Iwatani

Financial Results for FY2022
(Results for the Fiscal Year Ended March 31, 2023)

May 24, 2023

Iwatani Corporation

〔TSE Prime, 8088〕

(Forward-Looking Statements)
This material contains forward-looking statements based on expectations and are not guarantees or assurances of future performance.
Accordingly, please be fully aware that results may differ materially from those expectations.

Contents

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FY 2022 Overview

Highlights

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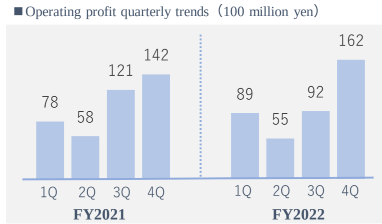
Net sales increased. Despite a slight decline in operating profit, ordinary profit and profit attributable to owners of parent reached record highs for the consecutive eight years.

Summary of Financial Results for FY2022

- Net sales increased in all segments due to increased sales of main products as a result of normalization of socioeconomic activities from Covid-19, in addition to the response to various market rises and high LPG import prices.
- Operating profit declined due to the significant negative impact of LPG import price fluctuation year-on-year.
- Ordinary profit and profit attributable to owners of parent reached record highs for the consecutive eight years. Achieved the target of 40 billion yen in ordinary profit under the PLAN23 one year ahead of schedule.

Net sales	906.2 billion yen	YoY +215.8 billion yen (+31.3%)
Operating profit	40.0 billion yen	YoY -0.04 billion yen (-0.1%)
Ordinary profit	47.0 billion yen	YoY +0.5 billion yen (+1.3%)
Profit attributable to owners of parent	32.0 billion yen	YoY +2.0 billion yen (+6.9%)

■Operating profit quarterly trends（100 million yen）



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For the fiscal year ending March 2023, we have achieved the earnings forecast announced on November 9 last year.

Compared to the previous year, operating profit slightly decreased, but ordinary profit and profit attributable to owners of parent increased, reaching a record high for the eighth consecutive year.

Consolidated Operating Results (Analysis of Net Sales)

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(100 million yen)

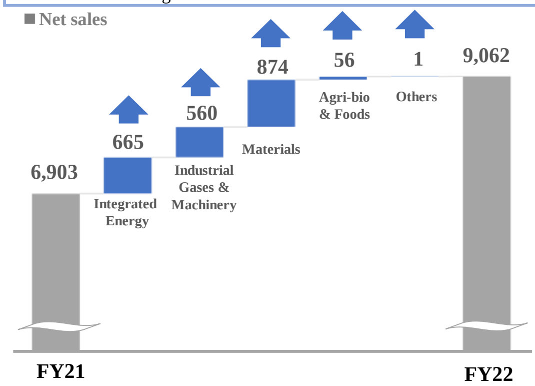
	FY22 Results (A)	FY21 Results (B)	YoY (A)-(B) ((A)/(B))	FY22 Forecasts (*)
Net sales	9,062	6,903	+2,158 +31.3%	8,400
Gross profit	2,129	1,917	+211 +11.0%	–
Operating profit	400	400	(0) (0.1%)	400
Non-operating profit	69	63	+6 +10.1%	65
Ordinary profit	470	464	+5 +1.3%	465
Ordinary profit except for impact of LPG import price fluctuation	501	384	+117 +30.5%	–
Profit attributable to owners of parent	320	299	+20 +6.9%	300

*Announced on Nov.9th 2022

Increase/Decrease factors

- Increase in sales of mainstay products due to normalization of socioeconomic activities from Covid-19
- Responding to the increase of market prices
- High LPG import prices

*Achieved record-high net sales



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Net sales increased JPY215.8 billion, or 31.3%, to JPY906.2 billion compared to the previous fiscal year, due to an increase in sales of mainstay products along with the normalization of socioeconomic activities after the COVID-19 pandemic, as well as responding to various market rises and LPG import prices remaining high.

Although LPG import price fluctuation decreased JPY11.1 billion YoY which was a negative factor, gross profit increased JPY21.1 billion or 11% to JPY212.9 billion due to the increase in sales of mainstay products and the effect of higher profits from newly consolidated subsidiaries.

Consolidated Operating Results (Analysis of Operating Profit)

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(100 million yen)

	FY22 Results (A)	FY21 Results (B)	YoY (A)-(B) ((A)/(B))	FY22 Forecasts (*)
Net sales	9,062	6,903	+2,158 +31.3%	8,400
Gross profit	2,129	1,917	+211 +11.0%	–
Operating profit	400	400	(0) (0.1%)	400
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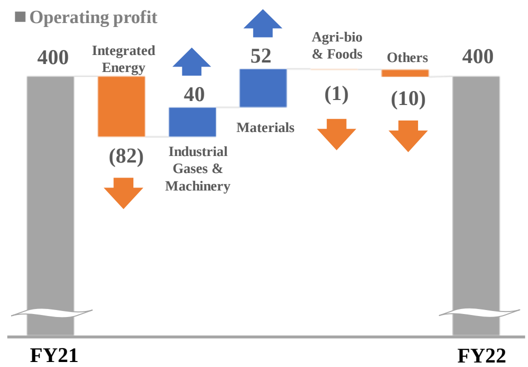
*Announced on Nov.9th 2022

Increase/Decrease factors

- Operating profit declined due to the significant negative impact of LPG import price fluctuation year-on-year
- Non-operating profit improved year-on-year, mainly due to an increase in share of profit of entities accounted for using equity method



Operating profit decreased by JPY40 million or 0.1% YoY to JPY40 billion due to an increase in distribution costs associated with increased sales, which increased SG&A expenses by JPY21.2 billion.

Non-operating profit/expense improved by JPY600 million due to an increase in share of profit of entities accounted for using equity method and other factors. As a result, operating profit increased by JPY500 million or 1.3% to JPY47 billion.

Profit attributable to owners of parentProfit attributable to owners of parent increased by JPY2 billion or 6.9% YoY to JPY32 billion.

As a result, we achieved the goals of our mid-term management plan, PLAN23, in two consecutive years, which is an ordinary profit of JPY40 billion and ROE of 9% or more.

Consolidated Operating Results by Segment

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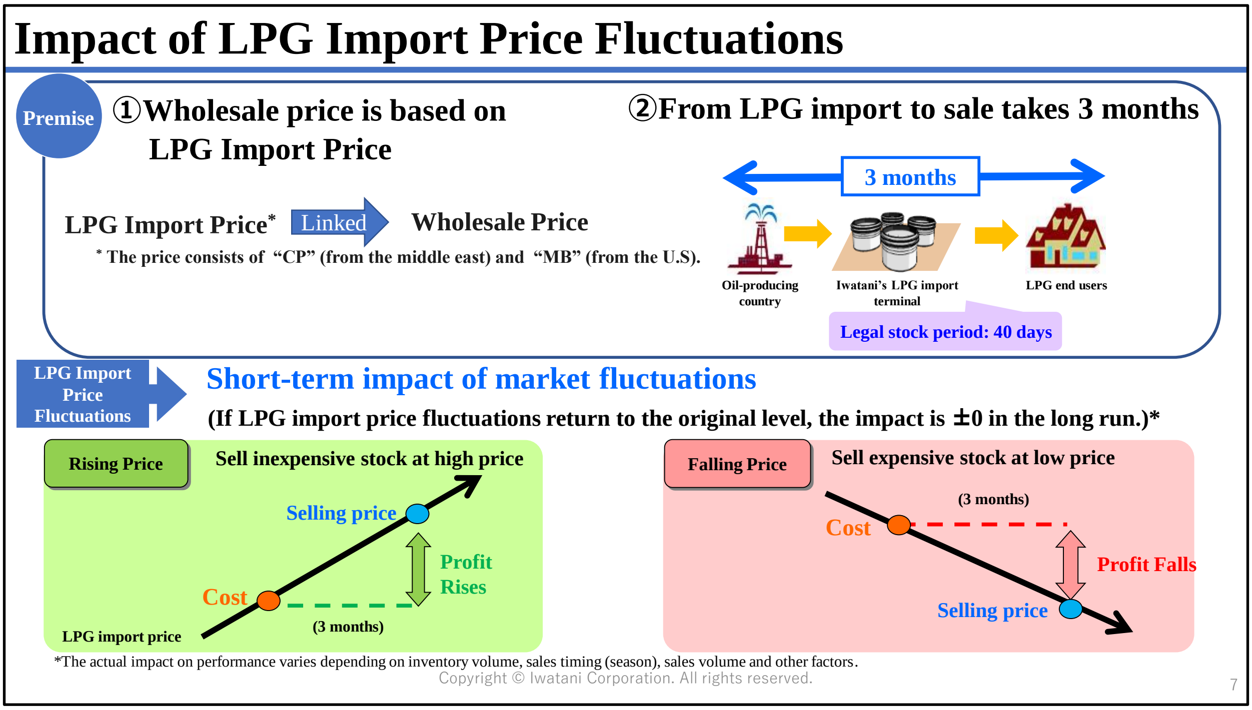
(100 million yen)

	FY22 Results (A)	FY21 Results (B)	YoY (A)-(B)	YoY (A)／(B)
Net sales	9,062	6,903	+2,158	+31.3%
■ Integrated Energy	3,937	3,271	+665	+20.3%
■ Industrial Gases & Machinery	2,404	1,843	+560	+30.4%
■ Materials	2,384	1,509	+874	+57.9%
■ Agri-bio & Foods	289	233	+56	+24.0%
■ Others	46	45	+1	+3.6%
Operating profit	400	400	(0)	(0.1%)
■ Integrated Energy	144	226	(82)	(36.3%)
■ Industrial Gases & Machinery	165	124	+40	+32.8%
■ Materials	125	72	+52	+72.8%
■ Agri-bio & Foods	5	6	(1)	(16.0%)
■ Others, Adjustments	(40)	(29)	(10)	-
Ordinary profit	470	464	+5	+1.3%
Ordinary profit except for impact of LPG import price fluctuation	501	384	+117	+30.5%
Profit attributable to owners of parent	320	299	+20	+6.9%



We will briefly explain the impact of LPG import price fluctuations on our business performance.

We import LPG from the Middle East and the US, and in order to smooth out import price fluctuations, with many of our wholesale partners, we have a pricing structure that links the selling price to the import price.

On the other hand, since We use the first-in, first-out method for inventory valuation and it takes time from importing LPG to selling it, we will be selling inventory that is approximately three months old.

While this results in selling low-cost inventory at a higher price when LPG import prices rise, in the event of a decline, high-cost inventory will be sold at a lower price.

These effects are referred to as the impact of LPG import price fluctuation.

Operating Profit Analysis of Integrated Energy

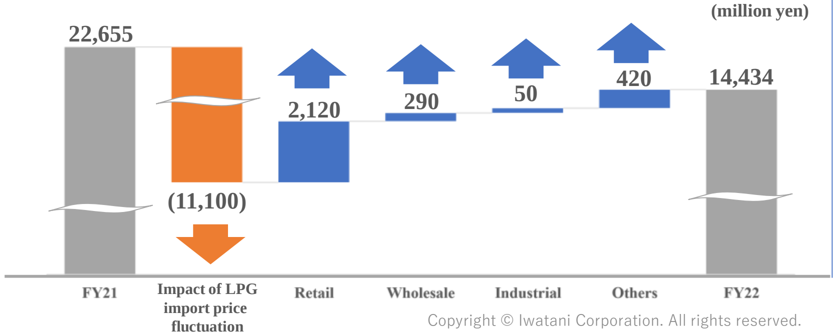
Results

(100 million yen)

	FY22 Results (A)	FY21 Results (B)	YoY (A)-(B)	YoY (A)／(B)	FY22 Forecasts	Achievement rate
Net sales	3,937	3,271	+665	+20.3%	3,478	113.2%
Operating profit	144	226	(82)	(36.3%)	167	86.4%
Operating profit except for impact of LPG import price fluctuation	175	146	+28	+19.7%	161	108.7%

Analysis of Changes in Operating Profit

(million yen)



Main factors

(million yen)

■ **Impact of LPG import price fluctuation** (11,100)

(100 million yen)	1Q	2Q	1H	3Q	4Q	Full year
FY22	+20.4	(15.0)	+5.3	(29.3)	(7.3)	(31.3)
FY21	+11.0	+11.0	+22.0	+49.1	+8.5	+79.7
Changes	+9.3	(26.0)	(16.6)	(78.4)	(15.9)	(111.0)

■ **Retail** +2,120
-Increase in sales by expanding the number of direct sales customers
-Improved profitability through appropriate price pass on

■ **Wholesale** +290
-Sales increased due to recovery in commercial demand

■ **Industrial** +50
-Increase in sales to large scale customers

■ **Others** +420
-Steady sales of cassette gas canisters
-Increase in sales of gas water heaters

In our Integrated Energy Business, sales volume increased due to an effect of newly consolidated subsidiary and expansion of LPG direct sales customers.

In addition, in the retail sector, delays in price revisions in response to rising import prices were resolved. As a result, profitability improved, and net sales in the Integrated Energy Business increased JPY66.5 billion to JPY393.7 billion.

Of this, LPG sales increased by JPY50 billion, with JPY24.7 billion coming from volume factors and JPY25.3 billion from unit price factors.

On the other hand, since LPG import price fluctuation was significantly negative by JPY11.1 billion from the previous year, operating profit decreased by 36.3% to JPY14.4 billion.

Except for impact of LPG import price fluctuation, operating profit was JPY17.5 billion, an increase of JPY2.8 billion, or 19.7%.

As of the end of March, there were 1.1 million direct LPG sales customers.

Operating Profit Analysis of Industrial Gases & Machinery

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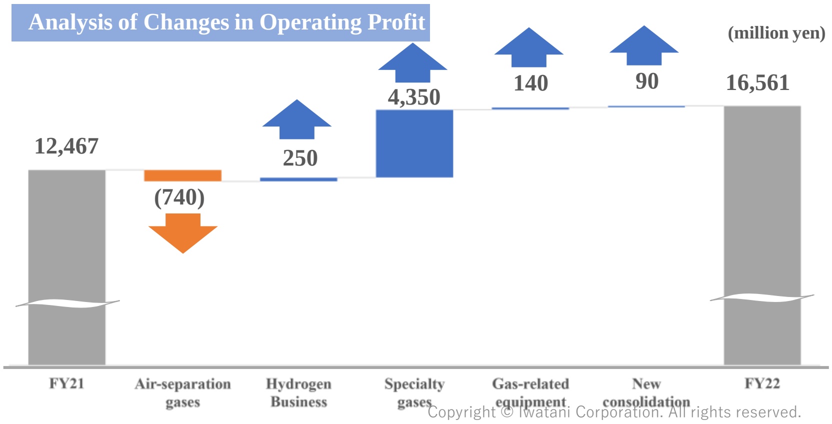
Results

(100 million yen)

	FY22 Results (A)	FY21 Results (B)	YoY (A)-(B)	YoY (A)／(B)	FY22 Forecasts	Achievement rate
Net sales	2,404	1,843	+560	+30.4%	2,282	105.3%
Operating profit	165	124	+40	+32.8%	141	117.5%

Analysis of Changes in Operating Profit



Main factors

(million yen)

■ **Air-separation gases** (740)
-Decrease in sales mainly to the electronic component industry
-Increase in production costs due to higher electricity rates

■ **Hydrogen Business** +250
-Increase in operating costs of HRS*
-Increase in sales of liquid hydrogen and hydrogen-related equipment.

■ **Specialty gases** +4,350
-Steady sales of semiconductor gas and other gases
-Stable procurement and supply of helium

■ **Gas-related equipment** +140
-Increase in sales of gas supply equipment and semiconductor-related equipment

■ **New consolidation** +90

Impact on production costs from increases in electricity rate and LNG market prices + 3,600 million yen (YoY)

*HRS stands for Hydrogen Refueling Station.

In the Industrial Gases & Machinery Business, for air-separation gases, oxygen, nitrogen, and argon, due to a decrease in sales volume, mainly to the electronic components industry, as well as higher electricity prices, production costs increased.

As for the Hydrogen business, although operating expenses for hydrogen-refueling stations increased, sales of liquid hydrogen and related equipment increased due to an increase in new users for decarbonization applications, in addition to progress in passing through higher electricity and other manufacturing costs to sales prices. As a result, profit in the Hydrogen business increased.

As for specialty gases, in addition to the solid performance of semiconductor gases, we endeavored to maintain a stable supply of helium amid rising market prices due to tight global supply and demand.

Sales of machinery and equipment also grew, resulting in a JPY56 billion increase in sales in theIndustrial Gases & Machinery Business.

As a result, operating profit increased by 32.8% to JPY16.5 billion.

Operating Profit Analysis of Materials

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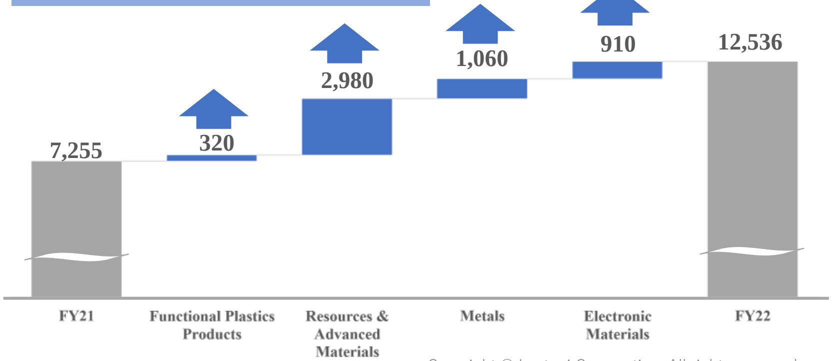
Results

(100 million yen)

	FY22 Results (A)	FY21 Results (B)	YoY (A)-(B)	YoY (A)／(B)	FY22 Forecasts	Achievement rate
Net sales	2,384	1,509	+874	+57.9%	2,290	104.1%
Operating profit	125	72	+52	+72.8%	114	110.0%

Analysis of Changes in Operating Profit

(million yen)



Main factors

(million yen)

■ **Functional Plastics Products** +320
-Increase in sales of eco-friendly PET resins

■ **Resources & Advanced Materials** +2,980
-Securing a stable supply of mineral sands and increase the sales under soaring market conditions
-Increase in sales of biomass fuels

■ **Metals** +1,060
-Increase in sales of stainless steel to new customers
-Steady sales of processed metals mainly for air conditioner

■ **Electronic Materials** +910
-Increase in sales of battery-related materials for next-generation vehicles under soaring market conditions

Regarding the Materials Business, for mineral sands, we continued our efforts to ensure stable supply amid a market that remained at a high level due to disruptions in the supply chain.

Sales of stainless steel increased for new customers, and sales of processed metal products also remained steady, mainly for air conditioners.

In addition, sales of Battery-related materials for next-generation automobiles increased due to an effect of market prices and sales to new customers.

Also, sales of environmental products such as eco-friendly PET resin and biomass fuel grew.

As a result, sales in the Materials Business increased JPY87.4 billion to JPY238.4 billion, and operating profit increased by 72.8% to JPY12.5 billion.

Operating Profit Analysis of Agri-bio & Foods

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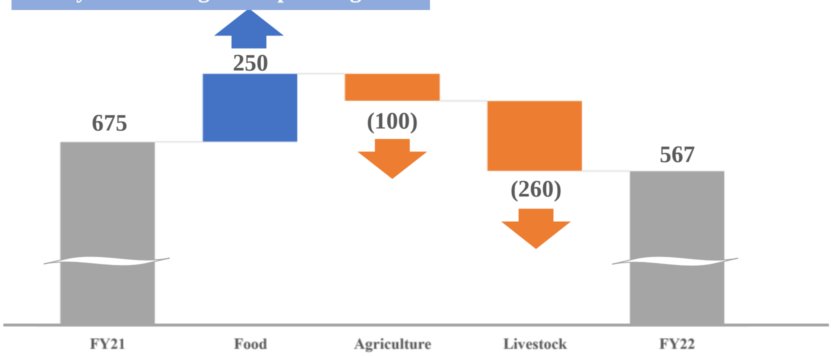
Results (100 million yen)

	FY22 Results (A)	FY21 Results (B)	YoY (A)-(B)	YoY (A)／(B)	FY22 Forecasts	Achievement rate
Net sales	289	233	+56	+24.0%	307	94.4%
Operating profit	5	6	(1)	(16.0%)	11	51.5%

Analysis of Changes in Operating Profit (million yen)



Main factors (million yen)

■ **Food** +250
- Sales of frozen foods for commercial use and products for general consumers recovered
- Responding to increased procurement and logistics costs

■ **Agriculture** (100)
- Sales of agricultural equipment remained sluggish

■ **Livestock** (260)
- Decline in profitability due to the increase in feed prices
- Decrease in sales of pig breeds

In the Agri-Bio & Foods Business, in the midst of a recovery in demand for frozen foods for commercial and consumer use, we made progress in passing through higher procurement and logistics costs to sales prices.

On the other hand, the number of pig breeding shipments decreased in addition to the steep rise in feed prices in the livestock industry.

As a result, net sales increased JPY5.6 billion to JPY28.9 billion, and operating profit decreased by 16.0% to JPY500 million.

Balance Sheets (Consolidated Basis)

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- Total assets increased due to increases in inventories and trade receivables, as well as goodwill and other factors arising from acquisitions
- Interest-bearing debt increased due to the issuance of 20 billion bond payable for acquisition funds and financing for further growth investment in Japan and overseas

(100 million yen)

	FY22 (A)	FY21 (B)	Change from previous fiscal year-end (A) - (B)	Major factors for changes
Current assets	3,031	2,594	+437	Increase in inventories and trade receivables
Property, plant and equipment	2,074	1,857	+216	Effect of new consolidation, investment in hydrogen re-fueling stations and LPG centers
Intangible assets	368	161	+206	Effect of new consolidation(goodwill)
Investments and other assets	1,085	970	+114	
Fixed assets	3,528	2,990	+538	
Total assets	6,560	5,584	+975	
Current liabilities	2,124	1,863	+261	Increase in accounts payable
Non-Current liabilities	1,313	918	+394	Issuance of bond payable、Increase in long-term borrowings
Total liabilities	3,437	2,781	+656	Interest-bearing debt, (gross) ¥139.4 billion(+¥28.2 billion) Ratio of interest-bearing debt to total assets 21.2%
Equity capital	3,019	2,701	+318	Equity ratio 46.0%
Non-controlling interests	102	101	+0	
Net Assets	3,122	2,803	+319	
Total liabilities and net assets	6,560	5,584	+975	

Total assets at the end of March increased by JPY97.5 billion from the end of the previous fiscal year to JPY656 billion.

Equity capital increased JPY31.8 billion to JPY301.9 billion, and the equity ratio decreased by 2.4 percentage points from the end of the previous fiscal year to 46.0%.

Interest-bearing debt increased by JPY28.2 billion from the end of the previous fiscal year to JPY139.4 billion due to an increase in working capital and the impact of M&A. The ratio of interest-bearing debt to total assets increased by 1.3 percentage points to 21.2%.

Statement of Cash Flows

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Operating cash flow provided 51.4 billion yen. Cash flow from investment was an outflow of 60.2 billion yen due to acquisition of shares of subsidiaries accompanying changes in the scope of consolidation and aggressive capital investment. As a result, free cash flow was an outflow of 8.8 billion yen.

(100 million yen)

	FY22 (A)	FY21 (B)	YoY (A) - (B)
Cash flows from operating activities	514	130	+383
Cash flows from investing activities	(602)	(319)	(283)
Free cash flows	(88)	(188)	+100
Cash flows from financing activities	110	80	+29
Effect of exchange rate changes, etc. ※1	14	19	(10)
Net increase (decrease) in cash and cash equivalents ※2	36	(88)	+119
Cash and cash equivalents at beginning of period	295	384	(88)
Cash and cash equivalents at end of period	332	295	+36

※1 "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".

※2 The difference between "Cash and cash equivalents at beginning of period" and "Cash and cash equivalents at end of period" is shown

Operating cash flow increased JPY38.3 billion YoY to JPY51.4 billion due to the absence of the effect of an increase in working capital in the previous year, in addition to an increase in income.

Investment cash flow was JPY60.2 billion for M&A expenditures as well as for the investment to strengthen the supply system of LPG and various industrial gases.

As a result, free cash flow amounted to a negative JPY8.8 billion.

As for financing cash flow, the Company received JPY11 billion, mainly due to the issuance of bonds.

FY 2023 Forecasts

Notice of Changes in Segment

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Excluded the Agri-bio & Food division and changed to three segments.

Integrated Energy: A certain consolidated subsidiary reclassified to "Others".
Agri-bio & Food : Food business reclassified to "Others".
Some consolidated subsidiaries reclassified to “Materials".

(100 million yen)

	FY22 reclassified	FY22	FY22 reclassification amount
Net sales	9,062	9,062	-
■ Integrated Energy	3,932	3,937	(5)
■ Industrial Gases &Machinery	2,404	2,404	-
■ Materials	2,424	2,384	+39
■ Agri-bio & Foods	-	289	(289)
■ Others	302	46	+255
Operating profit	400	400	-
■ Integrated Energy	143	144	(1)
■ Industrial Gases &Machinery	165	165	-
■ Materials	126	125	+0
■ Agri-bio & Foods	-	5	(5)
■ Others, Adjustments	(34)	(40)	+6

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First, with respect to segments, we have removed the Agri-Bio & Foods Business and changed it to three businesses.

The Agri-Bio & Foods Business is small, accounting for only about 3% of the total size of the business.

In addition, the growth potential of the business has slowed over the past few years.

As a result, we are undergoing organizational changes, including the transfer and consolidation of the parent company's food business into a consolidated subsidiary in April 2023.

The impact of the segment change is shown on this slide.

Forecasts for the Year Ending March 31, 2024

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(100 million yen)

	FY23 forecasts	FY22 results	Change	Rate
Net sales	9,070	9,062	+7	+0.1%
■ Integrated Energy	3,980	3,932	+47	+1.2%
■ Industrial Gases &Machinery	2,592	2,404	+187	+7.8%
■ Materials	2,202	2,424	(222)	(9.2%)
■ Others	296	302	(6)	(2.0%)
Operating profit	450	400	+49	+12.4%
■ Integrated Energy	180	143	+36	+25.9%
■ Industrial Gases &Machinery	175	165	+9	+5.7%
■ Materials	123	126	(3)	(2.4%)
■ Others, Adjustments	(28)	(34)	+6	-
Ordinary profit	503	470	+32	+7.0%
Ordinary profit except for impact of LPG import price fluctuation	503	501	+1	+0.3%
Profit attributable to owners of parent	335	320	+14	+4.6%

Estimated exchange rate

Exchange rate **125 JPY/USD**

LPG import price **700 $/ton**

(FY22 results)
Exchange rate 133.7 JPY/USD
LPG import price 725 $/ton

Dividend forecast

FY23 95 yen per share

For the next fiscal year, net sales are expected to increase by 0.1% to JPY907 billion and operating profit by 12.4% to JPY45 billion.

Ordinary profit is expected to increase by 7.0% to JPY50.3 billion and profit attributable to owners of parentprofit attributable to owners of parent by 4.6% to JPY33.5 billion.

In the fiscal year ending March 31, 2024, the Materials Business will be affected by the decline in resource prices, which had remained high. However, we expect that each segment will generally perform well.

The assumed exchange rate for the earnings forecast is JPY125 to the dollar.

With respect to the import price of LPG, CP, it is set at USD700 per ton.

FY2023 Forecasts of Integrated Energy

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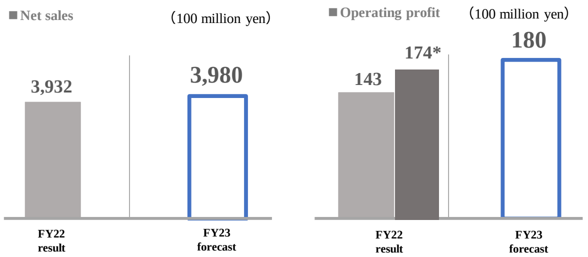
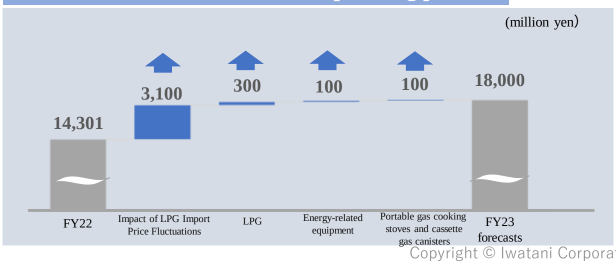
Net sales/Operating profit forecasts



*Excluding impact of LPG import price fluctuation

Forecasts increase/decrease in operating profit



Measures toward achievement of FY2023 forecasts

- Expanding LPG sales

- Increasing sales of LPG by expanding direct sales customers through M&A
- Promoting fuel conversion to support customers' low-carbon and decarbonization, and expanding sales of carbon offset LPG

- Expanding sales of energy-related equipment

- Expanding sales of hybrid water heater and the Ene-Farm, which help households reduce CO2 emissions
- Expanding sales of LPG emergency generators and GHP for BCP measures

- Expanding cartridge gas business

- In Japan, steadily capturing outdoor demand and recovering commercial demand
- Overseas, in addition to China, we will strengthen sales mainly in Southeast Asia, based on the new plant in Thailand.

Main factors causing changes in business performance

- Trends in LPG import price, exchange rate fluctuations

- Effect of consumer sales volume due to temperature changes

In the Integrated Energy Business, net sales are expected to be JPY398 billion, up 1.2%, and operating profit is expected to increase by 25.9% to JPY18 billion.

In the previous fiscal year, LPG import price fluctuation had a negative impact of JPY3.1 billion.We do not expect this impact in the current fiscal year.Except for impact of LPG import price fluctuation, operating profit is expected to increase by JPY500 million, or 3.2%.

As for LPG, we will respond to the decarbonization needs of our business partners by promoting fuel conversion for industrial customers in addition to expanding direct sales customers.

For energy-related equipment, we will work on capturing BCP demand such as for LPG emergency generators in addition to increasing sales of hybrid water heaters that help reduce household CO2 emissions and Ene-Farm.

In the Cartridge Gas Business, we will strive to create new markets by developing outdoor products. Also, with the new plant in Thailand as a starting point, we will expand our overseas business with a focus on Southeast Asia.

FY2023 Forecasts of Industrial Gases & Machinery

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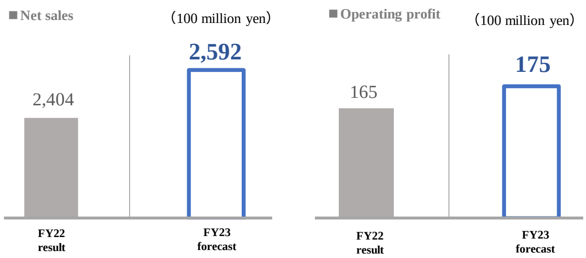
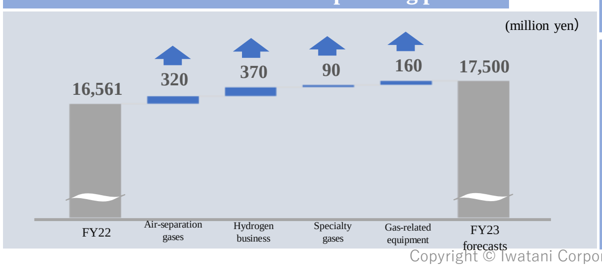
Net sales/Operating profit forecasts



Forecasts increase/decrease in operating profit



Measures toward achievement of FY2023 forecasts

- **Appropriate sales price pass on and expanding sales of air-separation gas**
  - Appropriate price pass on in line with fluctuations in electricity prices
  - Enhancing sales by capturing demand from the recovering automobile industry
- **Capture new demand for liquid hydrogen**
  - Strengthening sales expansion by capturing demand for liquid hydrogen and capital investment in relation to decarbonization.
- **Expanding specialty gases business**
  - Focusing on stable supply of helium in the ongoing tight supply-demand situation.
  - Enhancing sales of carbon dioxide gas, etc.
- **Expanding sales of machinery and equipment**
  - Focus on acquiring new projects for growth sectors such as decarbonization and automotive uses

Main factors causing changes in business performance

- **Impact on production costs from increase in electricity rate and LNG price**
- **Production trends in the manufacturing sector**

For the Industrial Gases & Machinery Business, we expect sales to be JPY259.2 billion, up 7.8%, and operating profit to be JPY17.5 billion, up 5.7%.

For air-separation gases, we will continue to expand sales and will work to eliminate delays in price pass-through and improve profitability.

With regard to liquid hydrogen, we will strengthen sales expansion to meet the growing demand for decarbonization applications.

With regard to specialty gases, we will continue our efforts to ensure a stable supply amid the assumption that the supply-demand balance for helium is expected to remain tight.

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

FY2023 Forecasts of Materials

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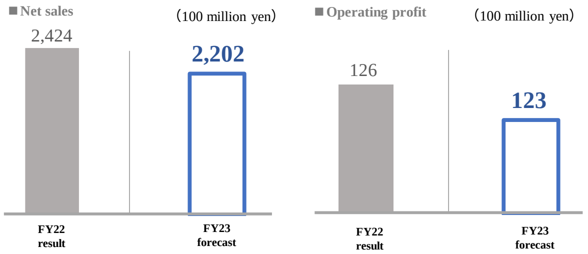
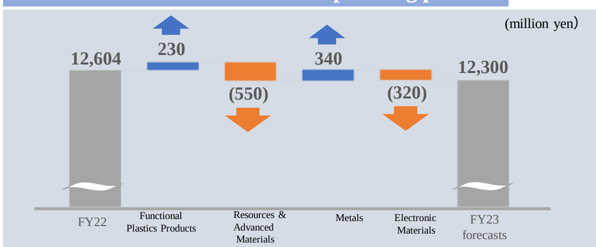
Net sales/Operating profit forecasts



Forecasts increase/decrease in operating profit



Measures toward achievement of FY2023 forecasts

- Enhancing mineral resources business
- Secure stable procurement amid declining market prices
- Promoting efforts to acquire new mining sites

- Enhancing environmental businesses
- Expanding sales of environmental products (eco-friendly PET resins, biomass fuels, battery-related materials)
- Promoting new initiatives such as recycling business

- Expanding metal business
- Expanding sales of stainless steel to new customers
- Expanding overseas metal processing business

- Expanding sales of advanced materials

Main factors causing changes in business performance

- Price fluctuations in resource markets

- Exchange rate fluctuations

In the Materials Business, net sales are expected to decline 9.2% to JPY220.2 billion and operating profit is expected to decrease 2.4% to JPY12.3 billion.

In the resource-related sector, market prices, which had soared until last year, are now on a downward trend, and inventory adjustments are expected in battery-related materials. As a result, the profit is expected to decrease.

Under these circumstances, we will continue to expand sales of environmental products such as eco-friendly PET resin, biomass fuel, etc., in addition to stainless steel and processed metal products.

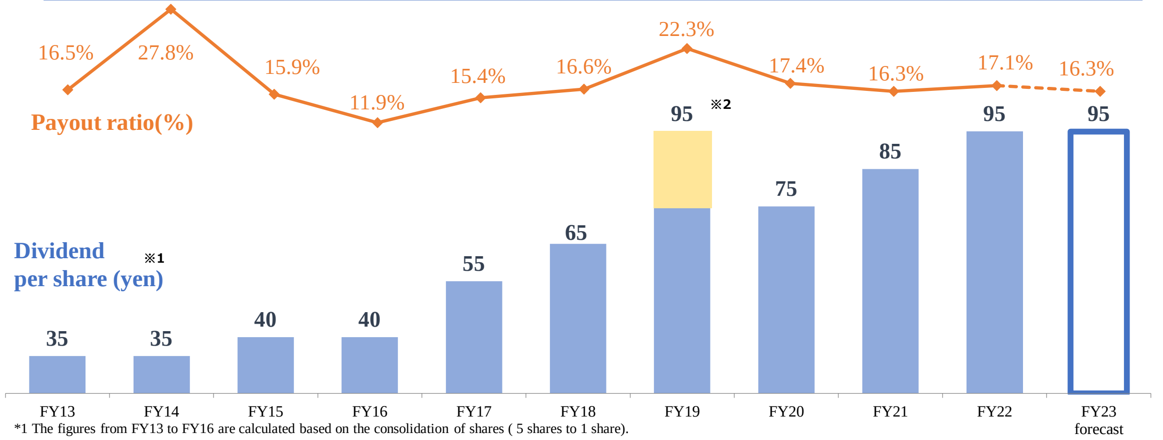
In addition, we will work to acquire interests in new resources for medium- and long-term growth and embark on new initiatives such as the recycling business.

Dividend Payout Ratio

Iwatani

A dividend of 95 yen per share is planned for the fiscal year ending March 31, 2024.

Dividend policy	・Paying continuous and stable dividends ・Returning our profits appropriately in consideration for our performance and business situation



*1 The figures from FY13 to FY16 are calculated based on the consolidation of shares (5 shares to 1 share).

*2 Including commemorative dividend : 20 yen

For the fiscal year ending March 31, 2023, the Company plans to pay a dividend of JPY95, an increase of JPY10 from the initial forecast.

The dividend payout ratio will be 17.1%.

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

Review of Mid-term Management Plan "PLAN23"

Review of Management Target

Iwatani

▶ Achieved the management targets one year ahead of schedule.

Basic Strategies
1.Enhancing initiatives toward a carbon-free society
2.Evolving into an energy & living total service provider
3.Expanding international businesses

(100 million yen)

[Profits]	FY2022 results	PLAN23 target	FY2022 difference
Integrated Energy [Except for impact of LPG import price fluctuation]	144 [175]	180	(35) [(4)]
Industrial Gases & Machinery	165	125	+40
Materials	125	65	+60
Agri-Bio & Foods	5	16	(10)
Others, Eliminations	(40)	(31)	(9)
Operating profit (total)	400	355	+45
Ordinary profit	470	400	+70
Ordinary profit except for impact of LPG import price fluctuation	501	400	+101
Net income attributable to owners of parent	320	265	+55

Management Indicators	FY2022 results	PLAN23 targets
Ordinary income [Except for impact of LPG import price fluctuation]	¥47.0B [¥50.1B]	¥40.0B
ROE (Return on equity)	11.2%	9% or higher

Business Indicators	FY2022 results	PLAN23 targets
LPG direct sales customers	1,100K households	1,100K households
Portable gas cooking stove / cassette gas canister sales volume	Gas cooking stoves: 4,291K units Gas canisters: 157M units	Gas cooking stoves: 6,500K units Gas canisters: 180M units
Air separation gas sales volume	1.60B m^3	1.70B m^3
LH_2 sales volume	77M m^3	90M m^3

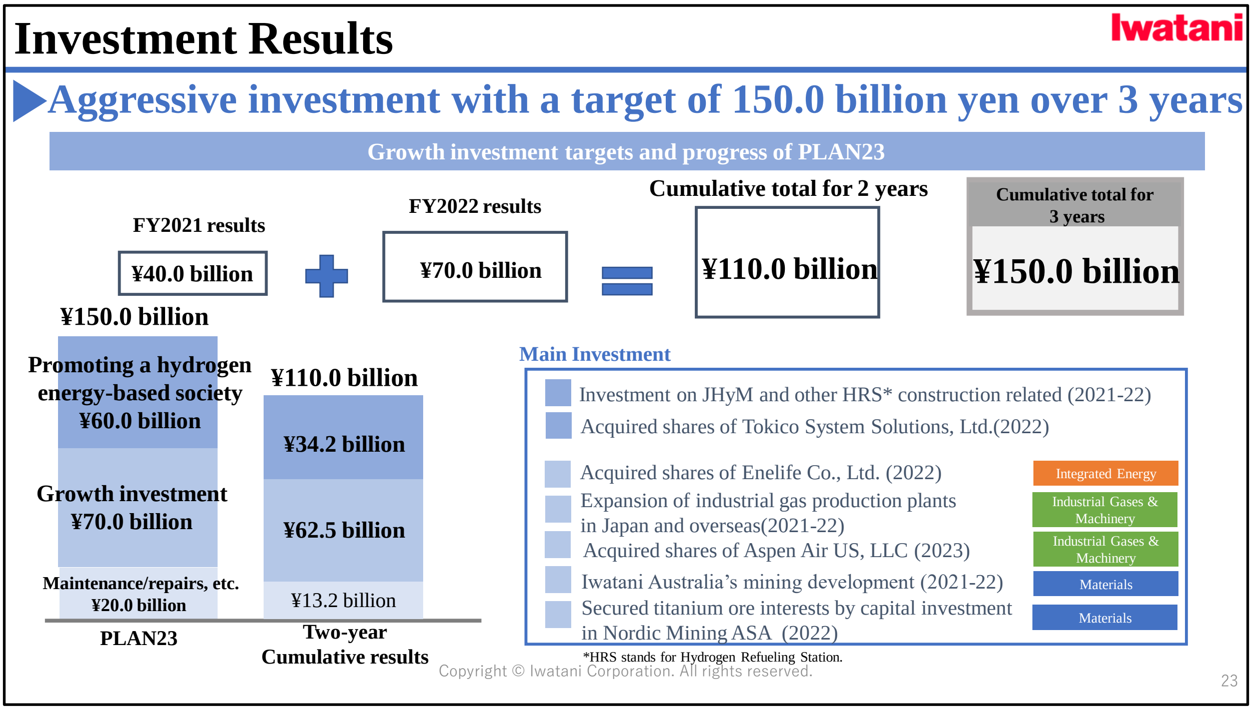
In the medium-term management plan, PLAN23, the basic strategies are “enhancing initiatives toward a carbon free society”, “evolving into an energy & living total service provider”, and “expanding international businesses.” Under these policies, each business worked on the initiatives toward growth.

Regarding numerical management targets, the target for the fiscal year ending March 31, 2024, is the ordinary profit of JPY40 billion and ROE of 9% or more.

The actual results were JPY47 billion in ordinary profit and ROE of 11.2%, and we were able to achieve this goal one year ahead of schedule.

As for key business indicators, the number of direct LPG sales customers increased by 1.1 million households, mainly due to the realization of a large M&A deal, achieving the target.

Other indicators, although they did not reach their final year targets, progress was generally favorable.



Investment is expected to total JPY110 billion over the two-year period, compared to the JPY150 billion planned for the three-year period.

In FY2022, we acquired shares of Enelife Co., Ltd., LPG sales company, Tokico System Solutions, Ltd., hydrogen-related equipment manufacturer, and Aspen Air US, LLC, US industrial gas production and sales company through M&A.

In addition to investments in manufacturing and supply facilities, such as LPG and industrial gas, in the materials business, we made an investment in Nordic Mining, a resource mining business, to strengthen its supply chain.

Investments that contribute to medium- to long-term growth in each business are generally progressing as planned.

Review of the Basic Strategies

Iwatani

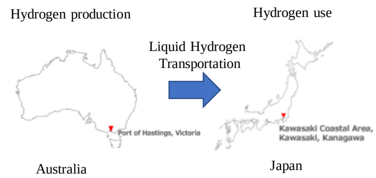
▶ Steadily implement "Enhancing initiatives toward a carbon-free society"

Main outcomes

1）Promoting the development of a hydrogen energy-based society

- Feasibility study completed on sea transport of liquid hydrogen between Japan and Australia
- Selected sites for the Green Innovation Fund project
  the hydrogen export site: Port of Hastings, Victoria, Australia
  the hydrogen receiving site: Kawasaki Coastal Area, Japan

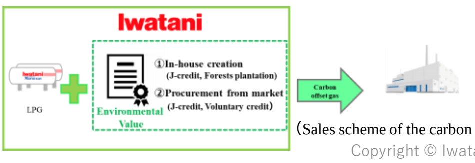
(Ceremony to mark completion of establishing Japan-Australia supply chain)



(Japan-Australia supply chain shipping and receiving sites)

2）Launched sales of the carbon offset LPG

- Strengthening support for customers' low-carbon and decarbonization in the Integrated Energy business



(Sales scheme of the carbon offset LPG)

3）Focusing on expanding sales of environmental products

- Expanding sales of eco-friendly PET resins, biomass fuels, battery-related materials
- Achieved more than double the planned growth rate

(Eco-friendly PET resins)

(Biomass fuels)

(Battery-related materials)

With regard to "enhancing initiatives toward a carbon free society", we made steady progress in building the hydrogen supply chain.

In February 2022, in a demonstration project in which we are participating, we have completed the sea transport demonstration between Japan and Australia by a liguid hydrogen carrier.

The demonstration project for the Liquid Hydrogen Supply Chain Commercialization Feasibility Study Project, which has been adopted as a Green Innovation Fund, is progressing well. We have decided the overseas shipment site to be Victoria, Australia, which is rich in lignite coal, and domestic receiving terminals as the Kawasaki waterfront area of Kanagawa Prefecture, which has high potential for hydrogen projects in the vicinity.

We will participate in the demonstration to achieve our hydrogen cost goal of JPY30 per cubic meter as of 2030 and to establish technology for transporting liguid hydrogen on a commercial scale.

In addition, new customers using liguid hydrogen in decarbonization applications have increased as the decarbonization trend accelerates.

The Integrated Energy Business also began selling carbon offset LPG And expanded business opportunities in this way.

In the Materials Business, we focused on expanding sales of environmental products. As a result, total sales of eco-friendly PET resin, biomass fuel and rechargeable battery materials reached JPY77 billion, more than four times larger than in FY2020.

We believe that solving the social issue of decarbonization is our social mission, and we will continue to contribute through our business activities.

Review of the Basic Strategies

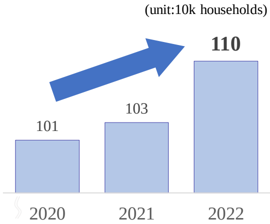
Iwatani

▶ Expanding customer base and focusing on expansion of new services towards “Evolving into an energy & living total service provider”.

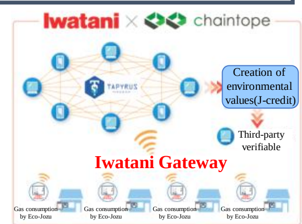
Main outcomes

Expanding customer base by promoting M&A	Creating new services contribute to solving social issues
‣Implemented a major M&A of Enelife ‣Achieved the Target of 1.1 million direct sales customer one year ahead of schedule	‣ Development of monitoring services for children and the elderly ‣ Environmental valorization of household CO2 emission reductions through J-credits

[The number of LPG direct sales customer]
(unit:10k households)



(Business image of monitoring service)



(Environmental valorization service using Iwatani Gateway)

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With respect to “evolving into an energy & living total service provider”, we worked to expand our customer base and create new products and services that leverage our customer base such as M&A.

As mentioned earlier, the number of LPG direct sales customers reached its target of 1.1 million households a year ahead of schedule.

In the LPG business, as the industry continues to consolidate, small businesses are facing the challenge of business succession.

Therefore, we utilize our nationwide network to link them to M&A.

We will continue to leverage our strength in developing a nationwide supply network, from imports to delivery to homes, and promote M&A to further expand our customer base.

In addition, as an effort to create new products and services, a unique IoT platform, Iwatani Gateway will be used to demonstrate services that contribute to solving social issues in the local community and to introduce them in the market.

From April 2022, we started a child monitoring service in Hakui, Ishikawa Prefecture, in cooperation with local governments and universities.

In September, we started a service to watch over the elderly in Goto City, Nagasaki Prefecture.

The service is scheduled to be launched in other regions in FY2023.

We are also making progress in the initiatives of measuring CO2 emission reductions in homes where we have installed high-efficiency gas water heaters with Iwatani Gateway and convert its environmental value as J-credits.

It will take some time to monetize, but by expanding new services that contribute to solving social issues, we are committed to growing our business by evolving into an indispensable provider for the community and our customers.

Review of the Basic Strategies

Iwatani

▶ Strengthen business foundations, including the development of a stable supply system, towards “Expanding international businesses”

Main outcomes

Expanding international business in the Industrial Gases and Machinery business

- Expanded manufacturing and supply bases in China and Southeast Asia
- Entered the air-separation gases business in the U.S. through M&A of Aspen Air US, LLC

（Helium center in Thailand）

(Aspen Air US, LLC in the U.S.)

With regard to “expanding international businesses”, amid the increasing supply risks such as supply chain disruptions and various resource price hikes, we steadily strengthened our business foundation including strengthening the supply system in each business.

In the Industrial Gases & Machinery Business, in China and Southeast Asia, where industrial growth is remarkable, we have strengthened our stable supply system by establishing a plant for manufacturing air-separation gases and a helium supply base.

In the US, we acquired Aspen Air US, LLC, which manufactures and sells air-separation gases.

So far in the US, we have sold hydrogen, helium, and other specialty gases in which we have an advantage.

We will begin handling air-separation gases as well, which has a larger market. With this acquisition, we intend to further expand our business in the US and strengthen our profitability.

Review of the Basic Strategies

Iwatani

Strengthen business foundations, including the development of a stable supply system, towards “Expanding international businesses”

Main outcomes

Strengthening stable supply system and manufacturer functions overseas
‣ Constructed a portable gas cooking stove plant in Thailand as our second overseas manufacturing base.
‣ More than doubled production capacity of metal processing plant

(Portable gas cooking stove manufacturing plant in Thailand)

(Metal processing plant in Thailand)

In the Cartridge Gas Business, we constructed a cassette stove manufacturing plant in Thailand as our second overseas base following China.

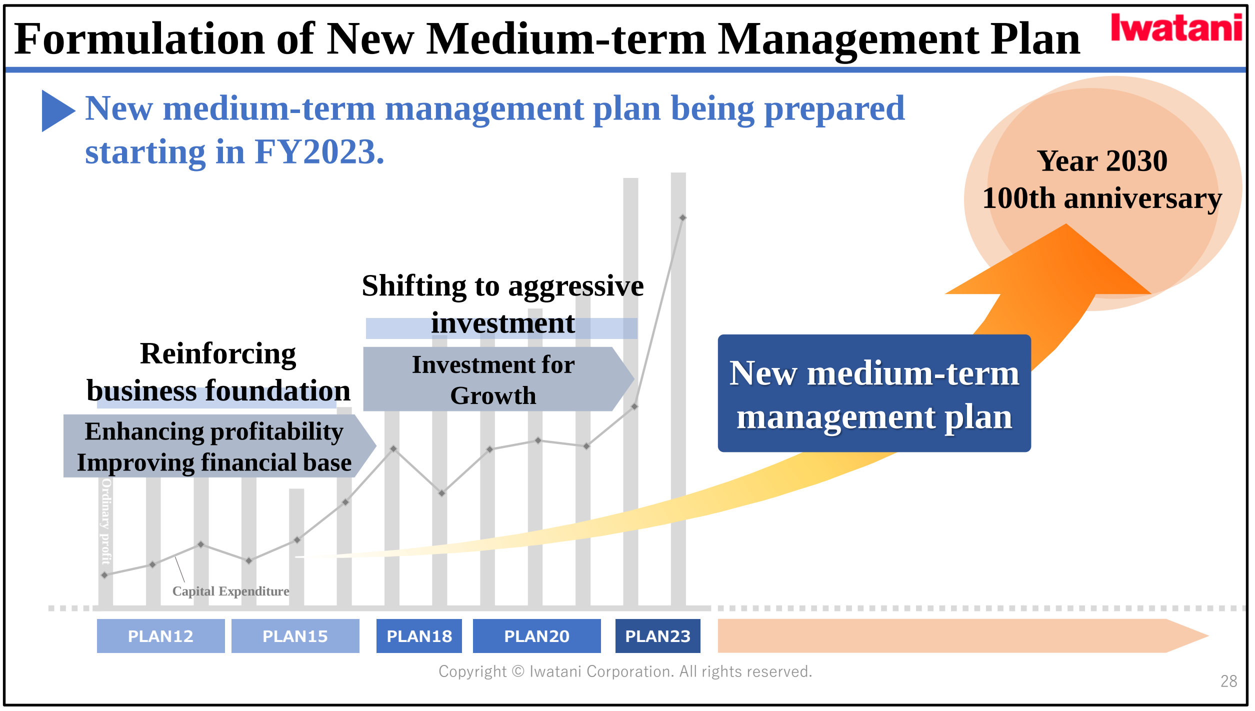
With growing demand in Southeast Asian markets, including Malaysia and Indonesia, we will work on establishing a stable supply system and further expand sales of portable gas cooking stoves and cassette gas canisters.

In the materials business, we invested in securing procurement sources of resources and strengthened our manufacturer functions.

The metal processing products plant in Thailand manufactures parts for air conditioners.

Due to the expected continuous expansion, we have more than doubled our production capacity.

We will strive to expand our business by strengthening supply systems and manufacturer functions, and steadily addressing new demand, while monitoring domestic and international supply and demand trends and supply chain restructuring.



In light of this situation, we are currently formulating a new medium-term management plan with the fiscal year ending March 31, 2024, as its first year.

While making strategic investments, especially in the hydrogen business, in order to sustainably enhance corporate value, we are looking at ways to expand our business.

We will make an announcement and hold a briefing conference as soon as we are ready.

We look forward to your continued support.

This concludes the presentation for the financial results briefing. Thank you for your time.

<Contact information>

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