

Iwatani

FY 2021 Financial Results
(Fiscal Year Ended March 31, 2022)

May 20, 2022

Iwatani Corporation

- **FY 2021 Overview**
- **FY 2022 Forecasts**
- **Growth Strategies**

FY 2021 Overview

Analysis of Net Sales

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(Unit: 100 million Yen)

	FY21 Results (A)	FY20 Results (B)	Year-on-Year (A)-(B)	FY21 Forecast *
Net sales	6,903	5,622	+1,281	6,840
Gross profit	1,917	1,762	+155	-
Operating profit	400	293	+107	380
Non-operating profit	63	48	+15	50
Ordinary profit	464	341	+122	430
Ordinary profit except for impact of LPG import price fluctuation	384	323	+60	-
Profit attributable to owners of parent	299	230	+69	270

Changes in Net Sales

The chart illustrates the breakdown of the net sales increase from FY20 to FY21. Starting with a base of 5,622 in FY20, the total sales reached 6,903 in FY21. The increase is primarily driven by the Energy segment (+734), followed by Industrial Gases & Machinery (+122) and Materials (+392). Other segments like Agri-bio & Foods (+30) and Others (+1) also contributed to the overall growth. The total increase of +1,281 represents a 22.8% increase over the previous year.

6,903

+1,281 (+22.8%)

FY20 **FY21**

* Figures for FY21 Forecast were announced on Feb 4, 2022.

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Net Sales increased by JPY128.1 billion or up 22.8% to JPY690.3 billion YoY due to an increase in sales of main products, mainly for the industrial field, an increase in sales in all segments, and a high LPG import price.

Gross profit increased by JPY15.5 billion or up 8.8% YoY to JPY191.7 billion, due to increased sales of mainstay products and the positive impact of market factors for LPG.

Analysis of Operating Profit

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(Unit: 100 million Yen)

	FY21 Results (A)	FY20 Results (B)	Year-on-Year (A)-(B)	FY21 Forecast *
Net sales	6,903	5,622	+1,281	6,840
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Changes in Operating Profit

The chart illustrates the components of the operating profit change. Starting from Energy (293) in FY20, the following segments contributed to the FY21 total of 400: Industrial Gases & Machinery (+57), Agri-bio & Foods (+25), and Materials (+25). Adjustments of -1 and -0 were made from Agri-bio & Foods and Others, respectively. The final FY21 total is 400, which is an increase of 107 (36.5%) from the FY20 total of 293.

* Figures for FY21 Forecast were announced on Feb 4, 2022.

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Operating profit increased by JPY10.7 billion or up 36.5% YoY to JPY40 billion due to a JPY4.7 billion increase in SG&A expenses because of higher distribution costs associated with increased sales and higher depreciation expenses associated with capital investments.

Non-operating profit improved by JPY1.5 billion from the previous year due to increased equity in earnings of affiliates and other factors, and ordinary profit increased by JPY12.2 billion, or 35.9%, from the previous year to JPY46.4 billion.

Profit attributable to owners of parent increased by JPY6.9 billion YoY to JPY29.9 billion. As a result, we achieved record profits for the seventh consecutive year.

Then, by segment, I will first briefly explain the impact of LPG import price fluctuations on our business performance.

Impact of LPG Import Price Fluctuations



① Wholesale price is based on LPG Import Price

② From LPG import to sale takes 3 months

Wholesale Price \propto LPG Import Price*

* The price consists of “CP” (from the middle east) and “MB” (from the U.S).

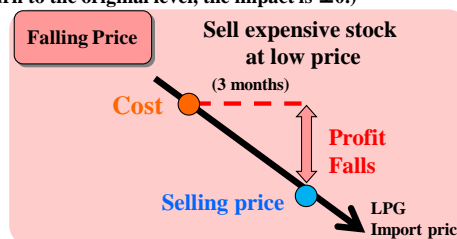
CP (Contract Price): Import price from the Middle East

MB (Mont Belvieu): Import price from the United States



Short-term impact of market fluctuations

(If LPG import price fluctuations return to the original level, the impact is ± 0 .)*



*The actual impact on performance varies depending on inventory volume, sales timing (season), sales volume and other factors.

We import LPG from the Middle East and the US to smooth out import price fluctuations, we have a pricing structure with many of our wholesale partners whereby selling prices are linked to import prices.

On the other hand, we use the first-in, first-out (FIFO) method for inventory valuation. However, since it takes time from the import of LPG to the sale of LPG, we have to sell inventory that is approximately three months old when we sell it.

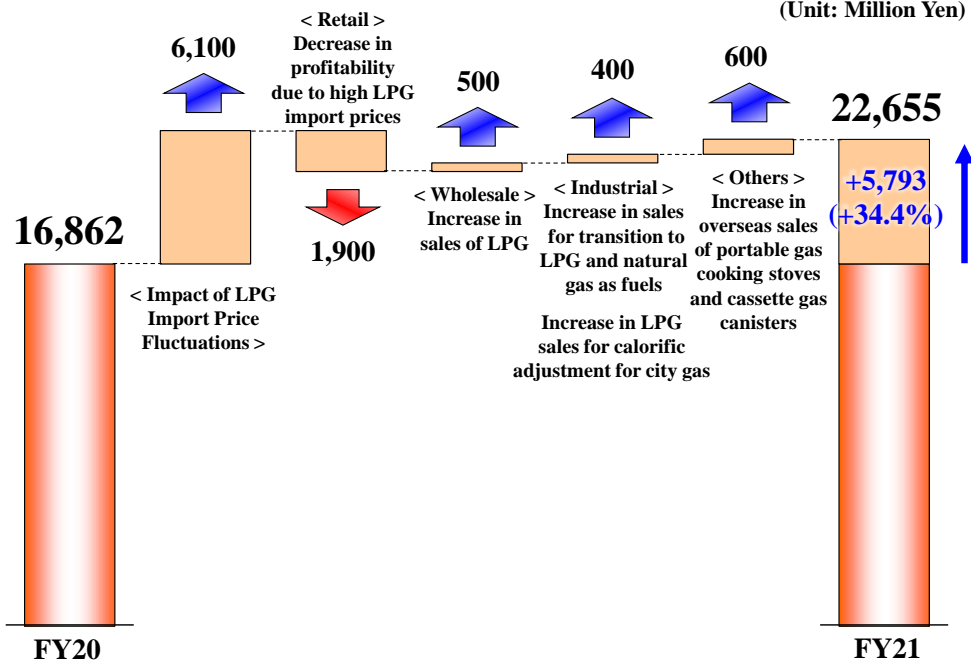
As a result, when the price of LPG imports rises, we will sell low-cost inventory at a higher price, while when it falls, we will sell high-cost inventory at a lower price. These effects are referred to as market factors.

The transition of CP is described on page 28 of the Summary of Financial Results.(in Japanese edition)

Changes in Operating Profit – Energy

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(Unit: Million Yen)



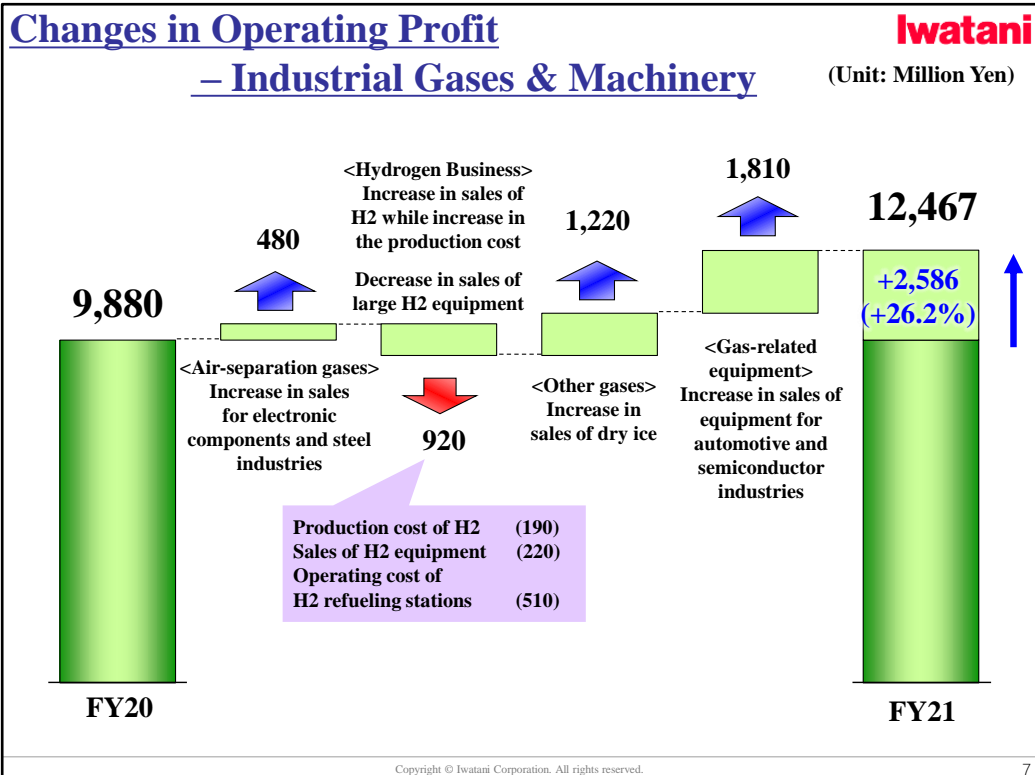
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In the Integrated Energy Business, although profitability in the retail sector declined due to higher LPG import prices, market factors were significantly positive by JPY6.1 billion YoY.

In addition, operating profit increased by 34.4% to JPY22.6 billion due to expanded wholesale sales, mainly of commercial-use LPG, an increase in fuel conversion projects for the low-carbon society, and increased sales of portable gas cooking stoves and gas canisters overseas.

As of the end of March, the number of LPG direct sales customers was 1.03 million.



In the Industrial Gases & Machinery Business, sales of air separation gases (oxygen, nitrogen, and argon) increased mainly to the electronic components industry, despite higher production costs due to higher electricity rates.

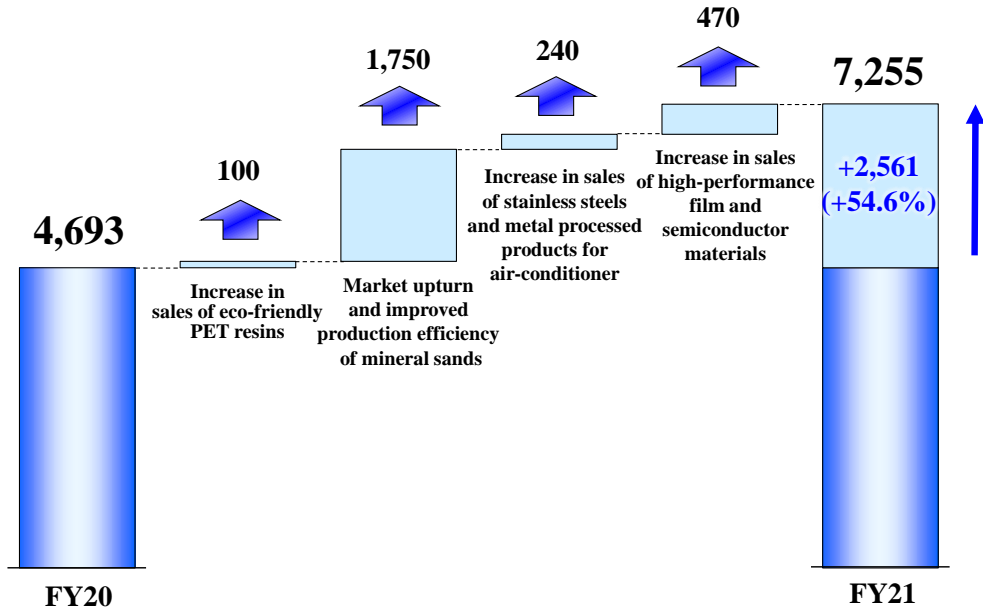
In the Hydrogen Business, hydrogen gas sales increased due to a recovery in user operations, but earnings declined due to higher production costs, including electricity, and a decrease in large projects at hydrogen-related facilities. However, the hydrogen business as a whole is profitable.

In addition, sales of specialty gases, such as dry ice for the new coronavirus vaccine, expanded, and sales of machinery also increased as demand for equipment recovered, resulting in a 26.2% increase in operating profit to JPY12.4 billion.

Changes in Operating Profit – Materials

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(Unit: Million Yen)



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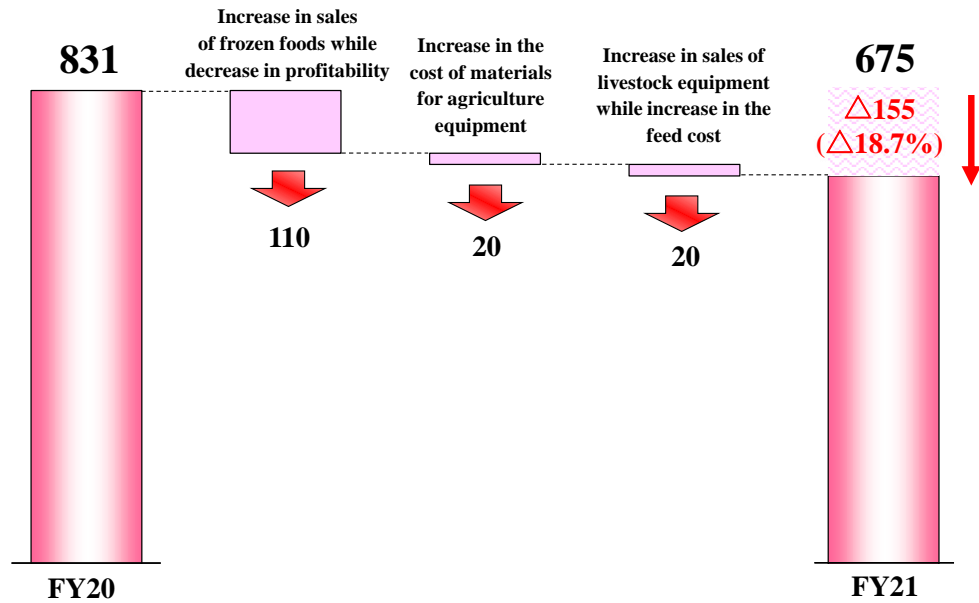
In the Materials business, earnings from mineral sands increased as a result of stable supply amid rising market prices due to supply constraints caused by disruptions in the global supply chain, as well as improved production efficiency at our own mining operations in Australia.

In addition, sales of metal processed products increased, mainly for air conditioners, and sales of high-performance film also grew for smartphones.

As a result, operating profit in this business field increased by 54.6% to JPY7.2 billion.

Changes in Operating Profit – Agri-bio & Foods **Iwatani**

(Unit: Million Yen)



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In the Agri-bio & Foods Business, demand for frozen foods for commercial use recovered and sales of frozen foods for general consumers increased, but procurement costs and distribution costs rose.

Sales of agricultural and livestock equipment also increased, but material and other costs rose.

As a result, operating profit was JPY600 million, down 18.7%.

Balance Sheets (Consolidated Basis)

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(Unit: Million Yen)

	FY21 Results (A)	FY20 Results (B)	(A) - (B)	Major factors for changes etc.
Current assets	2,594	2,221	+373	Increase in notes and accounts receivable - trade and inventory
Property, plant and equipment	1,857	1,780	+77	Investment in hydrogen-refueling station, LPG centers and gas plant etc.
Intangible assets	161	174	(13)	
Investments and other assets	970	943	+26	
Fixed assets	2,990	2,899	+91	
Total assets	5,584	5,120	+464	
Current liabilities	1,863	1,709	+153	Increase in short-term debt
Long - term liabilities	918	874	+44	Increase in bonds payable due to issuance of green bonds
Total liabilities	2,781	2,584	+197	Decrease in long-term debt Interest-bearing debt, gross 1,111 Ratio of interest-bearing debt to total assets 19.9%
Equity capital	2,701	2,441	+259	Capital ratio 48.4%
Non-controlling interests	101	94	+7	
Net assets	2,803	2,535	+267	
Total liabilities and net assets	5,584	5,120	+464	

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I will explain the main financial conditions.

Total assets at the end of March were JPY558.4 billion, up JPY46.4 billion from the end of the previous fiscal year. Shareholders' equity increased by 25.9 billion from the end of the previous period to JPY270.1 billion, and as a result, the equity ratio improved by 0.7 percentage points to 48.4%.

On the other hand, interest-bearing debt increased by JPY14.9 billion from the end of the previous fiscal year to JPY111.1 billion due to an increase in working capital, and the dependency ratio on interest-bearing debt increased by 1.1 percentage points to 19.9%.

Statement of Cash Flows

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(Unit: Million Yen)

	FY21 Results (A)	FY20 Results (B)	(A) - (B)
Cash flows from operating activities	130	487	(357)
Cash flows from investing activities	(319)	(288)	(31)
Free cash flows	(188)	199	(388)
Cash flows from financing activities	80	(70)	+150
Effect of exchange rate changes, etc. *	19	4	+15
Net increase (decrease) in cash and cash equivalents	(88)	133	(221)
Cash and cash equivalents at beginning of period	384	251	+133
Cash and cash equivalents at end of period	295	384	(88)

* "Effect of exchange rate changes, etc." are the sum of "Effect of exchange rate changes", "Increase (decrease) in cash and cash equivalents due to changes in scope of consolidation" and "Increase in cash and cash equivalents resulting from merger with nonconsolidated subsidiaries".

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I will explain about cash flow.

Cash flows from operating activities decreased by JPY35.7 billion from the previous year to JPY13 billion, mainly due to an increase in trade receivables and inventories, while Cash flows from investing activities was negative JPY31.9 billion, mainly due to investments to strengthen the supply system for LPG, various industrial gases, and investment related to hydrogen-refueling stations, resulting in a cash flow of negative JPY18.8 billion.

As for Cash flows from financing activities, the Company received JPY8 billion, mainly due to the issuance of bonds.

FY 2022 Forecasts

FY2022 Forecasts

Iwatani

(Unit: Million Yen)

	FY22 Forecasts (A)	FY21 Results (B)	(C) (A) - (B)	(C) / (B)
Net Sales	8,030	6,903	+1,126	+16.3%
Energy	3,592	3,271	+320	+9.8%
Industrial Gases & Machinery	2,282	1,843	+438	+23.8%
Materials	1,806	1,509	+296	+19.6%
Agri-bio & Foods	307	233	+73	+31.3%
Others	43	45	(2)	(5.2%)
Operating Profit	350	400	(50)	(12.7%)
Energy	156	226	(70)	(31.1%)
Industrial Gases & Machinery	134	124	+9	+7.5%
Materials	82	72	+9	+13.0%
Agri-bio & Foods	11	6	+4	+62.8%
Others, Adjustments	(33)	(29)	(3)	-
Ordinary Profit	410	464	(54)	(11.7%)
Ordinary profit except for impact of LPG import price fluctuation	410	384	+25	+6.7%
Profit attributable to owners of parent	265	299	(34)	(11.6%)
Assumptions	1 st Half Ave. exchange rate 120 Yen/USD, Ave. CP USD 700/ton 2 nd Half Ave. exchange rate 120 Yen/USD, Ave. CP USD 750/ton			

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However, because market conditions are not expected to be a factor in the forecast, net sales are expected to increase by 16.3% to JPY803 billion, operating profit to decrease by 12.7% to JPY35 billion, ordinary profit to decrease by 11.7% to JPY41 billion, and net profit to decrease by 11.6% to JPY26.5 billion, compared to JPY7.9 billion in market factors that were a significant factor in the current fiscal year.

On a comparative basis, excluding market factors, operating profit is expected to increase by JPY2.8 billion, or up 9%, and ordinary profit by JPY2.5 billion, or up 6.7%, from the previous year.

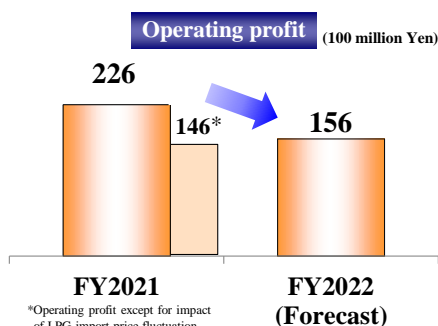
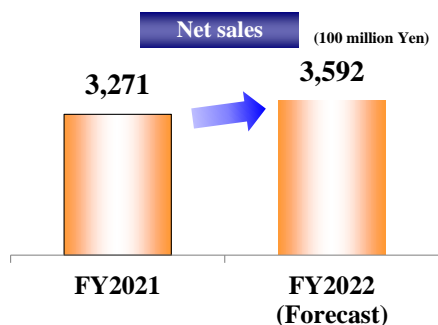
If we achieve the ordinary profit forecast of JPY41 billion, we will clear the target of JPY40 billion set in our mid-term management plan, PLAN 23, one year ahead of schedule.

The assumed exchange rate for the forecast is JPY120 to the USD, and the assumed LPG import price is USD700 per ton for the first half and USD750 per ton for the second half.

Next, I will explain our outlook in each segment.

Forecasts: Energy

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Marketing measures toward achievement of FY2022 forecasts

- Expanding direct sales customers through M&A
- Expanding sales of energy-related equipment and B to C products
- Expanding cartridge gas business
 - Expanding sales of outdoor products in Japan
 - Strengthening overseas expansion in Southeast Asia and the United States

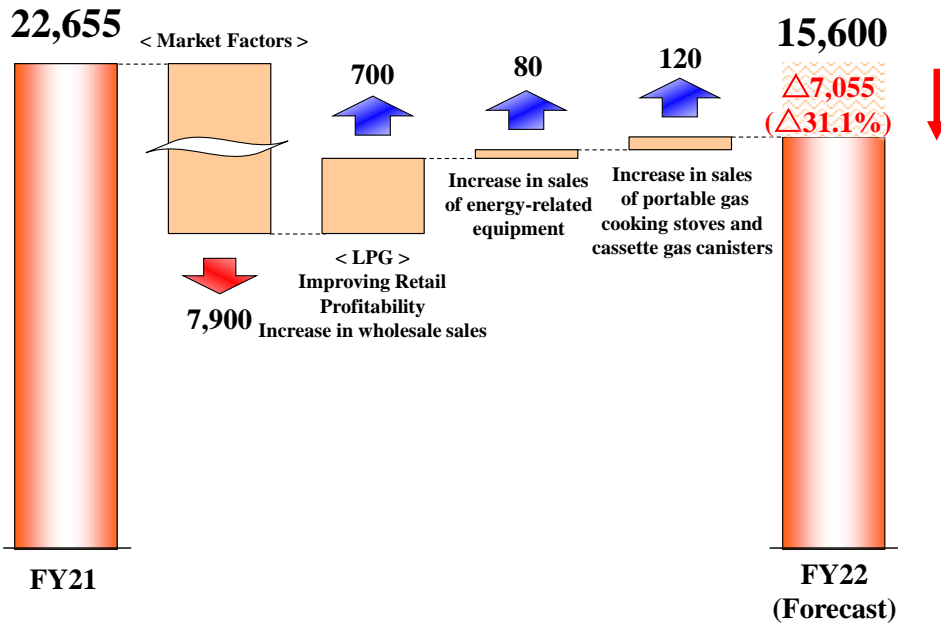
Major risk factors

- ◇ Trends in LPG import price, exchange rate fluctuations
- ◇ Fluctuation of sales volume due to temperature changes

In the Integrated Energy Business, we forecast net sales of JPY359.2 billion, an increase of 9.8%, and operating profit of JPY15.6 billion, a decrease of 31.1%. Excluding market factors, operating profit is expected to increase by JPY900 million, or up 6.2%, since market factors had an impact of JPY7.9 billion in the previous fiscal year but are not expected to have an impact in the current fiscal year.

Forecasts for Changes in Operating Profit – Energy **Iwatani**

(Unit: Million Yen)



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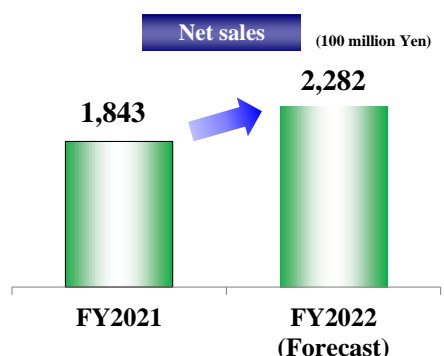
In the LPG business, we will strive to expand sales and ensure profitability by increasing the number of LPG direct customers, passing on appropriate prices, and promoting rationalization and efficiency in delivery.

In energy-related equipment, gas appliances are expected to remain in short supply until the fall of this year due to the shortage of semiconductors and other factors, but we expect sales to gradually recover in the second half of the year and thereafter.

In the Cartridge Gas Business, we will strive to increase demand for outdoor applications and expand sales overseas.

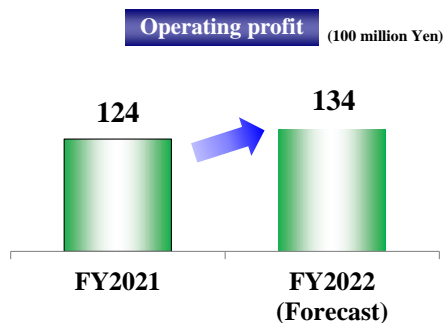
Forecasts: Industrial Gases & Machinery

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Marketing measures toward achievement of FY2022 forecasts

- Increase in sales of air separation gases for growth markets
- Creation of new demand for LH2
- Stable supply of helium and expanding business
- Increase in sales of machinery and equipment for growth markets



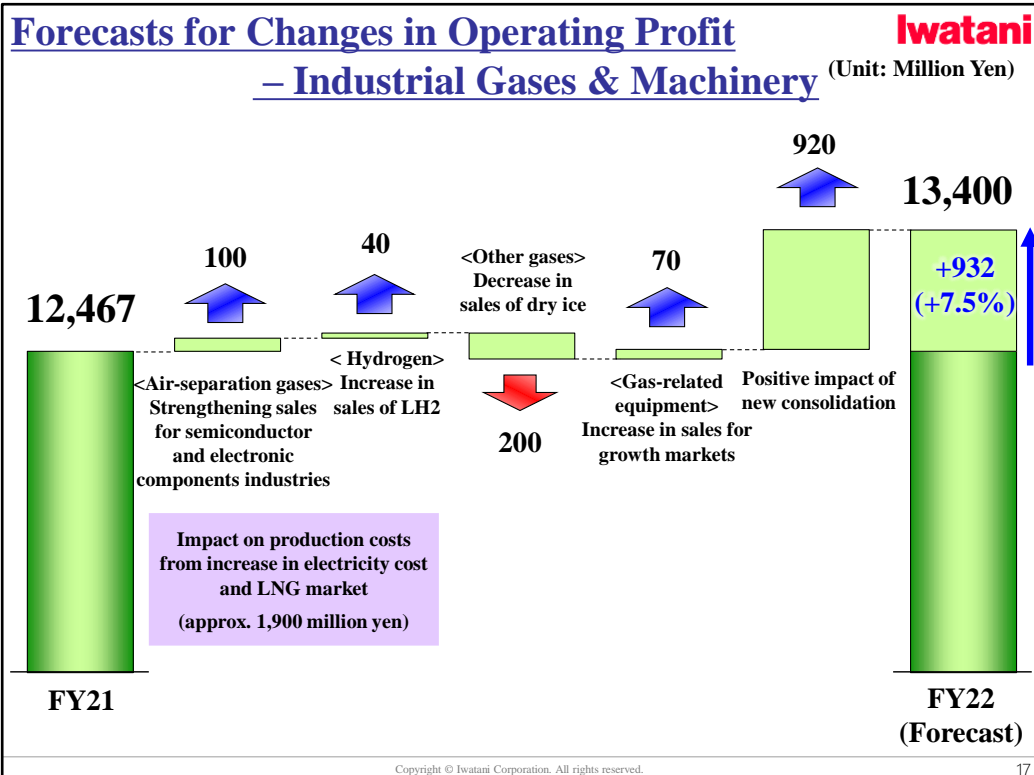
Major risk factors

- ◇ Impact on manufacturing costs from increase in electricity cost and LNG market
- ◇ Exchange rate fluctuations

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In the Industrial Gases & Machinery Business, we forecast net sales of JPY228.2 billion, an increase of 23.8%, and operating profit of JPY13.4 billion, an increase of 7.5%.



We will continue to expand sales of air-separation gases and liquid hydrogen, while at the same time, we will promote appropriate price revisions in response to the increase in production costs caused by the rise in electricity prices.

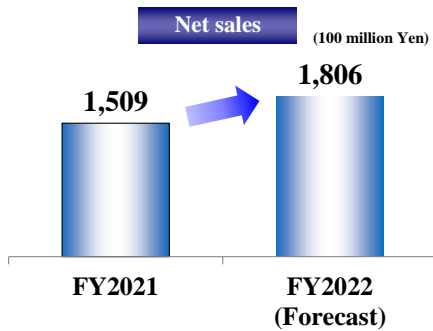
As for specialty gases, we expect a reactionary decline in sales of dry ice, but we will strive to expand sales of helium by strengthening our stable supply system and cultivating new sources, as well as the supply capacity of existing sources, mainly in Qatar and the United States, amid the continuing tight supply and demand situation.

As for machinery and equipment, we will promote sales expansion in growth areas such as semiconductors and environment-related fields.

The impact of the new consolidated subsidiary, Tokico System Solutions, Ltd., on the fiscal year ending March 2023 is expected to be an increase of approximately JPY900 million.

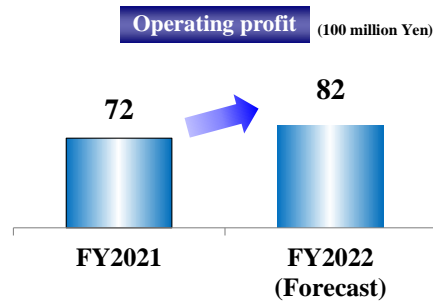
Forecasts: Materials

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Marketing measures toward achievement of FY2022 forecasts

- Expanding mineral sands business
- Strengthening overseas metal processing business
- Expanding sales of environmental products (Eco-friendly PET resins, biomass fuels, and battery-related materials)



Major risk factors

- ◇ Downturn, price fluctuations in resource markets
- ◇ Exchange rate fluctuations

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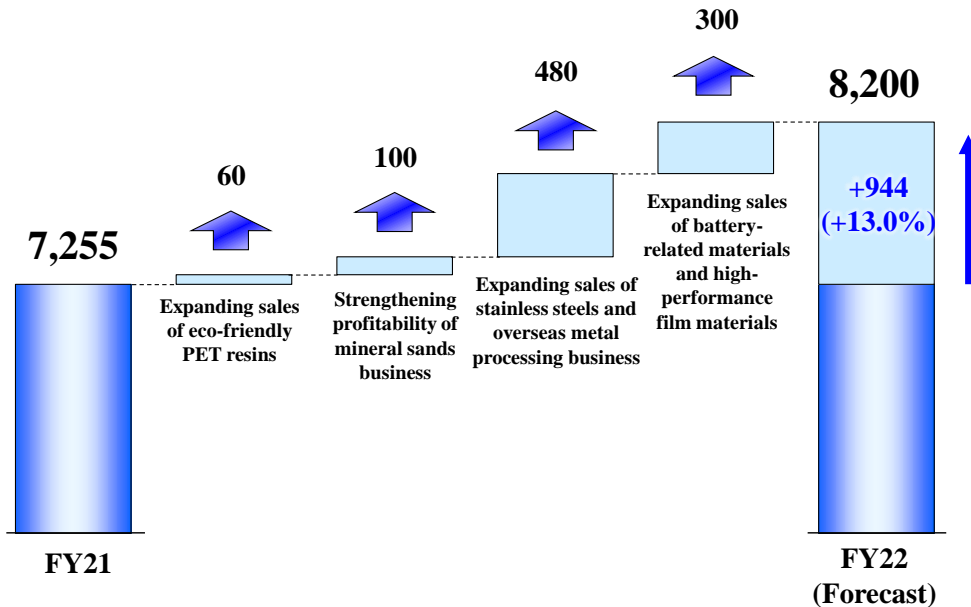
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In the Materials business, we forecast net sales of JPY180.6 billion, up 19.6%, and operating profit of JPY8.2 billion, up 13%.

Forecasts for Changes in Operating Profit

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- Materials (Unit: Million Yen)



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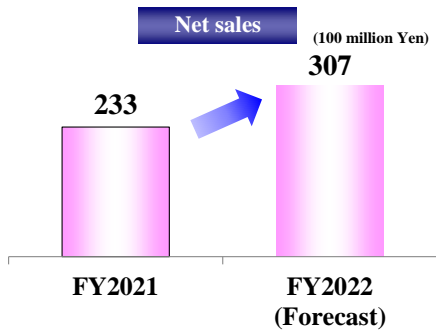
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In the resources business, we will continue to strive for a stable supply of mineral sands and other resources to increase earnings, despite concerns about the global supply side, such as the situation in Russia and Ukraine and the impact of severe coronavirus measures in China.

In addition, we will expand our overseas metal processing business, high-performance film materials for smartphones, and other products in which we have strengths, as well as promote sales of environmental products such as eco-friendly PET resins, biomass fuels, and battery-related materials.

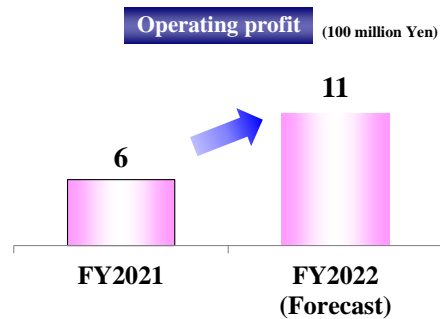
Forecasts: Agri-bio & Foods

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Marketing measures toward achievement of FY2022 forecasts

- Expanding sales of pig breeds
- Expanding sales of equipment for agriculture and livestock



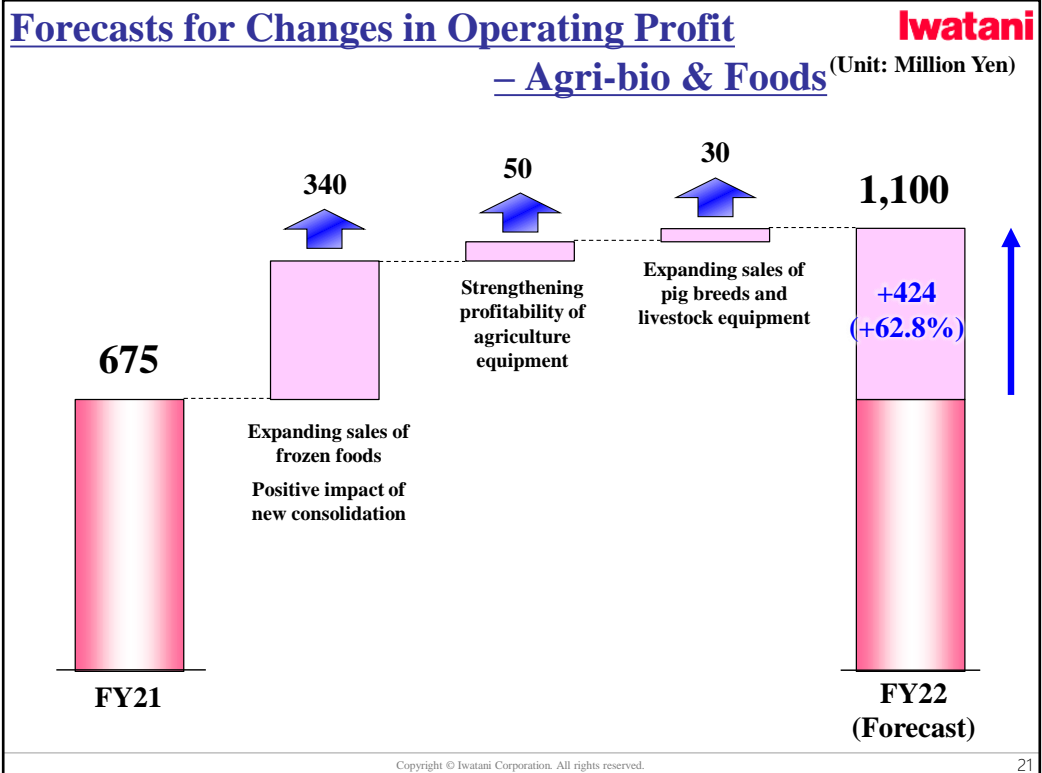
Major risk factors

- ◇ Exchange rate fluctuations
- ◇ Fluctuations in raw material costs
- ◇ Unseasonable weather

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For the Agri-bio & Foods Business, we forecast net sales of JPY30.7 billion, an increase of 31.3%, and operating profit of JPY1.1 billion, an increase of 62.8%.



With the international situation uncertain, there is a need to increase food self-sufficiency. In the pig breeds business, we completed a new addition to our Tohoku farm this month, and we will strive to further expand pig breeds sales.

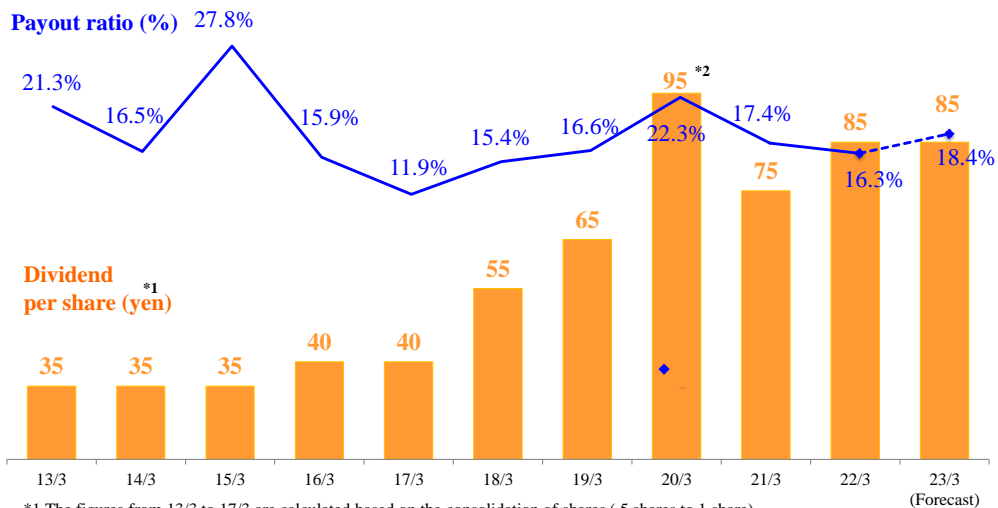
In the Food Business, we will expand sales channels and reduce distribution costs by utilizing the functions of a food distribution company newly added to the Group. Furthermore, we will expand sales of agricultural equipment such as agricultural greenhouses and livestock equipment.

Returns to Shareholders (Consolidated Basis)

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Dividend policy

- Paying continuous and stable dividends
- Returning our profits appropriately in consideration for our performance and business situation



*1 The figures from 13/3 to 17/3 are calculated based on the consolidation of shares (5 shares to 1 share).

*2 Including commemorative dividend: 20 yen

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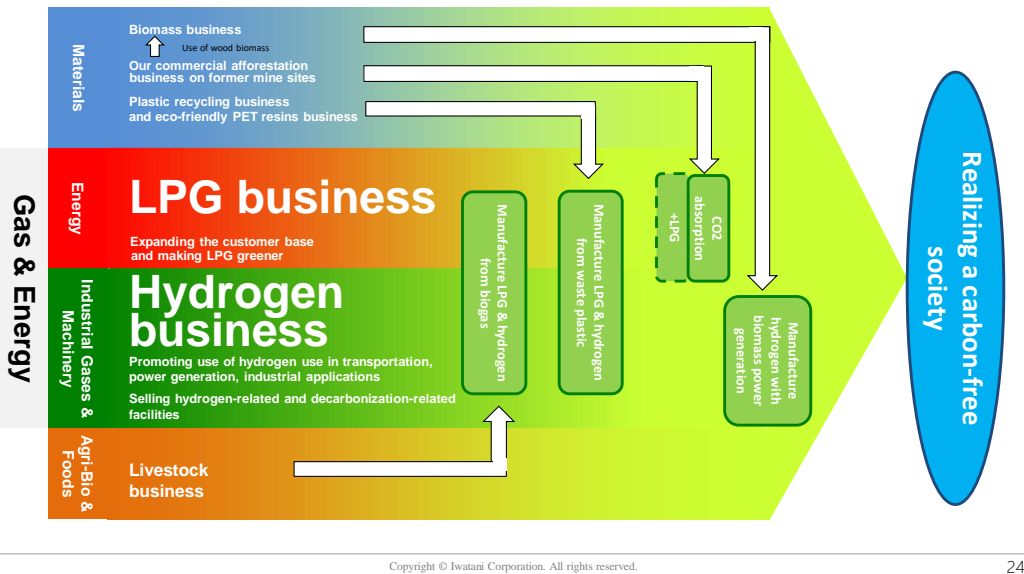
For FY2021, we plan to pay a dividend of JPY85 per share, an increase of JPY10 from our initial forecast, for a consolidated payout ratio of 16.3%.

This means that we have increased the dividend by JPY50 per share over the past seven years.

We will continue to provide appropriate returns to our shareholders while carefully considering our business performance and the business environment.

Growth Strategies

Achieving a carbon-free society through initiatives involving the entire Iwatani Group



As announced as our long-term vision in our mid-term management plan, PLAN 23, we will strive for growth in our four businesses, which are interrelated with each other, with the realization of a carbon-neutral society at the core.

Building a CO2-free Hydrogen Supply Chain

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Completion of pilot test for the world's first maritime transport of LH2 between Japan and Australia, including its loading and unloading.



Liquefied hydrogen carrier "Suiso Frontier" returned to Kobe port



Ceremony for completing the demonstration test

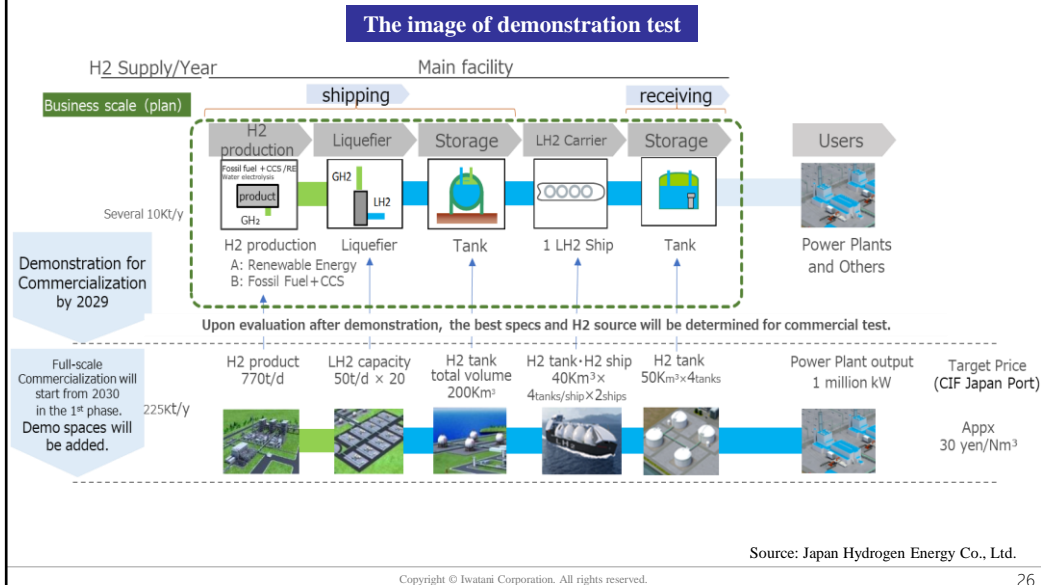


※HySTRA business supported by NEDO (New Energy and Industrial Technology Development Organization) is written in red.
 ※Consortium business supported by Commonwealth of Australia and Victoria State Government is written in white.
 ※KHI=Kawasaki Heavy Industries, Ltd.
 ※STASCO=Shell International Trading and Shipping Company Limited

Within the carbon-neutral efforts, the hydrogen business will be the main pillar of growth in the medium to long term. Hydrogen and ammonia are positioned as important future resources in the Strategic Energy Plan, and the public and private sectors are working together to accelerate efforts toward the realization of a hydrogen energy-based society.

In this context, we are taking on the challenge of building a CO2-free hydrogen supply chain, and has been working since 2016 on a demonstration project (HySTRA) to produce and import liquid hydrogen from lignites in Australia. In February this year, we successfully completed the world's first demonstration test of marine transport and cargo handling between Japan and Australia by a Liquefied Hydrogen Carrier.

Promoting demonstration test for commercialization of LH2 supply chain



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Based on these results, we will work on the commercialization demonstration of a liquid hydrogen supply chain as our next project, which has been adopted as a Green Innovation Fund project.

The scale of the project is planned to be JPY300 billion. The project aims to establish large-scale liquefaction and transportation technology of several tens of thousands of tons of hydrogen per year, and to achieve the goal of the Strategic Road Map for Hydrogen and Fuel Cells, which is to achieve a hydrogen supply cost of JPY30 per cubic meter in 2030.

Currently, we sell approximately 10,000 tons of hydrogen per year, so we will be supplying several times that amount. The Liquefied Hydrogen Carrier will be 130 times larger than HySTRA. Once the cost of JPY30 is realized, demand is also expected to increase significantly as the use of the product for power generation and industrial applications is in view.

We have already been promoting specific activities, such as examining candidate sites for receiving bases in 3 major metropolitan areas in Japan, and we believe that FY2022 will be an important year for deciding our future direction.

Strengthening the business base of hydrogen for technology development and engineering functions

- Enhancement of manufacturer and engineering functions



- Cooperation in hydrogen refueling station and production



Another challenge is to strengthen the technical development and engineering functions for the supply chain.

In April of this year, we acquired 100% of the shares of Tokico System Solutions, which has strength in energy supply equipment, such as hydrogen dispensers for fuel cell vehicles, to strengthen our manufacturer and engineering functions.

In addition, we have agreed with Cosmos Energy Holdings Co.,Ltd to collaborate in the hydrogen-refueling stations business and engineering fields related to hydrogen production.

We will strengthen our business foundation, including technology and engineering, with the aim of becoming a corporate group that comprehensively handles infrastructure, from production to transportation and sales of hydrogen.

Supplying LH2 for demonstration purposes to companies working on RE100

- Iwatani transports LH2 to demonstration facility by tanker truck
- Iwatani plans to supply CO2-free hydrogen in the future



H2 KIBOU FIELD (Panasonic Corporation Kusatsu)

Source: Panasonic Corporation press release on April 15, 2022

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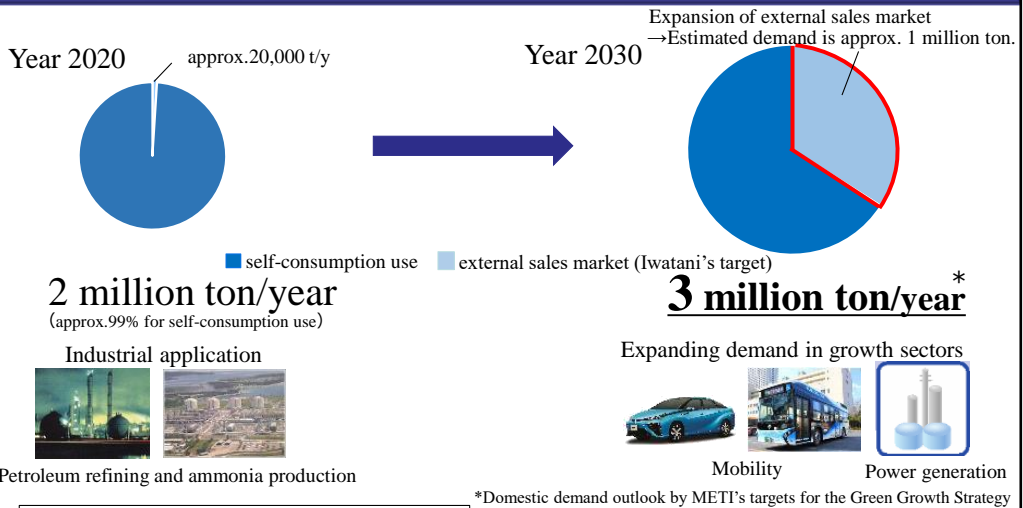
In terms of hydrogen sales, in addition to traditional industrial users, we are also seeing an increase in hydrogen energy demonstration projects, such as for companies that are working on RE100, a program to cover 100% of the energy consumed in their business activities with renewable energy.

Panasonic Corporation's Kusatsu Plant uses solar cells and its own pure hydrogen fuel cells to supply all the electricity used by the fuel cell plant's manufacturing division. We supply the liquid hydrogen used for this demonstration.

Long-Term Vision for Hydrogen Business

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Iwatani's hydrogen business to grow by approx.10 times according expansion of demand for hydrogen.



Iwatani's estimated Hydrogen Business Sales

Approx. 20 billion yen **Approx. 200 billion yen**

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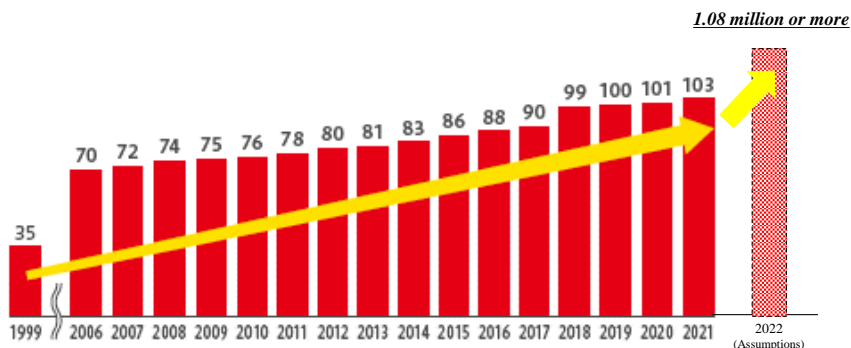
Through these efforts, we anticipate strong growth in the hydrogen business, and we aim to expand our hydrogen business to reach annual sales of JPY200 billion by 2030, which is about 10 times the current level.

Acquisition of shares in Tokyo Gas Energy Co., Ltd.

Direct sales customers : 1.03 million ⇒ **1.08 million or more**

Wholesale customers : 3.2 million ⇒ **3.3 million or more**

< Number of direct sales customers > (unit: 10K households)



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In our mainstay LPG business, we are pursuing growth by expanding our customer base through M&A amid industry consolidation.

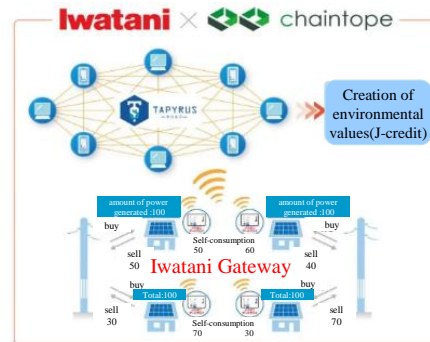
On the 27th of last month, we announced the acquisition of shares in Tokyo Gas Energy, an LPG affiliate of the Tokyo Gas Group. After the share acquisition, the number of direct customers and the number of households supplied on a wholesale basis by the Group are expected to increase to more than 1.08 million and 3.3 million households, respectively.

Creating new services and value based on Iwatani Gateway Platform

Child watching service



Creation of environmental values



data analysis

Iwatani Gateway Platform

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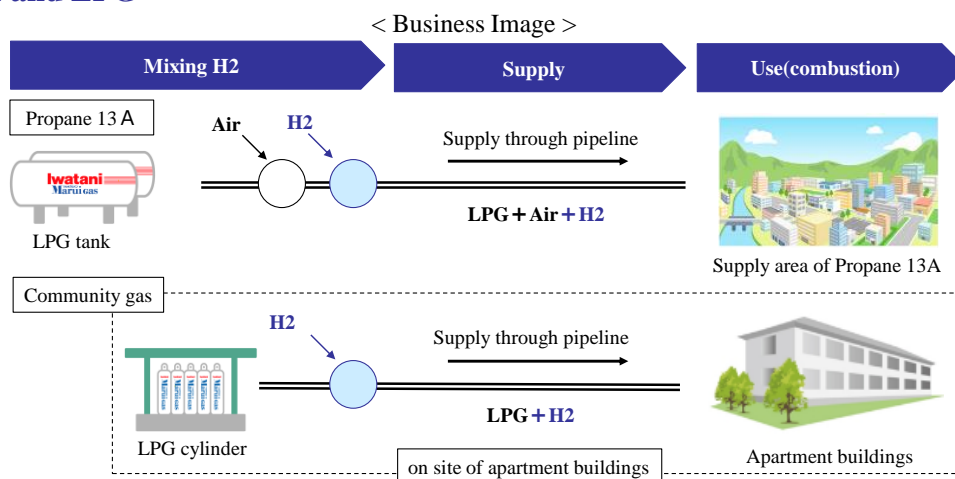
In addition, to address various social issues facing the region, we are working to promote carbon neutrality in local communities and create new services and values that support people’s daily lives by utilizing our proprietary IoT platform, Iwatani Gateway.

Using this Iwatani Gateway, Hakui, Ishikawa Prefecture, has launched a child watch service in cooperation with local governments and universities. Goto City in Nagasaki Prefecture is promoting an initiative to create environmental value by consolidating power generation data from solar panels installed in homes and compiling the CO2 reduction effects.

We are also working with a start-up company to demonstrate a preventive service that detects the risk of requiring long-term care at an early stage. Through these efforts, we will contribute to the local community and grow our business.

Research and study for mixed piped supply of H2 and LPG to general residential customers

Leveraging Iwatani's strengths to promote decarbonization by combining H2 and LPG



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In addition, to decarbonize LPG, the Iwatani Advanced Hydrogen Technology Center, established last year, is developing green LPG production technology using biogas and CO₂-free hydrogen as feedstock.

In addition, we have started research and studies in Fukushima Prefecture to verify the technology and safety of supplying piped LPG mixed with hydrogen at around 20%.

This is the first initiative of its kind in Japan in terms of supplying hydrogen via conduit to residential customers and using existing supply infrastructure and combustion equipment.

We believe that Iwatani's ability to promote carbon-neutrality in the LPG sector, including the use of hydrogen, is a major strength.

As an industry, we will lead the industry's response to carbon-neutrality and promote industry-wide reform by creating new businesses and services that solve social issues by utilizing the LPG business infrastructure.

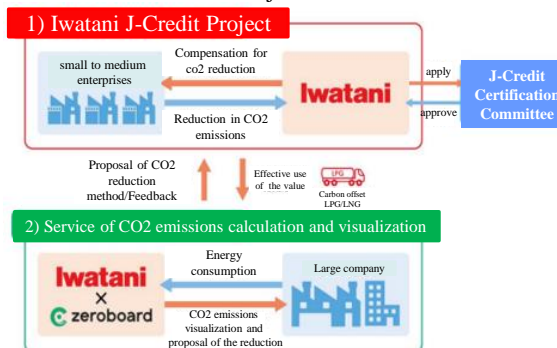
Decarbonization and low-carbon solutions for industrial customers

Encouraging the transition from coal and petroleum to LPG and natural gas as fuels



→ Utilizing J-Credit Scheme

< Iwatani J-Credit Project Overview >



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For industrial customers, in addition to hydrogen and LPG, we also provide carbon-neutrality and low-carbon solutions in a wide range of areas, including the materials and industrial gas and machinery businesses.

As a specific example of our efforts, we have established the Iwatani J-Credit Project, utilizing the government-sponsored J-Credit scheme.

We will accelerate CO2 emission reduction activities by collecting CO2 emission reductions from customers' fuel conversion to LPG and LNG, converting them into J-credits, and returning the benefits to our customers.

In our Materials Business, we supply raw materials that contribute to the carbon-neutrality of the supply chain, such as biomass fuels and biomass PET resin, and in our Agri-bio & Foods Business, we are considering the use of biogas in our livestock operations.

< Reference >
Progress of PLAN 23

Iwatani plan to achieve 40 billion in ordinary income 1 year ahead of schedule

[Management Indicators]

Items	FY 2021 results	FY 2022 forecast	PLAN23 target
Ordinary income [Except for impact of LPG import price fluctuation]	46.4 billion yen [38.4 billion yen]	41 billion yen	40 billion yen
ROE (Return on equity)	11.7%	—	9% or higher

Key business indicators are generally performing well

[Key Business Indicators]

	FY 2021 results	PLAN23 target
LPG direct sales customers	1,030K households	1,100K households
Portable gas cooking stove / cassette gas canister sales volume	Gas cooking stoves: 4,585K units Gas canisters: 154M units	Gas cooking stoves: 6,500K units Gas canisters: 180M units
Air separation gas sales volume	1.67B m ³	1.70B m ³
LH ₂ sales volume	71M m ³	90M m ³

Progress of PLAN23

Iwatani

[Net Sales]

(100 million yen)

	FY2021 results	PLAN23 target	FY2021 difference
Energy	3,271	2,780	+491
Industrial Gases & Machinery	1,843	2,093	(249)
Materials	1,509	1,473	+36
Agri-Bio & Foods	233	316	(82)
Others, Eliminations	45	48	(3)
Total	6,903	6,710	+193

Progress of PLAN23

Iwatani

[Profit]

(100 million yen)

	FY2021 results	PLAN23 target	FY2021 difference
Energy	226	180	+46
Industrial Gases & Machinery	124	125	(0)
Materials	72	65	+7
Agri-Bio & Foods	6	16	(9)
Others, Eliminations	(29)	(31)	+1
Operating profit (Total)	400	355	+45
Ordinary profit	464	400	+64
Ordinary profit [Except for impact of LPG import price fluctuation]	384	400	(15)
Net income attributable to owners of parent	299	265	+34

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Forward-looking statements are based on expectations and do not constitute guarantees or warranties. As a matter of course, please be fully aware that the results may differ from your expectations.