Product Research Development Head Office to promote product-out product planning.

Additionally, changes in the global situation are also important factors to be considered when making decisions concerning product plans in foreign countries. For example, as for the semiconductor market, since products were traditionally produced in a limited number of countries and exported from there to other countries, it was enough to approach only a limited number of countries. However, in recent years, products have come to be produced locally in many different countries, so it is necessary to develop strategies for each of those countries. In addition, since an increasing number of companies have come to give greater importance to the aspect of cost rather than product quality, it is also important to acquire new users who want to use IWAKI's pumps. Product planning starts, first of all, with knowing customers and markets. As a future initiative to address overseas, we would like to strengthen the development of marketers in various regions around the world.



Takashi Shimizu  
Executive Officer  
Senior General Manager of  
Product Planning Head Office

Value Creation Story



# Fluid Control Technology that Has Been Contributing to the Development of the World's Industrial Arena

## Transition to a dual-axis structure with Engineering Head Office and Product Research Development Head Office

In the research and development of fluid control devices, we are working on the development of devices that can safely and accurately transfer and control chemical liquids, especially among fluids. Our development targets include devices necessary for fluid control, sensors to extract fluid information, water treatment equipment, and equipment used for experiments and research. As of April 2024, we transitioned to a dual-axis structure by separating the Product Research Development Head Office from the Engineering Head Office. The Engineering Head Office is primarily responsible for the development of IWAKI's flagship products and custom-made products as well as design for mass production, while Product Research Development Head Office is responsible for basic research and study on application development, as well as the development of function proposal-type product-out products.

# ENGINEERING

## Engineering Head Office

### Roles of the Engineering Head Office

The Engineering Head Office mainly takes on two roles. The first role is to put out products into the market that have reached a commercially viable level at the Product Research Development Head Office. This role includes coping with issues related to materials used, costs, quality, and production methods to make sure that products are sold in the marketplace in an integrated manner. The second is to customize the designs of existing products according to the needs of customers.

#### What are the strengths of IWAKI's technology?

Close collaboration between the sales and technical departments is our strength and also a distinctive feature of IWAKI. In addition, the Engineering Head Office addresses not only development but also customized design, which is an important part of our business. The Engineering Design Department of the Engineering Head Office is responsible for responding to inquiries about products and conducting an in-depth study of technology, which are done after gaining correct understanding.

#### How does the Engineering Head Office respond to the needs of society and our customers?

Our customers and society expect us to respond to environmental issues. Since chemical pumps handle hazardous chemical liquids that must not leak, it is extremely important for them to be resistant to corrosion. In particular, the development of various materials that can be used as alternatives to resin materials has been advanced, but it is advisable for customers to use fluorine-contained resins from a safety point of view. Therefore, under the current circumstances, we are working to control the overall usage of fluorine-contained resins and balance safety and environment-friendliness by extending pumps' lifetime as much as possible.

**Toshinori Yanagihara**  
Executive Officer  
Senior General  
Manager of  
Engineering  
Head Office

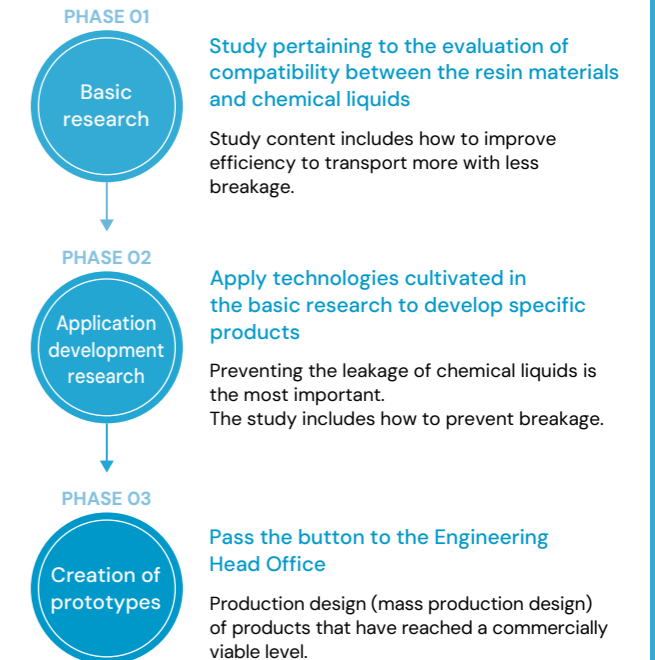


# DEVELOPMENT

## Product Research Development Head Office

### Roles of the Product Research Development Head Office

In the Product Research Development Head Office, basic research, from which new-product development starts, application research, and development research are conducted. In our basic research, we work on the evaluation of compatibility between the resin materials and chemical liquids. In our application research and development research, we develop specific products and create prototypes by applying technologies cultivated in the basic research. After that, the baton of development is passed on to the Engineering Head Office, where production design (mass production design) is carried out.



**Shinichirou Koreeda**  
Senior General  
Manager of  
Product Research  
Development  
Head Office



#### What are the strengths of IWAKI's technology?

We compile requirements based on the information pertaining to customer needs that the Sales Head Office has shared with the Product Planning Head Office and market trends, and then create a new product development plan. If it is possible to advance productization with existing technologies, the Engineering Head Office will promote the productization and pass a baton on to the Production Head Office. If it is necessary to conduct new research and development, the Product Research Development Head Office will undertake that research and share the development results with the Engineering Head Office. In this way, individual head offices collaborate while linking with each other organically, conducting a speedy and high-quality product development.

#### How does the Product Research Development Head Office respond to the needs of society and our customers?

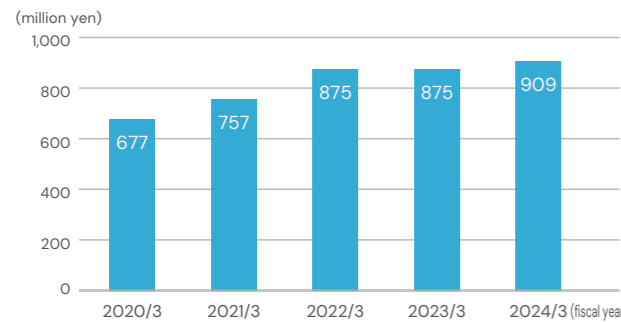
Traditionally, we have mainly engaged in market-in development to create products that meet requests from customers. However, market-in product development can easily fall into a competition for development speed and cost reduction. In contrast, we are focusing on product-out development under the idea of differentiating ourselves by creating one-of-a-kind products that are not currently available on the market but will be useful if they are available, namely, by creating proposal-based products focusing on seeds rather than needs. We will continue to make contributions to our customers and society by achieving a good balance between product-out development and market-in development.

Source of Growth **Technological capability**

About our approach to R&D investment

Various manufacturers specialized in specific pumps are competitors of the IWAKI Group. To compete with these competitors in the market, we need to study all kinds of pump methods and develop products that are superior to those made by our competitors. Since there is no end in market competition, we are constantly advancing research and development and productization.

Changes in R&D investment amount



About our Research & Development Center

Our technology center started in Miyoshi-machi, Iruma-gun, Saitama, in 1982, and it was newly renovated as Research & Development Center in 2018. In order to respond to the increasingly diversified and sophisticated needs of recent years, we have actively introduced cutting-edge technologies such as those for new materials and electronics. We have established a system that allows us to collect the latest information of the world with extraordinary speed and provide feedback, and have been accumulating data obtained from our basic research. We have also established a strict system to manage chemicals used in research, and are taking measures for their complete control. We take thorough security measures to prevent highly confidential developmental items from leaking out.

Various pumps such as magnetic levitation-type centrifugal pumps MJ series and linear pumps LR series were commercialized after several years of basic research conducted at the Research & Development Center.

About inter-departmental collaboration between Sales Head Office, Product Planning Head Office, Engineering Head Office, and Product Research Development Head Office

Development of market-in products begins after the Sales Head Office passing on information to the Product Planning Head Office and the Engineering Head Office, and when it becomes necessary to conduct new research and development, the Product Planning Head Office, the Engineering Head Office, and the Product Research Development Head Office work together to advance commercialization. In the case of product-out products, it has been becoming increasingly common for the Sales Head Office to consider where to approach and take action after the Product Research Development Head Office directly conveys information about new products to the Sales Head Office.

Flow of new product development



This facility has the following laboratories and development rooms: Noise control room, pump laboratory, semi-anechoic chamber, durability laboratory, environmental testing laboratory, equipment laboratory, project development room, analysis room, electronics laboratory, design room, chemical laboratory, corrosion resistance laboratory, water treatment system development room, etc.

Remarkable facilities and roles of Research & Development Center

Introduced below are cutting-edge facilities essential for developing superior products in the Research & Development Center having a wide range of research and development facilities.

Semi-anechoic chamber

It is a room surrounded by special sound-absorbing materials to measure the noise values of products. Since this room is designed to detect even extremely smallest abnormal noise or vibration, it is used for the development of products with excellent silence property as well as product research.



Radio wave anechoic chamber

This chamber is designed to shut out electromagnetic waves from outside and control leakage and reflection of electromagnetic waves inside the room. We perform measurement tests of noise emitted from products and EMI tests (emission tests) to make sure whether values for noise radiated and conducted from products are within a regulated range.



# DEVELOPMENT STORY

## Story of Linear Pump Development

Desire to create IWAKI's new pump that has never existed before

Electromagnetic metering pumps were powered by an actuator<sup>1</sup> called a solenoid that reciprocated an iron core. With the aim of further increasing the efficiency of this system, we began research into a new type of actuator that had never been seen before.

After trial and error, we completed IWAKI's original groundbreaking linear actuator that was highly efficient, energy saving and compact. In addition, it was quiet, generated little heat, and allowed for flexible drive control. We were highly motivated to create unprecedented product-out products by utilizing this technology.

Encounter with flow fine synthesis, leading to IWAKI's first pump for laboratory use

In the development project, we worked with the Product Planning Head Office to collect market information. Among various information gathered, we took note of a manufacturing process called flow fine synthesis, which was becoming a trend



as a new manufacturing method for chemicals agents and industrial chemicals. The performance required in this process was the ability to handle continuous flow and micro flow volume with high accuracy, which was an essential requirement. We were convinced that our technology for linear actuators could be utilized for this, and began to develop a linear pump for laboratory use. In 2023, linear pumps LR series were completed.

The linear pumps LR series are equipped with a lot of groundbreaking capacities, including a wide flow range, quiet operation, pulsation-free/continuous flow, high accuracy, and high usability.

Wide flow range

With a control range of 10,000:1, it is possible to deliver liquid at 0.01 to 100mL/min. Even a situation where multiple pumps would previously have to be replaced one after another can be handled with only one pump, which reduces the time for replacement and initial costs.

Quiet operation

By adopting a linear actuator, noisy operating sound was eliminated, which does not give stress to researchers.

Pulsation-free/continuous flow

Non-pulsating and constant liquid delivery was achieved by alternating movement of two pump sections. Since pulsation can affect synthesis reaction, it is necessarily to achieve non-pulsating and continuous flow.

High accuracy

A high precision CV value<sup>2</sup> of 0.5 to 3.0% was achieved.

High usability

The pump section is designed vertically to be disassembled easily, and its modular structure facilitates valve removal. Pumps of this series are also suitable for a usage environment unique to laboratories, where valve cleaning is frequently done to maintain their precision. Since they are for laboratory use, we paid particular attention to the features of ergonomic design, such as operability and the visibility of a display. Various settings can be configured intuitively on the front panel, and setting content can be understood at a glance. Moreover, they are designed to be lightweight, compact, and easy to carry around.

Originally, we have launched them as product-out products, targeting the pharmaceutical industry and the fine chemical field, but we think they can also be used in the food industry and for environmental analysis. We hope they will be utilized in a wide range of fields.

<sup>1</sup> Actuator: A device that converts electrical energy into mechanical motions such as a linear or rotary motion

<sup>2</sup> CV value: It refers to a coefficient of variation. This value is an index showing the degree of variability of flow rate values against the average value.

Masaki Kikuchi

Product Research Development Section 2, Research & Development Center, Product Research Development Head Office



Keizo Sunagawa

Senior Manager of Engineering Design Department 2, Saitama Plant, Engineering Head Office



## Initiatives of Maintenance Head Office

The Maintenance Head Office has about 30 maintenance staff members in various locations throughout Japan, including the head office in Saitama, Sendai, Nagoya, Osaka, and Kyushu. In addition, we have nearly 30 partner companies throughout Japan, with whom we are working to enhance support for customers with a comprehensive system.



**Naoto Yumisashi**  
Supervisor of East Japan Service Section, Maintenance Department 1, Maintenance Head Office

**Shigemitsu Matsubara**  
Senior General Manager of Maintenance Head Office

MAINTENANCE KNOW-HOW

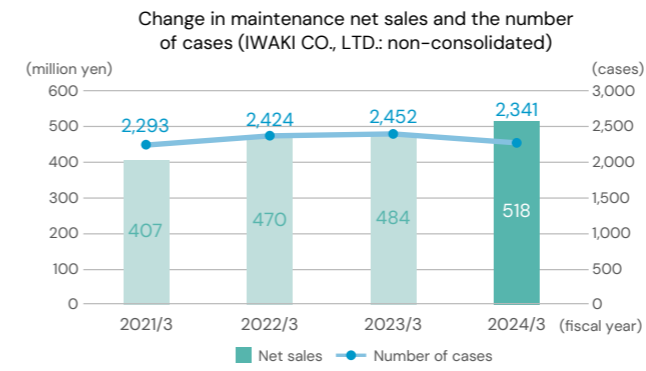


### What is IWAKI's unique maintenance know-how?

One of IWAKI's guiding principles as a manufacturer conveys the idea that we do not simply provide customers with pump products, but rather provide the function to "transfer chemical liquids" with pump products, and the Maintenance Head Office is working to enhance its support system with this purpose in mind. This policy is based on our belief that enhancing customer contact and improving service quality are keys to strengthening a company's competitiveness.

IWAKI handles a wide variety of pumps and systems surrounding them, boasting one of the most extensive product lineup in the industry. As a result, we receive over 2,000 requests for maintenance service a year, and the information obtained from customers on site is valuable to our company. By sharing this accumulated information within the company, we effectively use it in a variety of situations, such as when selecting appropriate parts, avoiding common mistakes, and determining suitable measures to solve problems.

We also have a lot of knowledge and know-how accumulated in the course of performing maintenance. Such information is passed down from senior workers to junior workers as information that should be shared. We make sure that experienced employees always pair up with junior employees and work together at maintenance work sites. This is because we are convinced that one-on-one training enables the passing on of techniques and that gaining plenty of experience through on-the-job training in the field is the best way for the upskilling of maintenance staff.



Number of partner companies (as of fiscal year ended March 2024) ..... **29** companies



In addition, through encouraging each and every member of the Maintenance Head Office to learn about our products and field circumstances every day and working hard together, we aim to further improve the quality of our maintenance service. At the same time, the accumulation of such know-how constitutes an important method for improving maintenance techniques and quality, and will serve as a valuable asset for training the next generation of maintenance staff.

### Always thinking from the viewpoint of customers and doing our best to solve their problems

About 60 to 70 percent of our daily work is accounted for by overhauling of products. An overhaul involves disassembling a product and replacing or adjusting parts according to their deterioration conditions, which reduces failure risks of breakdowns and extends the product's lifespan. At this occasion, we check the condition of parts and judge the usage environment by making sure whether or not the pump is under too much pressure or the temperature is too high, based on which we make proposals.

For example, we might make proposals such as, "The diameter of the pipes is small, so why not use thicker ones?" Sometimes, when products are found to need improvement, we will improve them. Additionally, since it is too late after a breakdown occurs, we also find out worn-out parts before a product breaks down and take necessary measures beforehand. When replacing parts, we first explain to a customer the function of that part and why it needs to be replaced before starting the work, and we also direct efforts to achieving a high finished quality that only a manufacturer can provide. In addition to working carefully to avoid making mistakes on site, of course, we always try to see things from the viewpoint of customers, making sure if there is anything troubling them and making an effort to solve their problems. We believe that this approach is in line with the idea of "Responsible Consumption and Production" of SDGs.

Maintenance service has various aspects, such as offering before-sales service and after-sales service, holding maintenance workshops, and witnessing test operation after the introduction of our products. We are promoting a variety of efforts to make sure that our customers can continue to use our products safely and with peace of mind. As for emergency on-site visits, our target management value is within one day of a request. As the latest performance, we were able to respond to most of the requests within one day, with the average of 0.21 days in the fiscal year ended March 2024. Moreover, we also make on-site visits to provide business support, performing maintenance work and giving advice free of charge. I believe this series of activities has led many customers to give us positive comments, saying: "IWAKI's maintenance service is reliable."

### Collaboration not limited to maintenance work

At maintenance scenes, we actively communicate with customers and pay attention to how we can draw out their problems and requests. We often hear feedback from customers including comments like "Could this part be adjusted a bit more?" or "It would be great if this function were available." The same product is used in a wide variety of scenes, such as various facilities and factories, and how it is used also varies. Our strength lies in the fact that we are closest to those sites and our customers, and we often play a role of a pipeline between our customers and our company. We recognize that this is an extremely important job.

Therefore, we provide feedback on valuable information reflecting the viewpoint of workers in the field and customers' viewpoint to the Engineering Head Office, the Quality Assurance Head Office, the Production Head Office, and the Sales Head Office, and we actively work to solve challenges while promoting interdivisional cooperation. As a result, we have been able to improve some products into ones with a higher level of quality. Furthermore, we aim to improve customer satisfaction from a comprehensive perspective by making good use of this valuable information for the development of new products and for the consideration of proposals to our clients.



## Value Creation Story

## Financial and Non-financial Data

READ MORE

For Financial Highlights, please check the QR code.



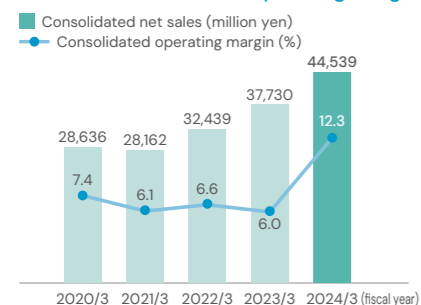
## Financial summary for nine years

Item	Unit	FY3/16	FY3/17	FY3/18	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Net sales	(million yen)	24,830	25,146	28,067	29,171	28,636	28,162	32,439	37,730	44,539
Operating profit	(million yen)	1,533	1,465	2,106	2,337	2,114	1,706	2,139	2,254	5,465
Operating margin	(%)	6.2	5.8	7.5	8.0	7.4	6.1	6.6	6.0	12.3
Ordinary profit	(million yen)	1,991	2,136	2,733	2,847	2,578	2,222	2,992	3,745	6,222
Profit attributable to owners of parent	(million yen)	1,527	1,690	2,059	2,163	2,122	2,091	2,396	4,257	4,459
Capital investments	(million yen)	384	369	345	3,479	469	839	611	948	1,228
Research and development expenses	(million yen)	513	532	574	608	677	757	875	875	909
Total assets	(million yen)	25,438	26,253	29,321	30,463	30,126	32,211	37,963	45,251	49,098
Net assets	(million yen)	16,075	16,906	18,660	20,148	20,523	22,520	25,251	28,869	33,521
Capital adequacy ratio	(%)	63.0	63.7	62.9	65.5	68.0	69.7	66.3	63.4	67.8
Cash flows from operating activities	(million yen)	1,413	2,001	1,830	1,827	2,138	2,089	2,710	1,914	2,564
Cash flows from investments activities	(million yen)	997	(150)	(1,459)	(1,793)	(77)	(920)	(429)	(1,518)	(2,487)
Cash flows from financial activities	(million yen)	(935)	(1,151)	(544)	(724)	(1,522)	149	(579)	(419)	(1,854)
Net assets per share	(yen)	714.75	744.61	821.86	887.14	930.39	1,018.96	1,149.41	1,306.53	1,507.33
Net income per share	(yen)	74.66	75.31	91.72	96.25	96.06	94.90	109.37	193.94	202.32
Dividend per share	(yen)	26.2	22.7	27.5	28.9	30.5	29.0	33.5	61.0	62.0
ROA	(%)	6.0	6.5	7.4	7.2	7.0	6.7	6.8	10.2	9.5
ROE	(%)	10.0	10.3	11.7	11.3	10.5	9.7	10.1	15.8	14.4
PER	(times)	9.19	10.61	13.03	9.45	8.93	9.52	10.00	6.70	14.33
PBR	(times)	0.96	1.07	1.45	1.03	0.92	0.89	0.95	0.99	1.92

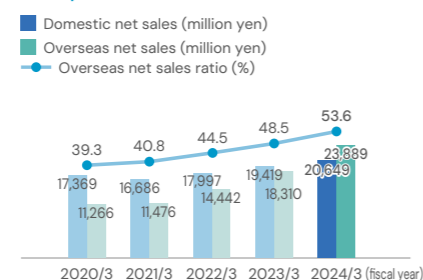
\* Per-share information is obtained by reflecting share split-up in calculation. (January 2016 one share → ten shares, July 2018 one share → three shares)

## Financial highlights for five years

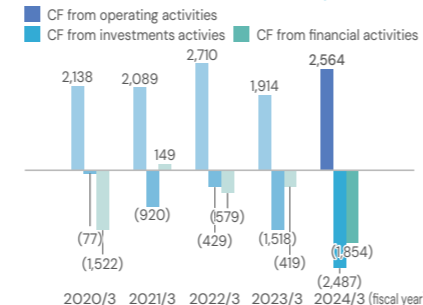
## Consolidated net sales/operating margin



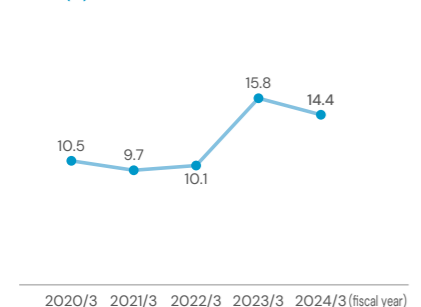
## Domestic net sales/Overseas net sales/Overseas net sales ratio



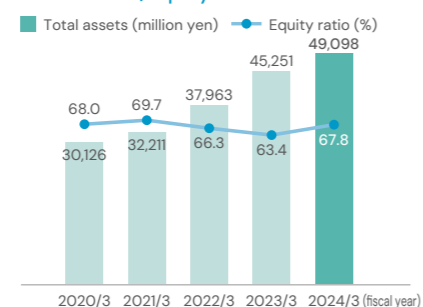
## Consolidated cash flows (million yen)



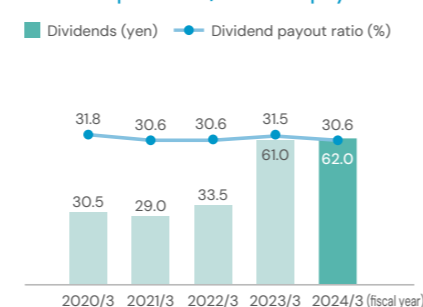
## ROE (%)



## Total assets/Equity ratio



## Dividend per share/Dividend payout ratio



## Non-financial summary for five years (IWAKI CO., LTD.: non-consolidated)

Item	Unit	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Greenhouse gas emissions (Scope 1+2)	t-CO <sub>2</sub>	-	2,275	2,084	1,892	1,143
Scope 1	t-CO <sub>2</sub>	-	273	279	315	308
Scope 2	t-CO <sub>2</sub>	-	2,002	1,805	1,577	835
Total volume of waste materials*	t	244	219	249	262	241
Pct. of resources reused externally*	%	84.2	64.4	61.9	62.2	63.0
Number of employees	Persons	757	766	781	781	788
Male	Persons	596	604	613	614	619
Female	Persons	161	162	168	167	169
Average age	Age	41.8	42.1	42.2	42.5	42.4
Average years of employment	Years	17.8	18.1	17.9	18.3	18.1
Average monthly overtime	Hours	6.9	5.4	7.5	7.3	7.6
Attrition rate of full-time employees	%	2.3	1.5	1.8	1.6	1.3
Utilization of paid vacation days	%	-	61.1	55.8	58.7	65.1
Rate of male employees taking childcare leave	%	8.3	29.4	22.2	37.5	43.8
Rate of female employees taking childcare leave	%	100	100	100	100	100
Number of new graduates hired	Persons	21	22	25	18	27
Number of mid-career workers	Persons	12	9	14	5	7
Ratio of female managers	%	0	0	0.5	0.5	0.5

\* Total for Saitama plant and Miharu plant

# CEO MESSAGE

Value Creation Story

## Message from Senior General Manager for Finance

**Aim to Make a Further Leap Forward after Achieving Record-High Sales and Operating Profit**

Ryuji Inukai

Senior General Manager of Business Management Head Office



### Acquisition of five companies in China as subsidiaries and the medical equipment market, leading to sales increase

In the fiscal year ended March 2024, IWAKI achieved record highs for both sales and operating profit. Sales by market category also rose to a record high in all markets. There are several factors that contributed to achieving these results. These factors include, first of all, the acquisition of IWAKI Pumps Co., Ltd. and its group and IWAKI Pumps (Shanghai) Co., Ltd. as subsidiaries. The second is the significant increase in sales in the medical equipment market, and the last is the impact of exchange rates (depreciation of yen).

Looked at in terms of sales by region, in Japan, the semiconductor/liquid crystal market suffered a fall in revenue, but a significant sales increase in the medical equipment market compensated the fall. In the United States, the water treatment market, our flagship market, showed a steady growth, and the medical equipment market was also doing well. In Europe, the good performance of the chemical market led to good results. In Asia, the semiconductor/liquid crystals market and the surface treatment equipment market for South Korea and Taiwan continued to be sluggish, as a result of which, even though record-high sales was achieved in the fiscal year ended March 2023 in Asia, we were unable to surpass that performance this fiscal year. In China, partly because there was

Net sales by region (million yen)

	FY3/24	Year-to-year comparison	Increase-decrease rate
Japan	20,649	1,229	+6.3%
U.S.	7,041	940	+15.4%
Europe	5,700	1,029	+22.0%
Asia	2,574	(638)	(19.9%)
China	6,625	4,047	+157.0%
Others	1,946	200	+11.5%

a difference in the period for recording profit and loss due to the acquisition of IWAKI Pumps Co., Ltd. and its group and IWAKI Pumps (Shanghai) Co., Ltd. as consolidated subsidiaries (the results for the fiscal year ended March 2023 were from the fourth quarter consolidated accounting period), the semiconductor/liquid crystals market and the medical equipment market performed well, resulting in a robust growth in revenue.

### Looking back at sales trends over the past ten years

In the first place, while sales have grown steadily over the past 10 years, profits kept on fluctuating slightly. This past decade has been far from a smooth period, with the impact of the self-restraint of sales activities due to the COVID-19 pandemic since 2020 and the repetition of a boom-and-bust cycle known as the silicon cycle in the semiconductor market. However, partly as a result of the acquisition of TechnoECHO Co., Ltd., IWAKI Nordic A/S and its group, IWAKI Pumps Co., Ltd. and its group, and IWAKI Pumps (Shanghai) Co., Ltd. as subsidiaries, we were able to achieve our 10-year vision's quantitative targets of consolidated sales of 40 billion yen (20 billion yen domestically and 20 billion yen overseas) and an operating margin of 10% for the fiscal year ended March 2024, one year ahead of schedule.

For the fiscal year ending March 2025, the final year of our 10-Year Vision, we are expecting growth in revenue and fall in profits, with net sales increasing to 106.8%, operating profit decreasing to 98.2%, and ordinary profit decreasing to 93.6% respectively, compared to those of the fiscal year ended March 2024. This is mainly due to an expected increase in cost of goods sold and increased expenses for large-scale exhibitions, as well as a decrease in investment gain on equity method. On the other hand, we are expecting the semiconductor/liquid crystals market, which has been sluggish since mid-2023, to recover from the second half of the fiscal year ending March 2025, and the water treatment market to remain firm.

### Improving corporate value and addressing sustainability are challenges for the future.

With an equity ratio of the company standing at 67.8% for the fiscal year ended March 2024, we are enjoying stable in business, but I believe that in order to realize management that is conscious of capital costs and stock prices, we need to take steps to continuously improve our price-to-book ratio (PBR) in a medium- and long-term perspective.

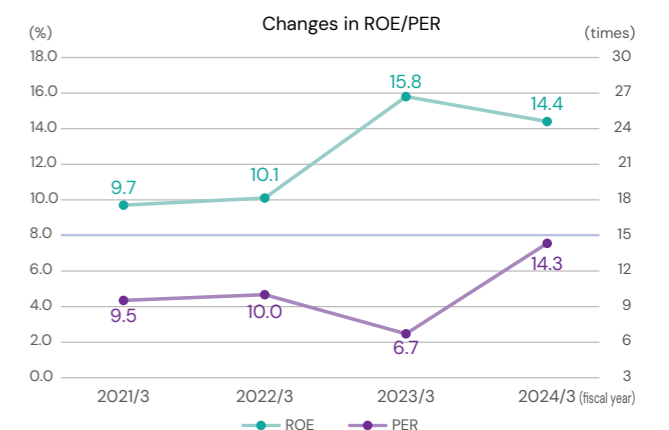
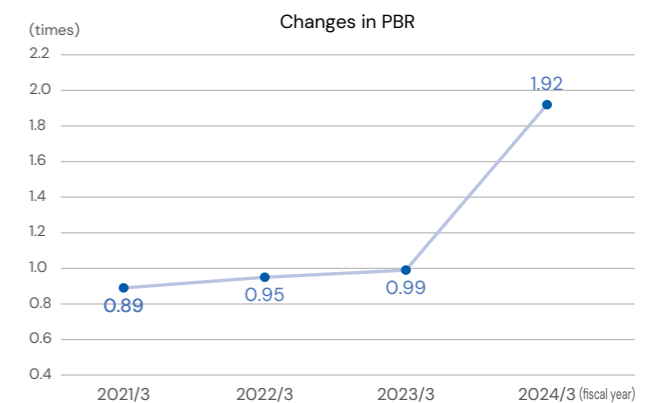
The return on equity (ROE) for the fiscal year ended March 2024 was 14.4%, exceeding the target of 10%, and the PBR for the same fiscal year was 1.92, exceeding one. However, the expected price-to-earnings ratio (PER) was only 14.3, remaining

slightly below the ideal value of 15. In order to raise this PER, first of all, we need to develop a vision in which our investors can place their hope. Therefore, I believe it is important to develop a new vision that not only focuses on business performance, but also incorporates a sustainability perspective, and set indicators and targets that our investors will have expectations for. Through making such efforts, we will aim to continuously improve our PER.

Additionally, although we are getting loans taking various viewpoints, we have been maintaining a positive free cash flow. As for future investment plans, in order to maintain sustainable growth in corporate value, first of all, we would like to focus on organization reinforcement for the expansion of overseas markets. In addition, we will direct our efforts to investment for the increase of production capacity, the streamlining of production and logistics, and the creation of a sustainable production system.

The IWAKI Group aims to be a solutions company that differentiates itself from its competitors by further strengthening the development, production, and sales of products and services that perfectly match customers' needs, and contributing to the improvement of customer satisfaction. Furthermore, for the IWAKI Group to achieve sustainable development, it is necessary for the entire group to make concerted efforts to create synergy. One of our company's features is that all members including financial staff, sales staff, production staff, and research staff work in collaboration with each other. We would like to leverage this collaboration to grow into a stronger and more vigorous company.

Partly because we are a business-to-business company, I think there are not many people who know much about our company. We would like to help our stakeholders as well as people who have not heard about us before to get to know our company better, and will become a company that attracts attention from the perspective of PER improvement as well.



READ MORE

For Asset Securities Report for the fiscal year ended March 2024, please click the QR code.



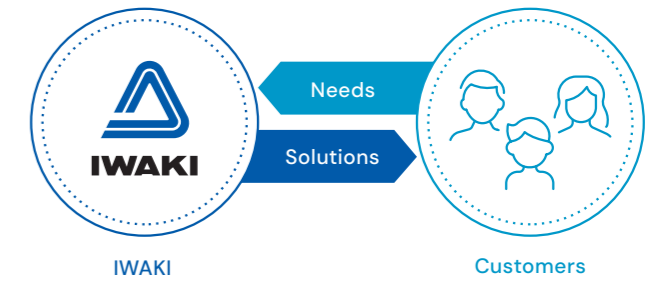


Business Model

Business Model born through Continuous Efforts to Meet Various Needs of Customers

Utilizing fluid control know-how to provide solutions that meet our customers' needs

The greatest feature of IWAKI lies in its unparalleled product variation. Its wide range of product lineup and fluid control know-how are IWAKI's strong points. These strengths enable us to make a precise response to every need of our customers.



Customization

The Engineering Head Office designs customized products based on requirement specifications from customers.

Parts procurement

Based on production plans, we purchase parts meeting quality standards from our suppliers. Since our production bases are mainly responsible for assembly operation and all parts are procured from outside the company, we play a very important role in terms of maintaining quality and meeting delivery deadlines.



Acceptance inspection

Strict inspections are conducted on parts from the stage of their arrival. Since we handle components with intricate shapes, we have introduced inspection instruments such as 3D measuring devices that can achieve stereoscopic measurement, and x-ray analyzer to respond to the regulations on chemical substances contained.



Maintenance

We achieve product quality maintenance through after-sales follow-ups and maintenance services. We also make proposals to customers and collect information in the field, and such information is shared internally and used for the improvement of our products and services. By ensuring that customers continue to have a sense of security and feel satisfied, we work to increase customer satisfaction.

Inquiry → Estimation → Order

We conduct sales activities while maintaining close links with work-sites to help our customers with their problems. This allows us to collect appropriate information and make proposals that perfectly match customers' needs, leading to the acceptance of orders.



Production Plan

A production schedule is formulated based on order information. To ensure a stable supply of products and efficient production, we create a lean production system while taking personnel, facilities, inventory status, etc. into consideration.



Production

Procured parts are assembled to produce high-quality products. Rigorous checks are conducted at each process on the production line. We carry out thorough quality control to realize a stable production system.



Pre-shipment inspection

All manufactured products are shipped out after undergoing performance inspection and visual inspection.



Shipping

Customers

After-sales follow-ups

BUSINESS MODEL

## Market Analysis

# IWAKI's Products Playing Important Roles in Every Industry

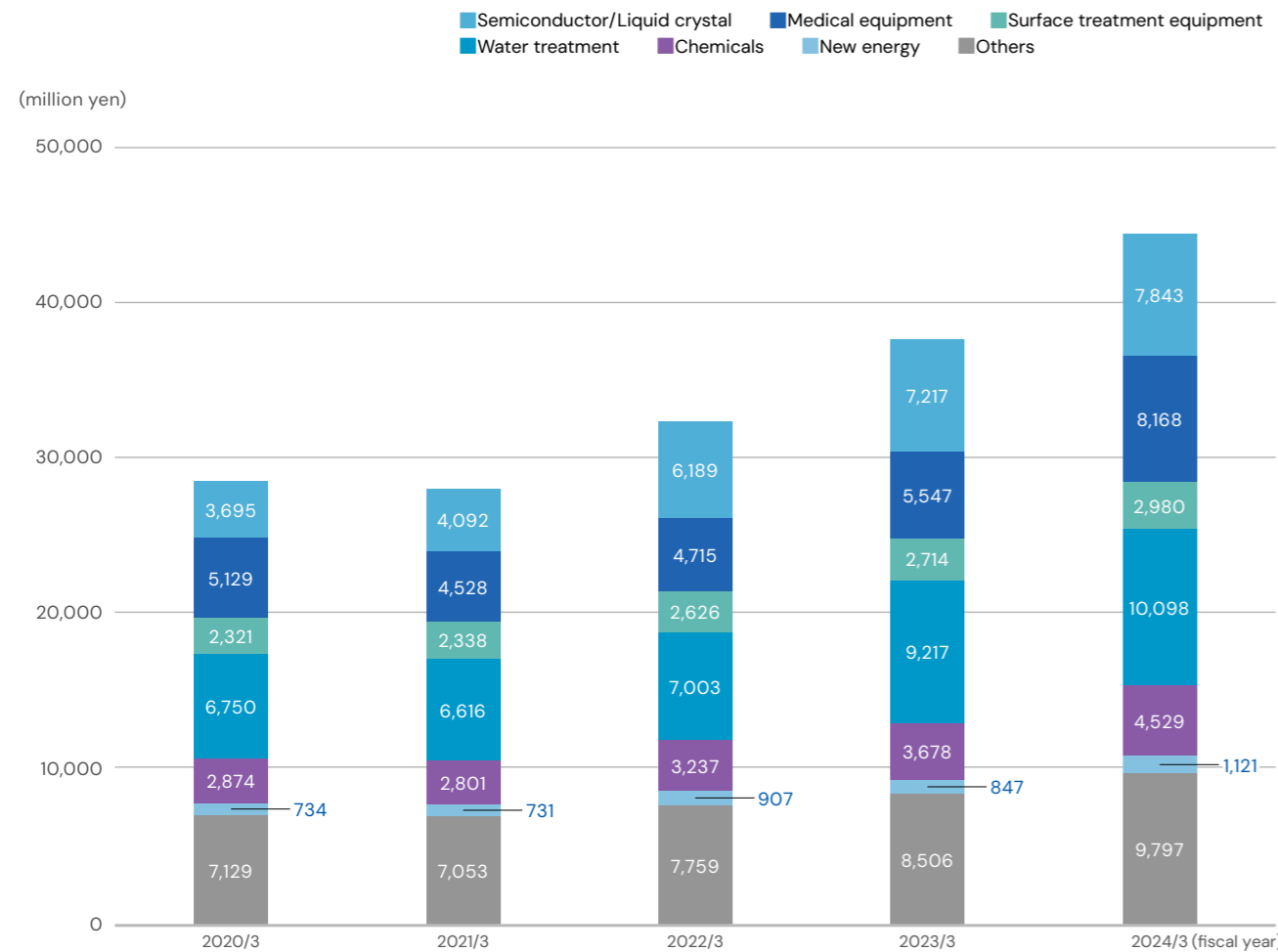
### Capability of proposing product applications to any industry

Chemical pumps and other fluid control devices are used for various applications, such as the transfer of high-purity chemicals, in a wide range of industrial fields, including those related to semiconductors/liquid crystals, medical equipment, water treatment, and new energy. The IWAKI Group has a product lineup of over 60 series (tens of thousands of models), which are used in various markets for many applications. We can propose their applications to any industry by utilizing the experience we have accumulated.

### Market-specific outlook of the fiscal year ended March 2024

The performance trends of our group's focused markets, the Semiconductor/liquid crystal market, the Water treatment market, the Medical equipment market, and the New energy market, are as described below. In the Semiconductor/liquid crystal market, although there appeared to be a lull in the trend of Japan's domestic market and there was a sales decline due to production adjustments by some of the overseas customers, net sales reached 7,843 million yen (up 8.7% from the previous year) due to the contribution of our consolidated subsidiaries in China to business performance. The Water treatment market showed a steady growth mainly in the U.S., with net sales reaching 10,098 million yen (up 9.6% from the previous year). The Medical equipment market grew mainly in Japan and China, with net sales reaching 8,168 million yen (up 47.2% from the previous year), becoming a driving force for the entire growth. Although sales volume of the New energy market was smaller than that of other markets, the market grew mainly in Japan, with its net sales reaching 1,121 million yen (up 32.3% from the previous year), contributing to overall performance.

### Five-year net sales transition by market



### Opportunities and risks in each market

Market/Major pumps	Opportunities and risks	Net sales/Percent change from the previous year (FY3/24)
<b>Semiconductor/ liquid crystal</b> Magnetic drive pumps and Pneumatic drive pumps 	In the semiconductor manufacturing process, pumps are used for the purpose of handling high-purity chemicals that cannot tolerate impurity incorporation or metal ions. Pumps are used for a wide range of applications, from the transfer and circulation of cleaning fluids and semiconductor polishing solutions to the supply of chemical liquids that require high-pressure when discharged. Demand for semiconductors is expected to expand rapidly due to increasing demand for generative AI and other factors, but at the same time, the semiconductor market is heavily influenced by a business cycle known as the silicon cycle.	Net sales <b>7.843 billion yen</b> Percent change from the previous year <b>8.7% ↑</b>
<b>Medical equipment</b> Rotary displacement pumps and Air pumps 	Fluid control for medical equipment such as analyzing devices and blood purification systems, and fluid control in cleaning instruments always require a high level of safety and reliability. In addition, since our products are often incorporated in equipment, it is necessary to make them compact enough to be used in limited spaces. With the aging of the population in developed countries and population growth and economic development in emerging countries, the medical device market is expected to continue to expand. However, if the above-mentioned requirements are not satisfied, it may pose a risk. Drawing on our group's technological capabilities and accumulated experience, we will provide more compact fluid control solutions for medical devices.	Net sales <b>8.168 billion yen</b> Percent change from the previous year <b>47.2% ↑</b>
<b>Surface treatment equipment</b> Magnetic drive pumps and Metering pumps 	In the field of delicate processing, our group's fluid control devices can meet diverse needs. It is only because our group has been working closely with this industry for many years that we can achieve durability that is required in the market in applications such as etching, and transfer and circulation of chemical agents including strong acid, strong alkali, and hyperbaric solutions. This market is inextricably associated with the semiconductor/liquid crystal markets, and can also be affected by the silicon cycle.	Net sales <b>2.98 billion yen</b> Percent change from the previous year <b>9.8% ↑</b>
<b>Water treatment</b> Metering pumps 	We provide strong support to our customers' efforts with our extensive experience and a wide range of products designed for various applications such as drinking water sterilization, treatment of fresh water and wastewater, water resource recycling in order to make effective use of water resources essential to our lives. This is an important market that constitutes the foundation of the IWAKI Group, which is constantly exposed to fierce price competition with other companies. Therefore, if we cannot maintain the superiority of our group, it may affect our business performance.	Net sales <b>10.098 billion yen</b> Percent change from the previous year <b>9.6% ↑</b>
<b>Chemicals</b> Magnetic drive pumps and Metering pumps 	In the scene of chemical processes, it is essential to transfer strong acids, strong alkalis and high-purity chemical liquids. The magnet pump series by the IWAKI Group, which has pursued the corrosion resistance and safety of products, has significantly contributed to the development of chemical processes in chemical-liquid feeding scenes where it is required to handle hazardous liquids while dealing with high flow and high-lift liquid transfer and high temperature. Many of the pumps used in fields handling hazardous chemicals, including the chemical market, use fluorine-contained resins for liquid-contacting parts. Therefore, depending on the trend in environmental regulations pertaining to resins, it might be possible that such trend could have a great impact on our business, but at the same time, that can be seen as an opportunity to advance the development of environmentally friendly products that take the regulatory trend into consideration.	Net sales <b>4.529 billion yen</b> Percent change from the previous year <b>23.1% ↑</b>
<b>New energy</b> Rotary displacement pumps, magnetic drive pumps and metering pumps 	Solving environmental and energy problems has become a challenge to be addressed in a global scale. Our group is conducting research and development of a wide range of products that meet various needs such as those integrated into equipment and those used in manufacturing processes, and supporting the manufacture of devices that contribute to a low-carbon society, including fuel cells and secondary batteries. In addition, equipment related to hydrogen production is mounted with various pumps. On the other hand, if we cannot release products in a timely manner or if we cannot meet the required performance in the field of next-generation energy with accelerating technological development, it may affect our business performance.	Net sales <b>1.121 billion yen</b> Percent change from the previous year <b>32.3% ↑</b>
<b>Others (Food, paper, others)</b> Rotary displacement pumps and magnetic drive pumps 	In addition to the above markets, our group's products are used for a wide range of applications from food and paper manufacturing to cooling and rare metal recycling. In order to meet the needs of our customers becoming increasingly diverse, we work on the development of products that contribute to the streamlining and efficiency of production processes each and every day, while continuing to pursue improvements in product quality and safety. What is happening commonly to all markets is that rising awareness of sustainability is leading to increased demand for the development of environment-conscious products in terms of functionality and design, and our future performance may be affected by how well we respond to these needs.	Net sales <b>9.797 billion yen</b> Percent change from the previous year <b>15.2% ↑</b>

# SUSTAINABILITY

## IWAKI Group's Sustainability

### Sustainability Creates

### a Flow to the Future



#### Our views on sustainability

Sustainability is the central theme in our efforts to realize our vision for the future. Under our mission, "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," we have provided value to society by continuing to provide a wide range of chemical pumps and fluid control devices to the industrial arena. However, as the importance of balancing the realization of a sustainable society and the sustained improvement of corporate value is increasing, it is vital to have the viewpoint of sustainability if we are to continue providing value to society, even in the age of rapid change to come. In the new long-term vision evaluation project launched in April 2022, project members first conducted interviews\* with a wide range of stakeholders, including customers, suppliers, universities, incorporated non-profit organizations (NPOs), and investors, under the theme of "What kind of sustainability do you expect of IWAKI?"

Based on the requests and opinions obtained from these interviews, we held a lot of discussions in the project and compiled our approach to sustainability, which was released on May 23, 2023. This is the entire IWAKI Group's basic policy for sustainability. "To achieve safe transfer of hazardous chemical liquids without liquid spill" is our core business, and we recognize that we can contribute to sustainability by simply doing this. Going forward, we will continue to provide value to various fields and actively promote management that takes the viewpoint of sustainability into consideration in our business activities. By making further contributions in the fields of environment, society, and governance toward the realization of a sustainable society, we will continue to strive to become a corporate group that is trusted by stakeholders, and can build relationships that will be supported for many years to come and foster new relationships.

\* Interviews were conducted for 37 organizations.

#### IWAKI Group Basic Policy for Sustainability

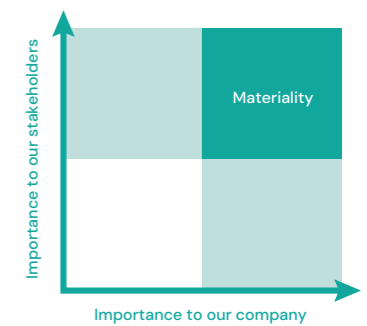
- We shall actively develop and provide products and services connected with solving environmental and social issues.
- We shall reduce the environmental impact of our business activities.
- We shall respect the human rights of all people.
- We shall establish a foundation on which a diverse range of human resources can work safely, healthily, and with peace of mind.
- We shall comply with laws and regulations and with social norms, and promote fair and transparent business management.
- We shall take in objective and diverse perspectives from outside, and sincerely respond to the voices of our stakeholders.



### Materiality (Key Issues)

#### Materiality identification process

STEP1 Identification of Issues	An internal project team was formed. Basic issues to identify basic issues, referring to international frameworks such as ISO26000, GRI Standards, and SDGs, as well as case studies of other companies.
STEP2 Assessment of extracted issues	Conduct interviews with stakeholders to assess the extracted issues from external perspectives.
STEP3 Rearrangement and selection of issues	Based on the results of the interviews in STEP2, prioritize, organize, and integrate the issues in an internal project. After repeated discussions with management and internal consultations, materialities were selected.
STEP4 Materiality identification	After deliberations at the Sustainability Committee, materialities were identified by resolution of the Board of Directors.



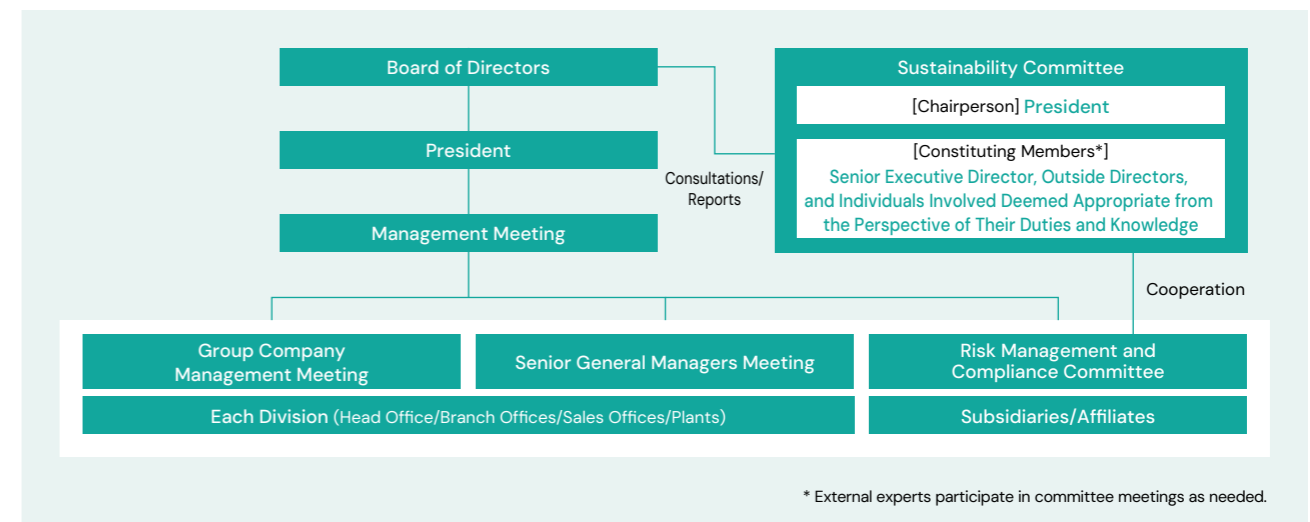
#### IWAKI Group's materiality

- Coexistence with the global environment ..... → P.37
- Pursuing product safety and quality ..... → P.39
- Promotion of procurement that considers the environment and human rights ..... → P.41
- The development of a human resource base that supports sustainable growth ..... → P.42
- Strengthening governance and ensuring compliance ..... → P.43

#### Sustainability management

Amid great changes in circumstances surrounding companies, it is becoming increasingly important to balance the realization of a sustainable society with the sustained increase in corporate value. Under such circumstance, we have established the Sustainability Committee with the aim of promoting management based on a sustainability perspective. The Committee is chaired by the President and includes Senior Executive Director, Outside Directors, and individuals deemed appropriate from the perspective of their duties and knowledge, and external experts are invited to participate in

the committee meetings as needed. The members deliberate on the formulation of sustainability policies, identify materiality, confirm the status of initiatives to address various issues, discuss measures to address these issues, and submit recommendations and reports to the Board of Directors. We have also established a specialized project team under the Committee, comprised of members gathered from across the company, in order to enhance the effectiveness of our sustainability efforts and roll out specific initiatives across the entire company.



\* External experts participate in committee meetings as needed.

Sustainability

**Coexistence with the global environment**

**Information Disclosure Based on the TCFD Framework**

We have been providing value to society through the use of our chemical pumps and fluid control devices in a broad range of industries, under our mission to “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.”

In particular, we recognize that addressing climate change is one of the most important management issues that we must give consideration to in order to realize a sustainable society. As part of our commitment to environmentally friendly business activities, we endorse the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), and identify risks and opportunities for our business, etc.

**Governance**

We have established a Sustainability Committee, which is chaired by the President, to promote management based on a sustainability perspective that includes issues relating to climate change. The Committee will deliberate on the formulation of sustainability-related policies, confirm the status of initiatives to address climate change and other issues, and discuss measures to address these issues. The details discussed by the Sustainability Committee will be submitted to the Board of Directors in the form of suggestions and reports, as appropriate, and the Board of Directors will deliberate and resolve on a response as necessary, and supervise the execution of the duties of the directors.

**Strategy**

In order to consider the impact of climate change on our business, we have undertaken qualitative and quantitative scenario analysis references to the following two scenarios. “1.5/2°C scenario\*1,” strict policies and laws and regulations are imposed to achieve a decarbonized society, and the “4°C scenario\*2,” climate change measures beyond those already in place are not implemented and extreme weather events become more severe.

As a result, we recognize that the main risk from climate change in both scenarios is the possibility of a fall in sales

\*1 1.5/2°C scenario reference: IEA Net Zero Emissions by 2050, Sustainable Development Scenario, RCP2.6  
\*2 4°C scenario reference: IEA Stated Policies Scenario, RCP8.5

**Risk Management**

At IWAKI, our Sustainability Committee evaluates and discusses climate change-related risks from a both qualitative and quantitative perspective, based on the likelihood of occurrence and financial impact.

Climate change-related risks identified by the Sustainability Committee will be integrated together with other risks by the Risk and Compliance Committee, and will be relatively assessed and response policies and measures will be considered.

arising from climate change and disclose appropriate information.



**Examples of matters related to climate change issues resolved by or reported to the Board of Directors**

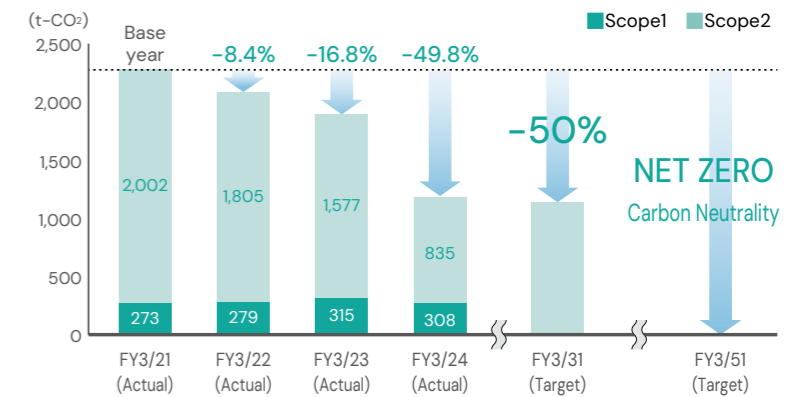
- April 2022 Establishment of the Sustainability Committee
- October 2022 Setting of greenhouse gas emission reduction targets
- December 2022: Endorsement of TCFD Recommendations
- February 2023 Disclosure of information based on TCFD recommendations
- May 2023 Basic Policy for Sustainability was established
- August 2024 Materiality identification

opportunities due to damage to our offices caused by floods and storm surges and disruptions to our supply chain. On the other hand, in the 1.5/2°C scenario, we recognize that adapting our products to the needs of the new energy sector, including secondary batteries, as we transition to a decarbonized society, may result in an increase in sales opportunities, and we view this as an opportunity. We see the new energy market as a market to be strengthened and we will continue to promote aggressive initiatives, such as business expansion.

The Risk Management and Compliance Committee will issue instructions regarding matters discussed to the relevant departments via the Risk Management and Compliance Council, a subcommittee to the Risk Management and Compliance Committee, and the Risk Management and Compliance Committee will regularly monitor progress. The Board of Directors will discuss and decide our response to risks deemed to be significant.

**Metrics and Targets**

We have adopted greenhouse gas (GHG) emissions reduction targets as a metric to manage our progress in addressing climate change. In order to realize a sustainable society, we will consider medium- to long-term strategies and measures, aiming to achieve carbon neutrality in 2050, in line with the 1.5°C target set by the Paris Agreement.



**Scenario analyses**

Target	1.5/2°C scenario	4°C scenario
<b>Government</b>	<ul style="list-style-type: none"> <li>● Promotes environment-related measures such as the introduction of a carbon tax and policies relating to renewable energy and energy conservation.</li> </ul>	<ul style="list-style-type: none"> <li>● Climate change measures maintain the status quo.</li> <li>● Assists in responding to extreme weather events.</li> </ul>
<b>Investment</b>	<ul style="list-style-type: none"> <li>● ESG investment is standard.</li> <li>● Environmental management information is important when selecting investment targets.</li> </ul>	<ul style="list-style-type: none"> <li>● Emphasis is on profitability rather than environmental consideration.</li> <li>● Close attention is paid to the existence of BCP measures when selecting investment targets.</li> </ul>
<b>Climate</b>	<ul style="list-style-type: none"> <li>● Moderate intensification of extreme weather events compared to 4°C.</li> </ul>	<ul style="list-style-type: none"> <li>● Physical risks are more apparent due to the intensification of extreme weather events.</li> </ul>
<b>Energy</b>	<ul style="list-style-type: none"> <li>● Renewable energy is widely used. Use of energy derived from fossil fuels is decreasing.</li> </ul>	<ul style="list-style-type: none"> <li>● Energy is mostly derived from fossil fuel. High-efficiency power generation technology is being developed.</li> </ul>
<b>Companies</b>	<ul style="list-style-type: none"> <li>● Operating costs are increasing due to higher energy prices as a result of governmental policies and regulations.</li> <li>● Raw material costs are increasing due to changes in raw materials as a result of governmental policies and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>● Own facilities are damaged by extreme weather.</li> <li>● Health hazards to employees occur due to rising average temperatures.</li> </ul>
<b>Clients</b>	<ul style="list-style-type: none"> <li>● In addition to the price and performance of products used, environmental considerations are important.</li> <li>● Developing products and services that contribute to renewable energy and energy conservation.</li> </ul>	<ul style="list-style-type: none"> <li>● Focus is on the price and performance of products used.</li> <li>● BCP measures are required in the supply chain.</li> </ul>

**Risks and opportunities**

Category	Item	Event	Timing <sup>*3</sup>	Details	Measures	Impact <sup>*4</sup>	
						1.5/2°C scenario	4°C scenario
Transition risks	Policies/regulations	Promulgation of laws and regulations, such as a carbon tax on GHG emissions	Medium-long term	● Carbon pricing for GHG emissions from our business activities (Scope 1 and 2).	<ul style="list-style-type: none"> <li>● Proactively use electricity derived from renewable energy sources at major bases.</li> <li>● Reduce electricity consumption by installing energy-saving equipment.</li> </ul>	★★	—
		Increase in the price of electricity due to renewable energy policies and changes to the energy mix	Medium-long term	● Increased operating costs due to higher electricity prices.	<ul style="list-style-type: none"> <li>● Reduce electricity consumption by installing energy-saving equipment.</li> </ul>	★	—
	Technology	Strengthening of laws and regulations related to resource recycling	Medium-long term	● Changes in raw material costs and costs incurred as a result of changing to alternative materials due to regulations on plastics and recycling regulations.	<ul style="list-style-type: none"> <li>● Strengthen multi-company purchasing.</li> <li>● Recycling activities for waste including plastic, ferrous and nonferrous materials.</li> <li>● Consider recycling products and parts.</li> </ul>	★★★★	★
		Changes in manufacturing processes to contribute to decarbonization	Medium-long term	● Fall in the demand for pumps due to the optimization of parts in semiconductor manufacturing, etc. in order to contribute to decarbonization and the shortening of the manufacturing process.	<ul style="list-style-type: none"> <li>● Promote the development of decarbonized (energy-saving and resource-saving) products and technologies.</li> </ul>	★★★★	★
		Behavioral changes associated with decarbonization throughout the supply chain	Short-medium term	● Client companies demand decarbonization and costs are incurred to respond, such as the introduction of decarbonization technologies and equipment in the production of products.	<ul style="list-style-type: none"> <li>● Reduce the risks associated with the decarbonization and streamlining of in-house manufacturing processes.</li> </ul>	★★	★
Physical risks	Acute	Behavioral changes caused by stakeholders' ESG/sustainability initiatives	Short-long term	<ul style="list-style-type: none"> <li>● Inadequate ESG initiatives, including climate change initiatives, will damage the reputation of the company in the eyes of clients and investors.</li> <li>● Negative impact on the hiring and employment environment.</li> </ul>	<ul style="list-style-type: none"> <li>● Consider Scope 3 calculation and SBT certification.</li> <li>● Consider sustainable procurement.</li> <li>● Develop and provide products that contribute to decarbonization.</li> </ul>	★★★★	★★
		Increase in physical damage due to the intensification of extreme weather events	Short-long term	<ul style="list-style-type: none"> <li>● Damage to own facilities and supply chain caused by more severe typhoons and floods.</li> <li>● Suspension of operations at manufacturing bases, fall in sales and increase in response costs.</li> </ul>	<ul style="list-style-type: none"> <li>● Review and reinforcement of business continuity plans (BCP).</li> </ul>	★★	★★

Category	Item	Event	Timing <sup>*3</sup>	Details	Measures	Impact <sup>*4</sup>	
						1.5/2°C scenario	4°C scenario
Opportunities	Policies/regulations	Increased demand for environmental measurements associated with a decarbonized society	Medium-long term	● The need for environmental measurements will increase as laws and regulations are tightened, and sales of measuring instruments that use pumps as components will increase.	<ul style="list-style-type: none"> <li>● Provide and promote products related to environmental measurements.</li> </ul>	★★	★
		The widespread use of fuel cells and secondary batteries	Medium-long term	● The widespread use of fuel cells and secondary batteries will increase demand for pumps used in manufacturing processes and in related equipment.	<ul style="list-style-type: none"> <li>● Promote the effectiveness of our products in new energy fields.</li> <li>● Develop products and new technologies that contribute to decarbonization.</li> </ul>	★★★★	★★★★
	Technology	Widespread use of renewable energy and energy-saving technologies	Medium-long term	● Following the transition to a decarbonized society, the widespread use of renewable energy and the development of energy-saving technologies will increase the demand for pumps used in the manufacturing process and in equipment.	<ul style="list-style-type: none"> <li>● Appropriately disclose the energy-saving performance of our products.</li> <li>● Develop products and new technologies related to energy conservation.</li> </ul>	★★★	★★

\*3 Anticipated occurrence timing is defined as short-term: 0 to 3 years, medium-term: 4 to 10 years, and long-term: 11 to 30 years.

\*4 Impact on business continuity or business performance is rated on a four-point scale from ★★★★★ to ★ in descending order of impact.

Sustainability

 Pursuing product safety and quality

Our pursuit of safety and quality required of chemical pumps reflects IWAKI's philosophy.

As a comprehensive manufacturer of chemical pumps and fluid control devices, IWAKI has created pumps that transfer a variety of chemical liquids. Throughout our history, there has been philosophy underlying our efforts for improving the safety and quality of products. The purpose of chemical pumps is to transfer chemical liquids, including many extremely hazardous ones, such as acids and alkalis. Therefore, we recognize that the highest-priority issue is ensuring safety. The three key elements required for the quality of pumps are "unbreakable," "no leakage," and "causing no trouble to customers." We engage in product development and production design with these things in mind.

reviews that incorporate multiple perspectives, aiming to improve our design to a high level of completion. It is ideal to create a pump that never breaks, but our most important task is to ensure safety even if it does break. This is the idea of fail-safe, and in line with this, we design pumps giving the highest priority to preventing the leakage of hazardous chemical liquids even if they break and stop.

In the final production stage, it is important to always continue to produce products of the same quality in accordance with the principle of "copy exactly." Products with the same model number must be the ones with the same quality in any lot. However, there are times that it suddenly becomes difficult to procure the same parts. In such cases, we respond to changes in parts, analyze the risks involved associated with the change, and continue to make products with the same quality constantly while performing "change control" to avoid any troubles. Additionally, the biggest feature of our quality assurance is that a performance inspection is conducted on every pump created prior to shipment. We believe that this also leads to the improvement of safety and reliability from the perspective of minimizing defects and troubles after shipment.



**Tsutomu Sawada**  
Senior General Manager of Quality Assurance Head Office



JQA-EM4848

(Saitama plant and Miharu plant) The date of acquisition of ISO 14001 certification: July 22, 2005



JQA-11173

(Saitama plant and Miharu plant) The date of acquisition of ISO 9001 certification: February 23, 1996

Specifically, we actively utilize the ISO 9001 quality assurance system and the ISO 14001 environmental conservation system for the improvement of safety and quality as well as environment conservation. For that purpose, at the product planning stage, we have many discussions in product planning meetings and production design review meetings to make sure that all specifications requested by customers are met, that safety-related laws (CE, UL, PSE, etc.) and environmental regulations (RoHS, REACH, etc.) are satisfied, and that efforts for environmentally conscious product design and waste reduction are being made.

Next, we enter the design stage, where we discuss measures for the prevention of any occurrence or recurrence of failures by reviewing past failure cases. We also conduct design

Quality and Environmental Policy

1. We will clarify the laws, standard requirements, and other agreements that apply to our products and business activities and strive to prevent pollution by complying with them.
2. Based on environmentally friendly product design, we will respond to customer requests and promote activities to reduce defects and unnecessary emissions.
3. In order to provide products and services reliably and quickly, we use resources effectively and continually improve our work methods.

Workplace health and safety

To ensure that employees can do their jobs in a safe environment, IWAKI performs the following activities on a regular basis to identify potential risks at factories and offices and make improvements.

Regular activities to implement

- Every business unit has individuals who are responsible for performing safety patrols and health patrols of workplaces
- An external industrial physician performs industrial health check-ups
- Business units hold safety meetings and health meetings
- Measurements of workplace environments
- Risk assessments of chemicals in accordance with the Industrial Safety and Health Act

The 6S campaign

The 5S campaign is the basis for all manufacturing activities at IWAKI. These five components, which all begin with "s" in Japanese, are orderliness, neatness, cleaning, hygiene and discipline. This has been expanded to the 6S campaign by adding kindness, which means exercising care not to cause problems for subsequent production processes and providing help with kindness to people having difficulties.

1. **Seiri (Orderliness)** Place no items in workplaces other than what is required.
2. **Seiton (Neatness)** Keep items that are required in readily visible and accessible locations.
3. **Seisou (Cleaning)** Keep workplaces free of trash and dirty areas.
4. **Seiketsu (Hygiene)** Maintain good hygiene by rigorously performing actions for orderliness, neatness and cleanliness.
5. **Shitsuke (Good manners)** Make it a habit to perform tasks properly by always taking prescribed actions in the prescribed ways.
6. **Shinsetsu (Kindness)** Perform tasks thoroughly and properly to prevent problems in subsequent processes and assist people in need of help with kindness.

Commitment to Security Trade Control

In order to comply with the Foreign Exchange and Foreign Trade Act and related laws and regulations, and contribute to maintaining international peace and security, we are promoting security trade control by establishing a system in which our President serves as a person with ultimate responsibility for security trade control and persons responsible for security trade control are appointed in all departments of the company, including those of the associates companies. In addition, since we handle a number of products falling under the category of items subject to the list control specified in the Foreign

Exchange and Foreign Trade Act and related laws and regulations, we control not only our export transactions, but also domestic transactions in line with the Foreign Exchange and Foreign Trade Act and related laws and regulations.

READ MORE

For more information about Commitment to Security Trade Control, please check the QR code.



Sustainability

**Promotion of procurement that considers the environment and human rights**

**Human Rights Policy**

We understand that respect for the human rights of all people affected by our business activities is a prerequisite for our mission, "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." With that in mind, we have established this policy based on the United Nations' Guiding Principles on Business and Human Rights in order to promote initiatives to respect human rights. This human rights policy,

based on our philosophy, is positioned as the most significant guiding principle in our efforts to respect human rights.

**READ MORE**

For more information about Human Rights Policy, please check the QR code.



**Procurement Policy**

**01 Respect for Human Rights**

In accordance with IWAKI's Human Rights Policy, we shall respect human rights in every aspect of procurement, and eliminate all actions that infringe on human rights, such as discrimination based on sex, race, religion, and so on.

**02 Preparation of a Labor Environment**

In accordance with IWAKI's Human Rights Policy, we shall prohibit inappropriate labor such as child labor or forced labor, and ensure a safe and healthy labor environment.

**03 Responsible Mineral Procurement**

Mineral resources (tin, tantalum, tungsten, gold, etc.) mined from high-risk areas or conflict regions such as the Democratic Republic of the Congo and its neighboring countries have the risks of contributing to armed insurgents, human rights violations, environmental destruction, corruption, and more. IWAKI shall promote initiatives to avoid the use of conflict minerals such as by responsible requests to and investigation of mineral sources, including checking whether there are any of the risks of human rights violations related to mining, transportation and trade, direct or indirect support for non-state armed groups, as well as those listed in Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas; and shall work on taking corrective actions such as requesting our business partners to change their procurement sources or stopping usage in the event that serious risks related to the use of conflict minerals are confirmed.

**04 Environmental Conservation**

In accordance with IWAKI's Quality and Environment Policy, we are working on the conservation of the global environment through reducing the environmental impact of our manufacturing bases and designing environmentally-friendly products. In addition, we are conscious of prioritizing materials, etc. with lower environmental impacts from our business partners who are environmentally conscious (green purchasing), and promote initiatives to conserve the global environment from the stage of purchasing materials and other items.

**05 Quality Assurance**

In accordance with IWAKI's Quality and Environment Policy, we strive to steadily and promptly provide valuable products and services that satisfy our customers and procure materials that meet our required standards such as ensuring safety and high reliability.

**06 Fair and Honest Trade, and Prevention of Corruption**

We select our business partners fairly and appropriately without regard to nationality, region, business size, etc., and encourage free competition among them. We maintain sound relationships with politics and administration, and work to prevent corruption in any form, including coercion and bribery.

**07 Protection of Information and Intellectual Property**

We shall appropriately manage and protect confidential information, personal information, and intellectual property obtained through our procurement activities, and not obtain, use, or infringe on rights improperly or inappropriately.

**08 Mutual Understanding and Mutual Trust**

IWAKI shall comply with related laws and regulations, internal regulations, and other IWAKI regulations, and strive to deepen mutual understanding with our business partners and construct relationships of trust with them with the goal of becoming a company that can be trusted by our partners.

**READ MORE**

For more information about Procurement Policy, please check the QR code.



**The development of a human resource base that supports sustainable growth**

**Basic policy concerning human capital management**

<b>Health and Productivity Management</b>	We shall put employee health as top priority and provide safe workplace and good working environment.
<b>Diversity, Equity and Inclusion</b>	We shall develop the treatment, recruitment and environment so that employees with diverse abilities and personalities can exercise flexible thinking and action, and shall work to increase corporate value through recruitment and development of human resources.

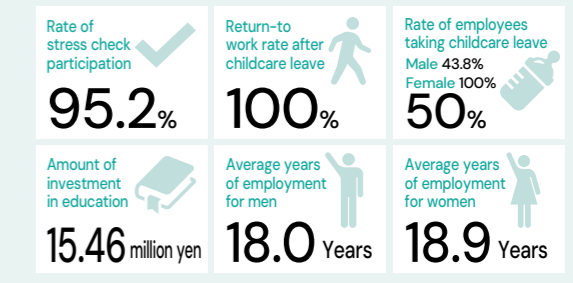
**Health and Productivity Management**

Company founder Yoshiaki Fujinaka hoped to create an environment in which employees could enjoy working. The spirit of valuing people has been passed down from generation to generation, and this idea is reflected in the policy pertaining to Health and Productivity Management, "We shall put employee health as top priority and provide safe workplace and good working environment," established by the company.

The awareness of "work-life balance" has been firmly rooted since before the term became common, and we think this is reflected in the fact that the average years of employment for women exceeds those of men. The return-to-work rate for employees after taking childcare leave is 100%, and we provide support that enables them to continue working after returning to work, such as by making use of our shortened working time system and adjusting workloads to avoid overtime work. This is partly because of a deep understanding that people around them are showing, and I believe it is also a sort of our corporate culture. We also recommend that employees should participate in housework and childcare, regardless of gender, and the rate of male employees taking childcare leave remains high at 43.8%.

Since we want our employees to work here for a long time with a sense of fulfillment, we are working to create an environment that allows people to give full play to their talents with a spirit of fairness, and as stated in our Human Resources Policy, we would like to adopt a well-balanced personnel evaluation system and a wage system that will reflect each individual's performance.

**Quantitative data concerning human capital management (FY3/24) (IWAKI CO., LTD.: non-consolidated)**



**Diversity, Equity and Inclusion**

In the fiscal year ending March 2025, we established the following as the policy pertaining to the diversity, equity and inclusion: "We shall develop the treatment, recruitment and environment so that employees with diverse abilities and personalities can exercise flexible thinking and action, and shall work to increase corporate value through recruitment and development of human resources."

Since doing the pump business, we have a limited number of applicants for job types involving fieldwork and manual labor, and we recognize that our company needs to tackle the issue of the low ratio of female managers. Currently, we try to carefully explain the job content to applicants at the recruitment stage so that they will feel no gaps between they expected and actual situation after joining the company, and even after they enter the company, we provide guidance for skill development and career advancement by utilizing OJT and Off-JT. As a result of these efforts, in recent years, we have come to hire an increasing number of female workers, mainly for engineering work in the technical and development departments and for back-office operations. Going forward, we will put more effort into providing in-house workshops, study sessions, e-learning programs, etc. for female employees to help them advance their careers.

For the company to achieve growth in the future, it will be essential to secure and develop not only personnel who are well-versed in specialized technologies, but also personnel who can leverage diverse abilities and individuality. In order to build an environment where diverse personnel can play active roles, we will actively invest in education and training and work on the reform of our personnel system.



**Kiichiro Otsuka**  
Executive Officer Senior General Manager of General Affairs Head Office

Strengthening governance and ensuring compliance

Dialogue between President and New Outside Director

Toward Further Strengthening of Corporate Governance

Shigeru Fujinaka  
President

Takako Tomiyasu  
Outside Director

PRESIDENT  
X  
OUTSIDE  
DIRECTOR

Feeling empathy for the corporate climate filled with challenging spirit and hands-on approach toward product development

**Fujinaka** Ms. Tomiyasu, since you used to work at a pollution control equipment manufacturer handling water and wastewater treatment, so I think you were active in the area that is relatively similar to ours. It hasn't been long since you took up your position, but looking at today's IWAKI, you may find some similarities and differences. Could you tell me about that?

**Tomiyasu** One thing that I find similar is that both companies focus on developing one-of-a-kind products. Making customers happy leads to a feeling of accomplishment and happiness of employees. I feel that the two companies are similar in terms of corporate culture.

President Fujinaka, you said: "In manufacturing, making what you want to make is a key to success." I really identify with your idea. People who are making products know them inside out, and they are thinking about how to make what they have made products that will sell well with might and main.

At the same time, what I have found different is the way to look to the future. Since my previous company didn't have such long-term plans, I was impressed that IWAKI looks to the future with a long time span of ten years in mind and draws up a strategy and execution process.

**Fujinaka** Thank you very much for giving a good evaluation. We cannot carry out our business without knowing what is going on in the field. Particularly in water treatment scenes, only people who know what is happening there can communicate with each other. In that sense, you have an experience of working in a similar field, so I would appreciate it if you could participate in management decision making from the perspective of people in the field.

I also believe that you are a person who have given importance to what is happening in the field, so I would like you to look at IWAKI from a third-party perspective and give us your candid opinions, such as "That doesn't seem right" or "This is how it looks like from the outside."

Having a common sense about ethical values

**Tomiyasu** I understand that as a person holding the position of an Outside Director, I will be expected to make a lot of contribution in aspects related to the enhancement of corporate governance from a third-party's point of view. President Fujinaka, may I ask you about your thoughts on corporate governance?

**Fujinaka** Of course, matters related to corporate governance will be incorporated as key issues in our next long-term vision, and I believe it is very important to make sure that we clear each and every item of the Corporate Governance Code. However, first of all, I believe it is important for the company's management and internal and external Directors to have a common sense about ethical values. I believe that if we have a common understanding of how each and every action is viewed by stakeholders among Directors, it will lead us to make sound business decisions. Every month, we hold a

Board of Directors meeting, where we of course discuss serious matters, but I also try to interact with other Directors in a way that allows me to get to know their personalities.

**Tomiyasu** I can understand that you are sharing a common sense regarding ethical values. Looking at the disclosed information on the website, I got the impression that you are responding quickly to anything based on firm belief. Our management stance of providing valuable products, valuable services, and valuable employment environments, and our behavioral stance of never giving up till the end with our positive attitude toward everything with creativity, and originality. All of these are basic matters, but I have re-realized that maintaining these has led to your current operating performance.

Nowadays, it is important to consider how to protect the value, but as for the aspect of information security, what measures are you taking?

**Fujinaka** We use extreme caution when taking measures for information security. We don't allow anyone to access our internal network from outside. We hear some saying that we are being overly cautious, but under the current situation, we still give top priority to risk avoidance. I think this is something we need to address in overseas countries as well.

**Tomiyasu** So you are also dealing with matters related to overseas activities in-house. My previous company relied on specialized agencies for overseas matters, but I felt that people's ways of thinking were significantly different from country to country. I think it's very important to come up with risk avoidance measures suitable for the circumstances of each country.

Employees' challenges lead to the resolution of social issues

**Fujinaka** Currently, we are visiting bases throughout Japan toward the formulation of our next long-term vision. I would appreciate it if Ms. Tomiyasu could join us and feel the atmosphere of our base. At the same time, I would also like you take a tour to our factories and office.

**Tomiyasu** I really want to go on a factory tour. You can tell the future of a company if you look at its employees. Before becoming an Outside Director, I visited IWAKI, when I was really impressed by employees' proper decorum. I remember I noticed that the company is committed to realizing comfortable working environments and developing its human resources.

**Fujinaka** I believe that if employees grow through their work, it will lead to the growth of the company. Going forward, I would like to further increase opportunities for employees to take on challenges. I believe that flexibly and proactively solving customers' issues and social issues through developing products and cultivating markets will pave the way for the future. The next era will be created mainly by people in their 30s and 40s now. I would like to promote bottom-up organizational operation in which the opinions of these people are respected.

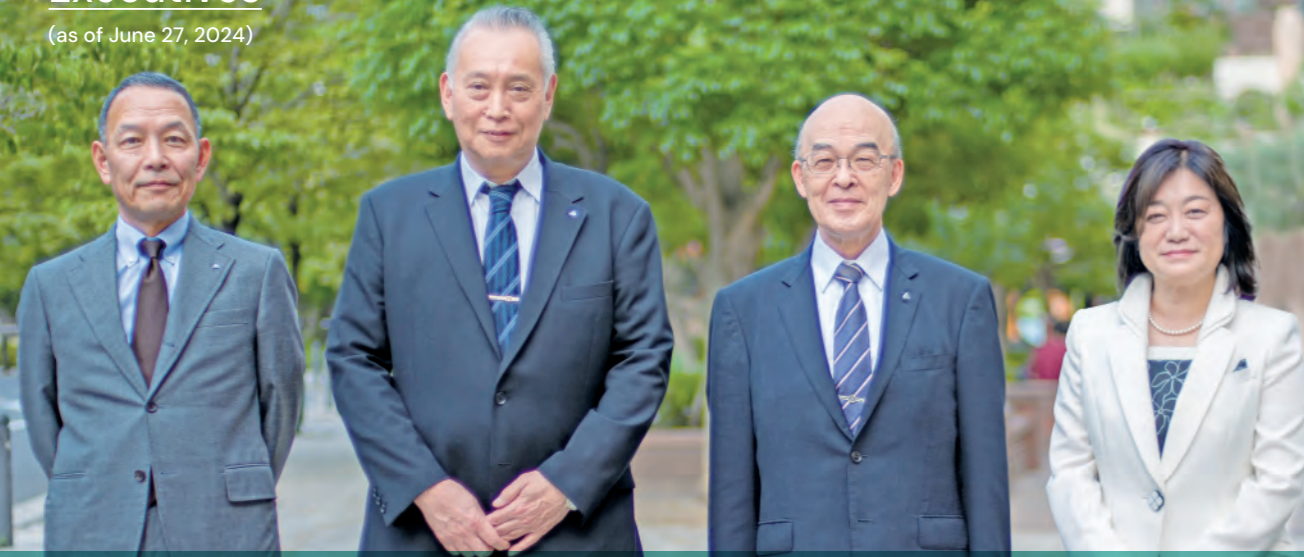
**Tomiyasu** As an Outside Director, I would like to exert myself to contribute to IWAKI's growth.

Sustainability

Strengthening governance and ensuring compliance

Executives

(as of June 27, 2024)



**Shigeru Fujinaka**  
President  
(Representative Director)

April 1989  
January 2006  
May 2006  
February 2007  
February 2008  
February 2009

Joined IWAKI CO., LTD.  
General Manager of Technical Planning & Promotion Department, Engineering Head Office of IWAKI  
Director, General Manager of Corporate Planning Office of IWAKI  
Executive Director, General Manager of Corporate Planning Office of IWAKI  
Senior Executive Director of IWAKI  
President of IWAKI (current)

**Hideki Uchida**  
Senior Executive Director

April 1981  
January 2009  
June 2010  
June 2011  
June 2015  
June 2020

Joined IWAKI CO., LTD.  
Executive Officer, Deputy Senior General Manager of Domestic Sales Head Office of IWAKI  
Director, Senior General Manager of Product Planning Head Office  
Senior General Manager of Domestic Sales Head Office of IWAKI  
Executive Director of IWAKI  
Senior Executive Director of IWAKI

**Toshihiro Kayahara**  
Outside Director

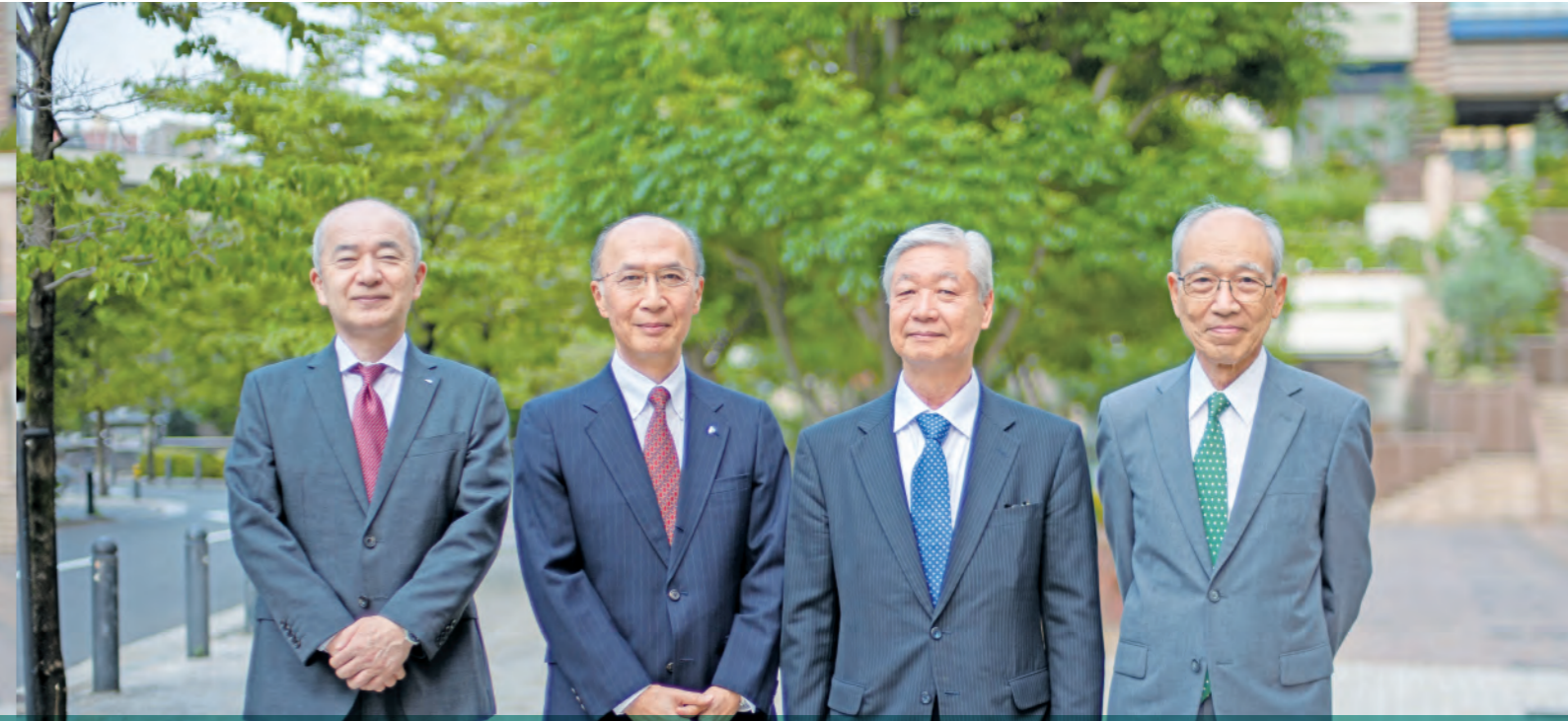
April 1974  
June 1991  
April 1994  
June 1995  
June 1998  
June 2003  
October 2009  
April 2010  
June 2011

Joined MILRA Co.,LTD.  
Director, General Manager of Technical Department of the company  
President of Mura Institute of Research & Development  
Executive Director of the company  
Senior General Manager of Techno Business  
Executive Director of the company  
Senior General Manager of Boiler Business  
Executive Director of the company  
Senior General Manager of R&D Department  
Technical advisor, Ehime University Faculty of Engineering  
Part-time Lecturer, Okayama University of Science Faculty of Engineering  
Outside Director of IWAKI (current)

**Takako Tomiyasu**  
Outside Director

March 1988  
April 2013  
April 2014  
May 2015  
April 2020  
June 2024

Joined JAPAN ENVIROTEC INDUSTRY CO., LTD.  
Worked at Koyama Center, Tokyo Branch  
Acting General Manager, and Office Manager of Koyama Center  
Senior General Manager for Sales Planning Division and Eastern Area  
Senior General Manager and Director for Sales Planning Division and Eastern Area of the company  
Senior General Manager at Sales Head Office and Director for Sales Planning Division of the company  
Outside Director of IWAKI (current)



**Takafumi Kojima**  
Full-time Audit & Supervisory Board Member

April 1982  
April 2011  
April 2012  
April 2019  
June 2019

Joined IWAKI CO., LTD.  
Deputy General Manager of Sales Affairs Department  
General Manager of Sales Affairs Department  
Supervisor in charge of Sales Affairs, Sales Affairs Section, Sales Affairs Department  
Audit & Supervisory Board Member of IWAKI (current)

**Ichiro Miyake**  
Full-time Audit & Supervisory Board Member

April 1980  
June 1992  
March 2001  
April 2008  
January 2012  
January 2013  
February 2013  
April 2013  
June 2016

Joined Hitachi Cable, Ltd.  
Assigned to Global Business Division of the company  
General Manager of Export Department No.2, Global Business Division of the company  
Seconded to The Japanese Electric Wire & Cable Makers' Association, General Manager of General Administration Department  
General Manager of Sales Management Department and Manager of Export Control Office, Hitachi Cable, Ltd.  
Resigned from Hitachi Cable, Ltd.  
Joined IWAKI CO., LTD.  
General Manager of Security Export Control Office of IWAKI  
Audit & Supervisory Board Member of IWAKI (current)

**Masahiro Nagasawa**  
Outside Audit & Supervisory Board Member

April 1979  
October 1981  
April 1984  
March 1985  
September 1989  
August 2002  
July 2012  
June 2013  
May 2014  
February 2014

Joined Araki Tax and Accounting Office  
Entered PricewaterhouseCoopers Japan LLC (current PricewaterhouseCoopers Japan LLC)  
Joined Shinwa Audit Corporation (current KPMG AZSA LLC)  
Registered as a certified public accountant  
Assigned to Ernst and Young San Francisco Office  
Representative partner at Asahi & Co. (currently KPMG AZSA LLC)  
Representative of Nagasawa CPA firm (current)  
Outside Audit & Supervisory Board Member of IWAKI (current)  
Appointed Outside Audit & Supervisory Board Member of Tokyo Individualized Educational Institute Inc (current)  
Outside Audit & Supervisory Board Member of Hinokiyu Holdings Co., Ltd. (current Hinokiyu Group Co., Ltd.)

**Yoshinori Hosoya**  
Outside Audit & Supervisory Board Member

April 1971  
September 1975  
September 1976  
January 2002  
January 2004  
June 2009  
June 2019

Registered as an attorney at law  
Entered Ishii Law Office  
Joined Graham & James (San Francisco, U.S.)  
Joined Konaka Toyama & Hosoya  
Partner of Jones Day Showa  
Representative attorney of Keiwa Sogo Law Offices (current)  
Outside Audit & Supervisory Board Member of Nippon Susan Kaisha, Ltd.  
Outside Audit & Supervisory Board Member of IWAKI (current)

Appointment of Executives

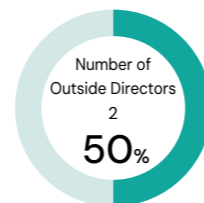
The Articles of Incorporation of the company stipulates that the number of Directors is 15, and that their office term is two years. The Articles of Incorporation also stipulates that the number of Audit & Supervisory Board Members is five, and that their office term is four years. Currently, there are eight executive members: one President and Director (representative director), one Senior Executive Director, two Outside Directors, two Full-time Audit & Supervisory Board Members, and two Outside Audit & Supervisory Board Members. Executives are elected by the Board of Directors, and then appointed at an Annual General Meeting of Shareholders. Of these executives, there are four independent executives, and the company has designated all Outside Executives who meet the qualifications for independent executives (two Outside Directors and two Outside Audit & Supervisory Board Members) as independent executives. Our company annually discloses information on the candidates for Directors and Audit & Supervisory Board Members, as well as the status of important concurrent posts held by Directors and Audit & Supervisory Board Members, in reference documents for the Notice of Annual General Meeting of Shareholders, business reports, and other disclosure documents. Based on the status of statements, questions and answers, and discussions made by each Director at Board of Directors meetings, it is evaluated that our decision-making functions and supervisory functions for business execution by Directors are working effectively. We continue to conduct evaluations on the effectiveness of our Directors and Audit & Supervisory Board Members. For the summary of the results, please refer to "Evaluation of the Effectiveness of the Board of Directors" on page 48.

Composition of Directors

A total of four members serve as Directors: one President and Director (Representative Director), one Senior Executive Director, and two Outside Directors. Our company holds a Board of Directors meeting once a month, attended by Directors and Audit & Supervisory Board Members, in which decisions on important matters are made, deliberations and exchanges of views are conducted, and individual Directors cooperate to supervise the status of business execution.

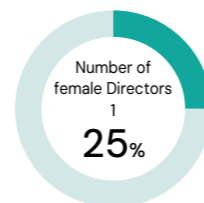
Independence (ratio of Outside Directors)

Of the four Directors, there are two Outside Directors, meaning the ratio of Outside Directors is 50%.



Diversity (female ratio)

Of the four Directors, there is one female Director, meaning the ratio of female Directors is 25%.



Main expertise and experience of Directors/Audit & Supervisory Board Members (skill matrix) \*◎: Main, ○: Secondary

Title	Name	Expertise and experience								
		Overall business/management	Manufacture/Technology/R&D	Marketing/Sales	Financial affairs/Accounting/Finance	IT/Digital	Sustainability	Legal affairs/compliance	Personnel strategies	Global business
Director	Shigeru Fujinaka	◎	◎	○	○	○	○	○	○	◎
	Hideki Uchida	◎	○	◎	○		○	○	◎	◎
	Toshihiro Kayahara (Outside Director)	◎	◎	◎						
	Takako Tomiyasu (Outside Director)	◎		◎						
Audit & Supervisory Board Member	Takafumi Kojima			◎					◎	
	Ichiro Miyake			◎						◎
	Masahiro Nagasawa (Outside Audit & Supervisory Board Member)				◎					◎
	Yoshinori Hosoya (Outside Audit & Supervisory Board Member)							◎		◎



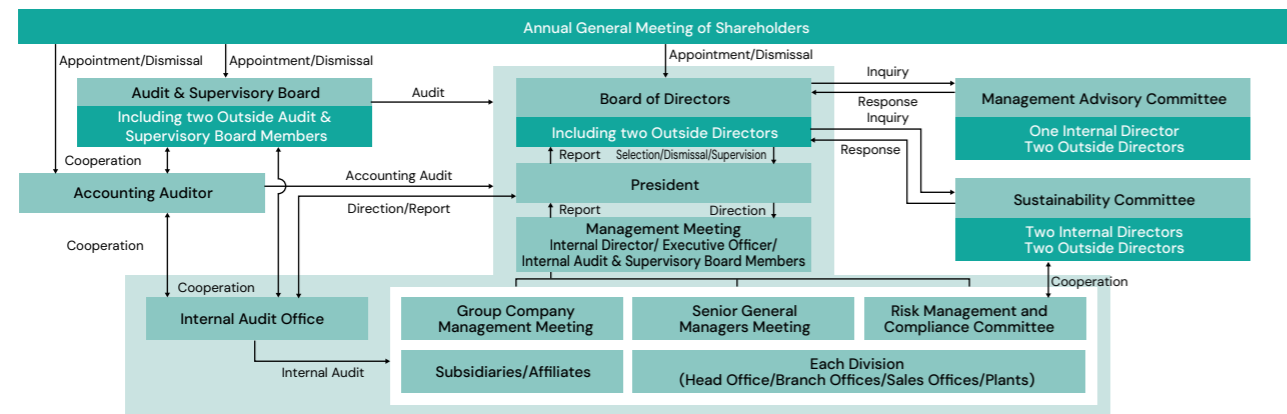
Sustainability

Strengthening governance and ensuring compliance

Basic Views on Corporate Governance

The basic policies for corporate governance of the IWAKI Group are fulfilling its social responsibilities to shareholders, employees, suppliers, communities and all other stakeholders, ensuring strict compliance with corporate ethics and laws and regulations by establishing the basic policy for compliance, and promoting the development and reinforcement of internal control system and risk management system, in order to promote management focused on enhancement of corporate value. Our group recognizes that strengthening corporate governance is essential for maximizing corporate value and further increasing customer satisfaction. We need to further develop and enhance the system and framework of corporate governance in order to promote more efficient and transparent management.

Corporate governance system



In addition to the Annual General Meeting of Shareholders and the Board of Directors, our company has the Audit & Supervisory Board and Accounting Auditors. Additionally, to ensure that the execution of the duties complies with laws and regulations and the Articles of Incorporation, we have established the Internal Audit Office under the direct control of the President as an internal audit department to conduct regular internal audits.

Furthermore, we hold the following meetings on a regular basis as meeting bodies for the purposes of making decisions related to managerial important matters and business execution, enhancing corporate governance, etc.

<b>Board of Directors</b>	It is composed of four Directors including two Outside Directors, and convenes once a month in principle. At Board of Directors meetings, decisions are made regarding matters stipulated by laws and regulations and the Articles of Incorporation, as well as important managerial matters, and deliberations and exchanges of views are conducted. Board of Directors meetings are also attended by four Audit & Supervisory Board Members, who work with individual Directors to oversee the status of business execution.
<b>Audit &amp; Supervisory Board</b>	It is composed of four Audit & Supervisory Board Members including two Outside Audit & Supervisory Board Members, and convenes once a month in principle. The Audit & Supervisory Board deliberates and makes resolutions on important matters pertaining to audits. Audit & Supervisory Board Members attend important meetings, including Board of Directors meetings, receive reports on important matters, and report their contents to the Audit & Supervisory Board as necessary.
<b>Management Meeting</b>	As a rule, this meeting is held once every month, attended by Directors, Audit & Supervisory Board Members, Executive Officers, etc. to make resolutions about basic and important matters concerning business execution, including budgets, entrusted to this meeting by the Board of Directors, other than items to be handled by the Board of Directors.
<b>Senior General Managers Meeting</b>	As a rule, this meeting is held once every month, attended by Directors, Audit & Supervisory Board Members, Executive Officers, Senior General Managers, General Managers, etc., to deliberate in advance on matters to be discussed by the Board of Directors and the Management Meeting, deliberate on basic and important matters pertaining to business execution, and deliberate on budget-related matters.
<b>Group Company Management Meeting</b>	As a rule, this meeting is held once a month, attended by relevant Directors, Audit & Supervisory Board Members, Executive Officers, Senior General Managers, and General Managers, as well as Executives of group companies. The purpose of a Group Company Management Meeting is to deliberate and decide on important matters related to the management and operation of group companies.
<b>Risk Management and Compliance Committee</b>	This committee is composed of Chairperson appointed by the Senior General Manager for General Affairs, Directors, Audit & Supervisory Board Members, Executive Officers, Senior General Managers, General Managers, and external experts (such as a company's legal counsel), and convenes at quarterly intervals in principle. Its purpose is to properly manage risks within the company, prevent the occurrence of risks, and establish and enhance a management system that can take appropriate measures in the unlikely event in which a risk comes up to the surface.
<b>Management Advisory Committee</b>	This committee is comprised of three members, one Representative Director and two Outside Directors, and convenes regularly after the end of each fiscal year and on a temporary basis as necessary. The Management Advisory Committee deliberates on matters related to the remunerations of Directors and Senior Business Executives, as well as their appointment and dismissal, etc., and reports the results of its deliberations to the Board of Directors.
<b>Sustainability Committee</b>	This committee, chaired by the Representative Director deliberates on the formulation of sustainability policies, confirm the status of initiatives to address important issues, and discuss measures to address them. The details of deliberations are submitted to the Board of Directors in the form of suggestions and reports, as appropriate.

Evaluation of the Effectiveness of the Board of Directors

For the improvement of the function of the Board of Directors, we conduct self-evaluation concerning the effectiveness of the Board of Directors every year. The evaluation results for the fiscal year ended March 2024 and future efforts considering these results are as follows.

Timing of implementation: May 2024

Evaluators: All Directors and Audit & Supervisory Board Members (Directors: 4, Audit & Supervisory Board Members: 4)

Evaluation results

Composition of Directors	Preparation by Directors	Operation by Directors	Revitalization of the Board of Directors	Relationships with shareholders
<b>FY3/24 evaluation</b> The view has been expressed that there were issues with the size and diversity of the Board of Directors.	<b>FY3/24 evaluation</b> The view has been expressed that there were issues with the prior distribution of materials for the Board of Directors meetings.	<b>FY3/24 evaluation</b> Highly evaluated and received generally positive reviews.	<b>FY3/24 evaluation</b> Highly evaluated and received generally positive reviews.	<b>FY3/24 evaluation</b> Highly evaluated and received generally positive reviews.

Future efforts

With the results of the evaluation in mind, we will endeavor to resolve issues and continue to conduct self-evaluation on the Board of Directors for the further improvement of its effectiveness.

Internal Control System

Under our mission of "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," our group believes that the establishment and operation of internal control is an important managerial issues for the sound and sustainable development of our business. Based on this belief, we have established the Basic Policy Pertaining to the Development of the Internal Control System in accordance with the provisions of the Companies Act and the Ordinance for Enforcement of the Companies Act, as well as the Financial Instruments and Exchange Act.

Remuneration, etc. of executives

Remuneration for executives

The remuneration system is designed to be linked to shareholder's interests, as well as for remuneration to reach a level that will enable us to secure excellent managerial talents with the aim of contributing to the long-term sustainable increase in corporate value. Remuneration for directors consists of basic remuneration, performance-linked remuneration, and non-monetary remuneration (restricted stock unit), with the total remuneration approved at the Annual General Meeting of Shareholders as its upper limit.

<b>Basic remuneration policy</b>	Basic remuneration is obtained by multiplying the monthly basic unit of remuneration for Directors (basic amount), which is calculated based on the highest annual salary of an employee, by the coefficient for each position.
<b>Policy pertaining to performance-linked remuneration, etc.</b>	The performance indicator for performance-linked remuneration, etc. is a combination of net income, its budget achievement rate, and EPS growth rate.
<b>Policy pertaining to non-monetary remuneration, etc.</b>	The performance indicator for non-monetary remuneration, etc. is a combination of net income, its budget achievement rate, and EPS growth rate for the following year's budget.

Remuneration for Outside Directors

It consists solely of monthly basic remuneration, which is determined by the Board of Directors according to the roles and division of duties.

Remuneration of Audit & Supervisory Board Members

It consists solely of monthly basic remuneration, with the total remuneration approved at the Annual General Meeting of Shareholders as its upper limit. Remuneration for each Audit & Supervisory Board Member is a fixed payment based on his or her role and division of duties, which is determined by discussion among the Audit & Supervisory Board Members.

Results of remuneration for executives

Category	Total amount of remunerations, etc. (million yen)	Total amount of remunerations, etc. by type (million yen)			Number of applicable executives
		Basic remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors (Of which, Outside Directors)	427 (16)	186 (16)	163 (0)	77 (0)	4 (2)
Audit & Supervisory Board Members (Of which, Outside Audit & Supervisory Board Members)	58 (15)	58 (15)	0 (0)	0 (0)	4 (2)
<b>Total (Of which, Outside Executives)</b>	<b>486 (31)</b>	<b>245 (31)</b>	<b>163 (0)</b>	<b>77 (0)</b>	<b>8 (4)</b>

## Strengthening governance and ensuring compliance

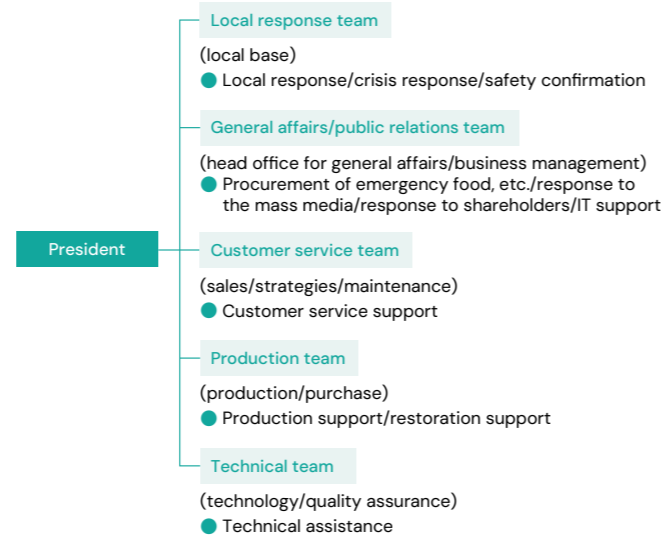
### Business Continuity Plan (BCP)

We plan our actions for each of the four crisis response phases beforehand and take optimum response measures.

#### Basics of the business continuity plan (BCP)

<b>First phase</b>	Collecting information, understanding damage situation, declaring a state of emergency, and implementing business continuity plans
<b>Second phase</b>	Restoring the functions of the head office and communication functions (system recovery), and establishing a countermeasure project team (PJC)
<b>Third phase</b>	Recovering product supply 1. Supplying products from stock at each factory and warehouse 2. Supplying products by partially resuming production at each factory using off-the-shelf parts 3. Considering alternative production bases, and implementing product supply 4. Cooperating with affected affiliates by supporting their production resumption 5. Supplying products by starting to stock parts and resuming production in full scale at each factory
<b>Fourth phase</b>	Recovering service and resuming business activities

#### Formation of the countermeasures project team (PJC)



#### READ MORE

For more information about Business Continuity Plan (BCP), please check the QR code.



### Basic Policy for Compliance

<b>01</b> Compliance with laws and regulations and social guidelines	<b>09</b> Prohibition of receipt of entertainment and gifts
<b>02</b> Elimination of anti-social forces	<b>10</b> Education and training and workplace environment
<b>03</b> Unrestricted competition and fair business transactions	<b>11</b> Management of security export control
<b>04</b> Respect of intellectual property rights	<b>12</b> Activities for the appropriate disclosure of information
<b>05</b> Respect for human rights	<b>13</b> Quality and safety of products
<b>06</b> Environmental measures	<b>14</b> Initiatives for information security
<b>07</b> Prohibition of bribery of government officials and others	
<b>08</b> Prohibition of bribery of individuals other than government employees	

#### READ MORE

For more information about Basic Policy for Compliance, please check the QR code.



## IR Activities and Stock Information

### About IR activities

Based on the policy of proactively engaging in dialogue with our shareholders and investors to help them better understand our company and contribute to the company's sustainable growth and medium- to long-term improvement of corporate value, the IR department takes a leading role in conducting constructive dialogue.

#### Results of briefings, etc. (FY3/23)

Activity	Performance	Content
Financial results briefing for analysts	Twice (2nd quarter and 4th quarter)	We provide explanation about financial results (including earnings forecasts) and details of future initiatives to institutional investors and securities analysts in May (4th quarter) and November (2nd quarter).
Separate IR briefing for analysts	64 times	After each quarterly settlement, we hold a question-and-answer session to provide explanation about our business operations, financial results, and details of initiatives to institutional investors and securities analysts.
Company information session for individual investors	3 times*	We provide explanations about our business operations, business models, shareholder returns, etc. to individual investors. We set up our booth at a large event for individual investors about once a year.

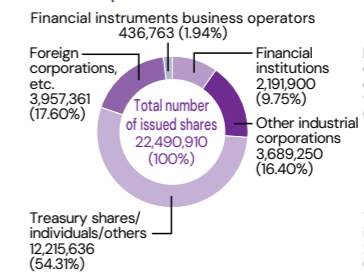
\* Including an exhibition at the large event

### Stock information (as of March 31, 2024)

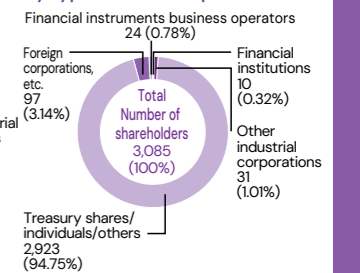
Major Shareholders (Top 10) \* The shareholding ratios were calculated with the number of treasury shares deducted.

Names of shareholders	Number of shares owned	Shareholding ratio
Kabushiki-gaisha Fujinaka Holdings	2,700,000	12.23%
Shigeru Fujinaka	1,828,373	8.28%
Rumi Fujinaka	1,727,020	7.82%
CHARON FINANCE GMBH PRESIDENT OF MANAGEMENT VERDER ANDRIES JAN	1,661,100	7.52%
IWAKI Employee Stock Ownership Association	1,516,140	6.86%
The Master Trust Bank of Japan, Ltd.	1,515,200	6.86%
IWAKI Sangyo Kabushiki-gaisha	856,750	3.88%
Yuko Fujinaka	692,470	3.13%
CACEIS BANK, LUXEMBOURG BRANCH/AIF CLIENTS ASSETS	575,400	2.60%
Custody Bank of Japan, Ltd.	570,400	2.58%

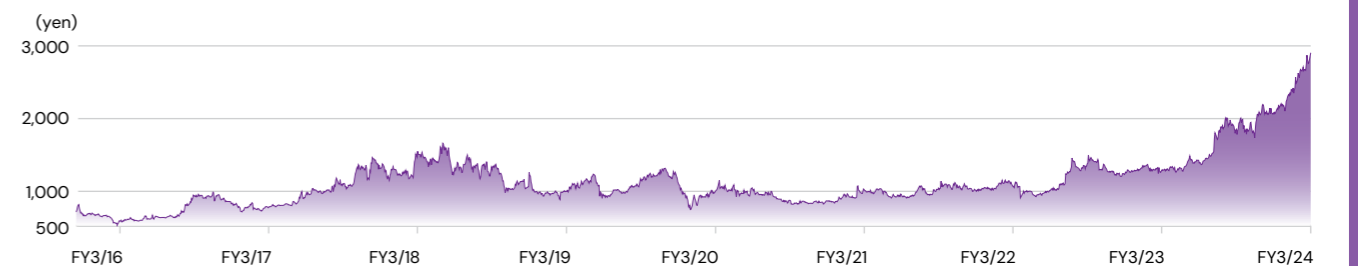
#### Distribution of shares by type of ownership



#### Distribution of shareholders by type of ownership



### Changes in stock prices



### Editor's postscript

Management Planning Section, Management Administration Control Department, Business Management Head Office

Thank you very much for reading our Integrated Report 2024. We are delighted to be able to deliver our first integrated report to our stakeholders. We would also like to express our gratitude to all the people involved who collaborated in its production.

This integrated report is designed to provide a deeper understanding of our business activities based on the

group's philosophy, as well as to comprehensively convey our initiatives looking ahead to the future.

We will continue to sincerely engage in business activities to contribute to the development of society and the welfare of people, and will work for the further expansion of disclosure to enhance our corporate value.