

Iwatani

**Financial Results for 1Q FY2023
(Results for the Three Months Ended June 30, 2023)**

August 7, 2023

Iwatani Corporation

[TSE Prime, 8088]

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

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FY2023 1st Quarter Overview

Highlights

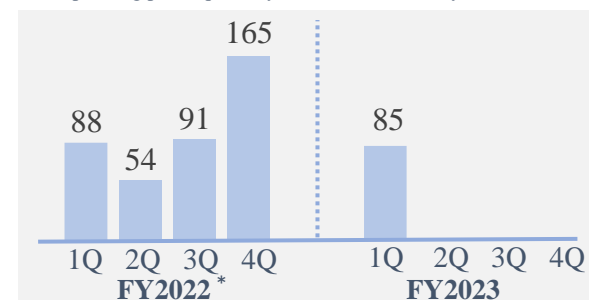
▶ Sales of products for the industrial field were strong and operating income except for impact of LPG import price fluctuation increased, despite sales and profits decreased due to lower LPG import prices and the impact of LPG import price fluctuation.

Overview of Consolidated Financial Results for 1Q of FY2023

- Net sales decreased due to lower LPG import prices and the impact of high temperatures, etc.
- Operating profit decreased due to negative LPG import price fluctuation (-3.7 billion yen year-on-year)
Operating income except for impact of LPG import price fluctuation increased by 3.4 billion yen due to strong sales of products for the industrial field, mainly in the Industrial Gases & Machinery Business.
- Ful-year forecasts : No change

Net sales	201.9 billion yen	YoY (1.8) billion yen (0.9%)
Operating profit	8.5 billion yen	YoY (0.3) billion yen (3.6%)
Ordinary profit	10.6 billion yen	YoY (0.7) billion yen (6.3%)
Profit attributable to owners of parent	7.1 billion yen	YoY (1.0) billion yen (12.3%)

■ Operating profit quarterly trends (100 million yen)



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* The figures for FY2022 reflect the finalization of the provisional accounting treatment for a business combination.

Consolidated Operating Results (Analysis of Net Sales)

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(100 million yen)

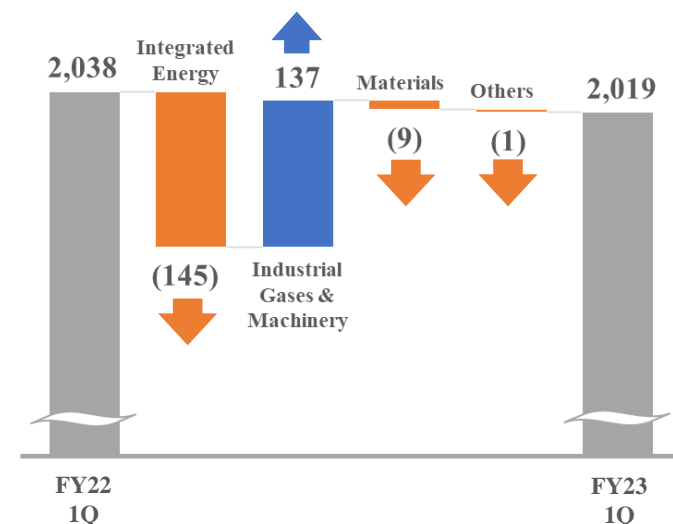
	FY23 1Q results (A)	FY22 1Q results (B) *	YoY (A)-(B) ((A)/(B))	FY23 forecasts	Progress
Net sales	2,019	2,038	(18) (0.9%)	9,070	22.3%
Gross profit	516	505	+11 +2.2%	—	—
Operating profit	85	88	(3) (3.6%)	450	18.9%
Operating profit except for impact of LPG import price fluctuation	102	67	+34 +50.9%	450	22.8%
Non-operating profit	21	25	(3) (16.0%)	—	—
Ordinary profit	106	113	(7) (6.3%)	503	21.1%
Profit attributable to owners of parent	71	81	(10) (12.3%)	335	21.4%

* The figures for the first quarter of FY2022 reflect the finalization of the provisional accounting treatment for a business combination.

Increase/Decrease factors

- Net sales decreased in the Integrated Energy Business due to lower LPG import prices and the impact of high temperatures.
- Sales of products for the industrial field were strong.

■ Net sales



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Consolidated Operating Results (Analysis of Operating Profit)

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(100 million yen)

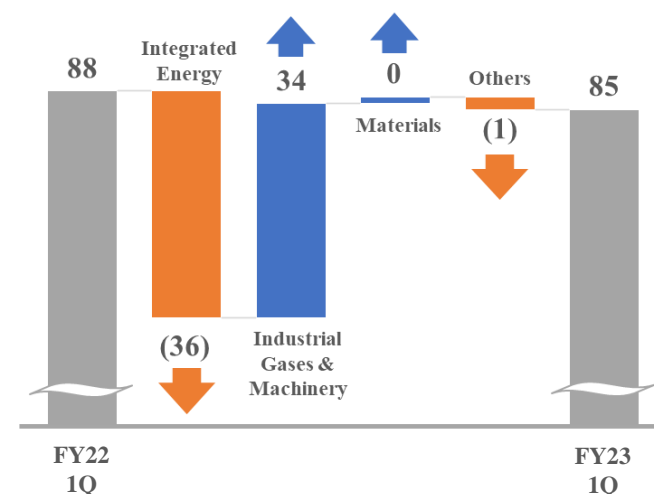
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Gross profit	516	505	+11 +2.2%	—	—
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Profit attributable to owners of parent	71	81	(10) (12.3%)	335	21.4%

* The figures for the first quarter of FY2022 reflect the finalization of the provisional accounting treatment for a business combination.

Increase/Decrease factors

- Operating profit decreased due to negative LPG import price fluctuation as well as increase in SG&A expenses, despite strong sales of products for the industrial field.
- Non-operating profit declined year-on-year due to an increase in interest expense, etc.

Operating profit



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Consolidated Operating Results (Segment analysis)

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(100 million yen)

	FY23 1Q Results (A)	FY22 1Q Results (B) *	YoY (A)-(B)	YoY (A)/(B)	FY23 forecasts	Progress
Net sales	2,019	2,038	(18)	(0.9%)	9,070	22.3%
■ Integrated Energy	769	915	(145)	(15.9%)	3,980	19.3%
■ Industrial Gases & Machinery	621	484	+137	+28.4%	2,592	24.0%
■ Materials	553	562	(9)	(1.7%)	2,202	25.1%
■ Others	74	75	(1)	(2.0%)	296	25.1%
Operating profit	85	88	(3)	(3.6%)	450	18.9%
■ Integrated Energy	16	52	(36)	(69.6%)	180	8.9%
■ Industrial Gases & Machinery	48	14	+34	+231.7%	175	28.0%
■ Materials	27	27	+0	+2.0%	123	22.5%
■ Others, Adjustments	(7)	(6)	(1)	-	(28)	-
Operating profit except for impact of LPG import price fluctuation	102	67	+34	+50.9%	450	22.8%
Ordinary profit	106	113	(7)	(6.3%)	503	21.1%
Profit attributable to owners of parent	71	81	(10)	(12.3%)	335	21.4%

* The figures for the first quarter of FY2022 reflect the finalization of the provisional accounting treatment for a business combination.

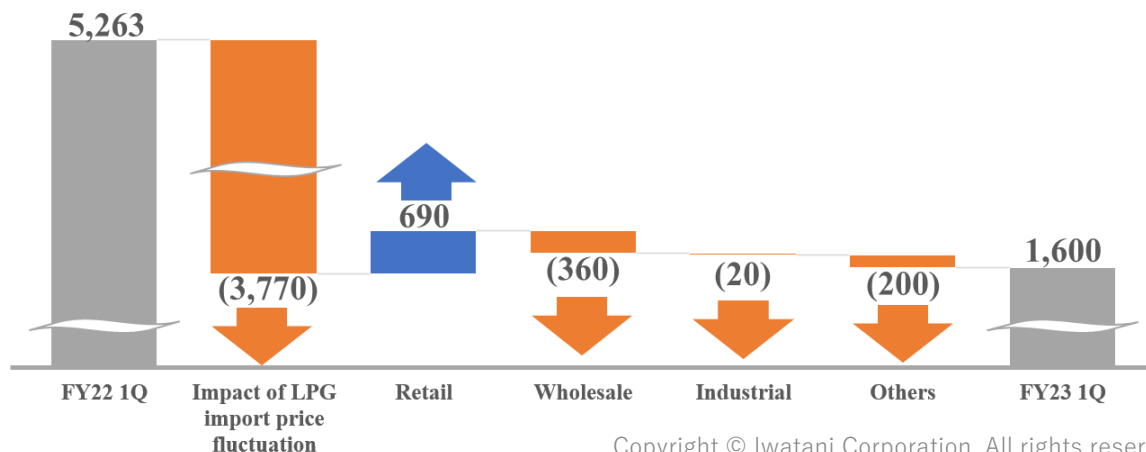
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Operating Profit Analysis of Integrated Energy

Results	(100 million yen)					
	FY23 1Q results (A)	FY22 1Q results (B)	YoY (A)-(B)	YoY (A)/(B)	FY23 forecasts	Progress
Net sales	769	915	(145)	(15.9%)	3,980	19.3%
Operating profit	16	52	(36)	(69.6%)	180	8.9%
Operating profit except for impact of LPG import price fluctuation	33	32	+1	+3.4%	180	18.5%

Analysis of Changes in Operating Profit

(million yen)



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Main factors

(million yen)

■ Impact of LPG import price fluctuation (3,770)

	1Q	2Q	1Q-2Q total	3Q	4Q	Full year
FY23	(17.3)				-	-
FY22	+20.4	(15.0)	+5.3	(29.3)	(7.3)	(31.3)
Changes	(37.7)	-	-	-	-	-

■ Retail +690

-Profitability improved

■ Wholesale (360)

-Sales volume decreased at our wholesale customers

■ Industrial (20)

-Decrease in LPG sales for calorific adjustment for city gas

■ Others (200)

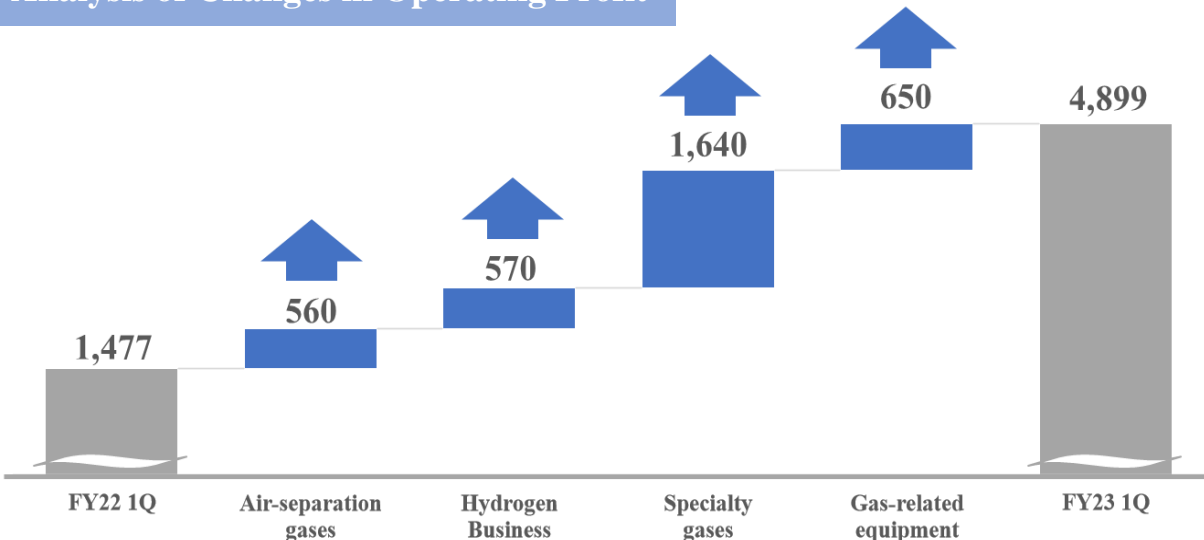
-Decrease in sales of camping equipment and portable gas cooking stoves due to outdoor demand declined

Operating Profit Analysis of Industrial Gases & Machinery

Results		(100 million yen)				
	FY23 1Q results (A)	FY22 1Q results (B)	YoY (A)-(B)	YoY (A)/(B)	FY23 forecasts	Progress
Net sales	621	484	+137	+28.4%	2,592	24.0%
Operating profit	48	14	+34	+231.7%	175	28.0%

Analysis of Changes in Operating Profit

(million yen)



Main factors (million yen)

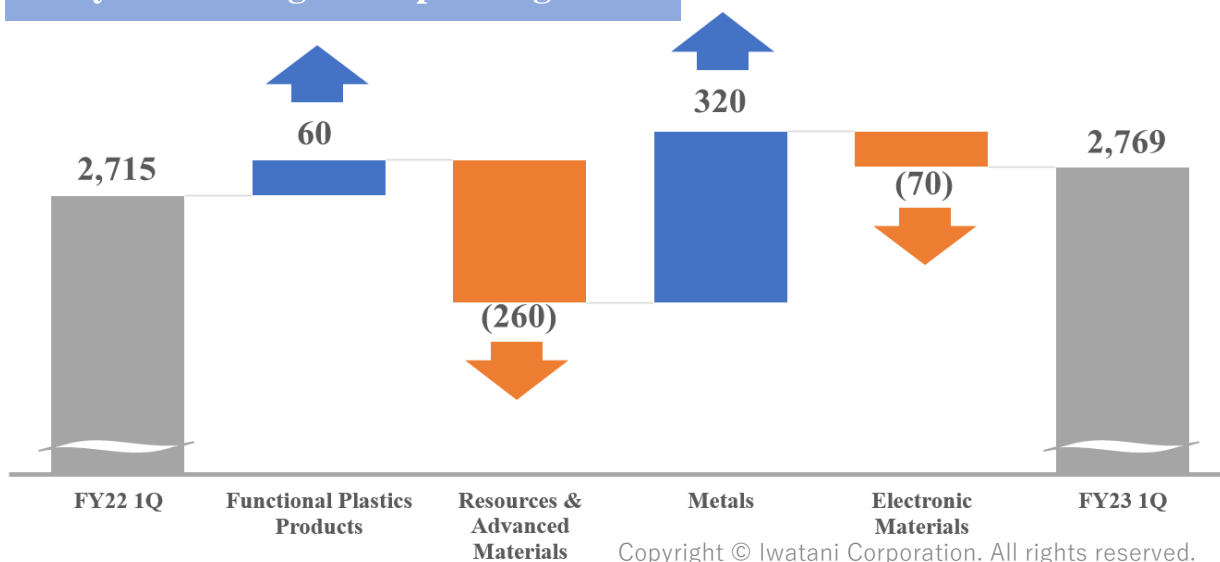
- Air-separation gases +560**
 -Decrease in sales volume mainly to the electronic component industry
 -Cope with increased production costs
- Hydrogen Business +570**
 -Decrease in sales volume mainly to the semiconductor industry
 -Cope with increased production costs
 -Steady sales of hydrogen-related equipment
- Specialty gases +1,640**
 -Sales of carbon dioxide gas increased for the chemical and beverage industry
 -Stable procurement and supply of helium
- Gas-related equipment +650**
 -Sales of machinery and equipment increased, especially for the automobile-related industry
 -Increase in sales of gas supply equipment

Operating Profit Analysis of Materials

Results		(100 million yen)				
	FY23 1Q results (A)	FY22 1Q results (B)	YoY (A)-(B)	YoY (A)/(B)	FY23 forecasts	Progress
Net sales	553	562	(9)	(1.7%)	2,202	25.1%
Operating profit	27	27	+0	+2.0%	123	22.5%

Analysis of Changes in Operating Profit

(million yen)



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Main factors (million yen)

- Functional Plastics Products +60**
 -Increase in sales of PET resins for beverage bottles
- Resources & Advanced Materials (260)**
 -Decrease in sales of mineral sands
 -Increase in sales of biomass fuels
- Metals +320**
 -Steady sales of imported stainless steel and processed metals
- Electronic Materials (70)**
 -Decrease in sales of battery-related materials for next-generation vehicles due to inventory adjustment at customers

FY2023 Forecasts

Forecasts for the Year Ending March 31, 2024

Iwatani
(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	-
Operating profit except for impact of LPG import price fluctuation	450	431	+18	+4.2%
Ordinary profit	503	470	+32	+7.0%
Profit attributable to owners of parent	335	320	+14	+4.6%

Change from forecasts*: No change

*Announced on May 15th, 2023

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

Iwatani

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