



# CORPORATE REPORT 2019

Creation of a more comfortable space  
on the Earth is what  
Iwatani wishes and strives for



**Iwatani**



Chairman and CEO

*Akiji Makino*

President

*Mitsuhiro Tanimoto*

The corporate philosophy of Iwatani Corporation is “Become a person needed by society, as those needed by society can prosper.” In accordance with this philosophy, we deliver a wide variety of gases and energy to households and industries.

As its two core businesses, Iwatani operates the energy business, which mainly supplies LPG to support people’s lives, and the industrial gases & machinery business, which supports industry. As we work towards the realization of a sustainable society, we refer to the demands of both domestic and international society to recognize the roles that should be fulfilled by these businesses. We also regard environmental and energy-related problems that need to be overcome as important issues for Iwatani, and strive to resolve them. From early on, we have been focusing our efforts on reducing environmental impact by encouraging the use of hydrogen, which we regard as the ultimate source of clean energy, and the key to building a sustainable society. We construct hydrogen refueling stations with a view to promoting the widespread introduction of fuel cell vehicles, and participate in public-private joint technology demonstration projects such as the Fukushima Plan for a New Energy Society (which produces CO<sub>2</sub>-free hydrogen using renewable energy) and a project to facilitate high-volume transportation of liquid hydrogen produced in Australia. Through initiatives such as these, we are fulfilling important roles on a global scale, with a view to achieving the realization of a hydrogen energy society at the earliest possible stage.

The circumstances surrounding gases and energy are changing dramatically. Moving forward, Iwatani will continue to support a diverse range of lifestyles and industries through the stable provision of energy far into the future, and aim to achieve sustainable growth as a general energy firm.

CONTENTS

|                                     |  |   |
|-------------------------------------|--|---|
| ■ P. 1 Message                      | ■ P.13 Initiatives for Achieving Sustainable Growth Materiality and SDGs | ■ P.25 Creating a Vibrant Workplace       |
| ■ P. 3 What is Iwatani?             | ■ P.15 Building Energy Infrastructure to Support Local Communities       | ■ P.26 Social Contribution Activities     |
| ■ P. 7 Energy                       | ■ P.19 Transitioning to a CO <sub>2</sub> -Free Society                  | ■ P.27 Promoting Environmental Management |
| ■ P. 9 Industrial Gases & Machinery | ■ P.21 Realizing a Sustainable Society                                   | ■ P.29 Financial Highlights               |
| ■ P.11 Materials                    | ■ P.23 Reinforcing of Governance   | ■ P.30 Company Information                |
| ■ P.12 Agri-Bio & Foods             |  |   |

## Corporate Philosophy

# Become a person needed by society, as those needed by society can prosper

Our corporate philosophy, “Become a person needed by society, as those needed by society can prosper,” expresses the business philosophy of Iwatani Corporation since the time of its initial founding. It advocates the continuous pursuit of satisfaction for society and consumers. This philosophy has served as the fundamental basis for all our businesses, and

has passed on faithfully to this day. Our LPG business is a good, symbolic example. Iwatani’s LPG has driven the household fuel revolution, easing the heavy workloads of homemakers in the kitchen. It is now widely used as a source of clean energy that people can rely on in daily life, in business, in outdoor activities and in times of emergency.

## Corporate Slogan

# Creation of a more comfortable space on the Earth is what Iwatani wishes and strives for



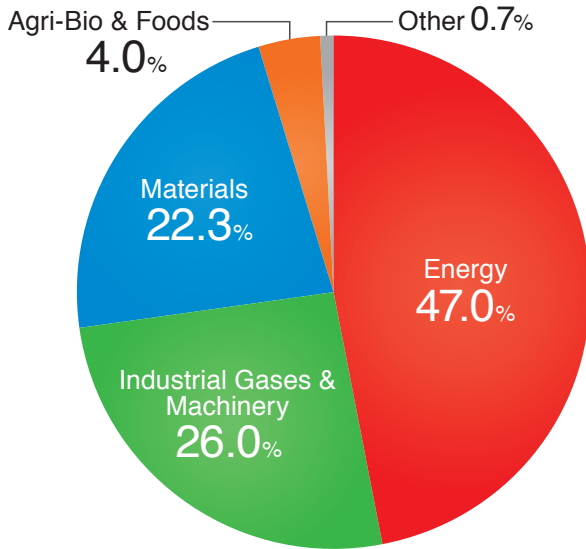
## Outline of Iwatani Corporate Ethics

1. We will create new value sought by customers to contribute to society.
2. We will comply with relevant laws and regulations and respect their spirit. We will fulfill social responsibility through fair and free competition.
3. We will actively disclose corporate information and have dialogs with society to gain empathy from and mutual understanding with society at large.
4. We will respect diverse values and create an environment where abilities can be fully demonstrated in a bid to provide leeway and affluence.
5. We will conduct corporate activities aimed at coexisting with the environment in accordance with the idea embodied in the phrase “Creation of a more comfortable space on the Earth is what Iwatani wishes and strives for.”
6. We will engage in corporate management from an international perspective.

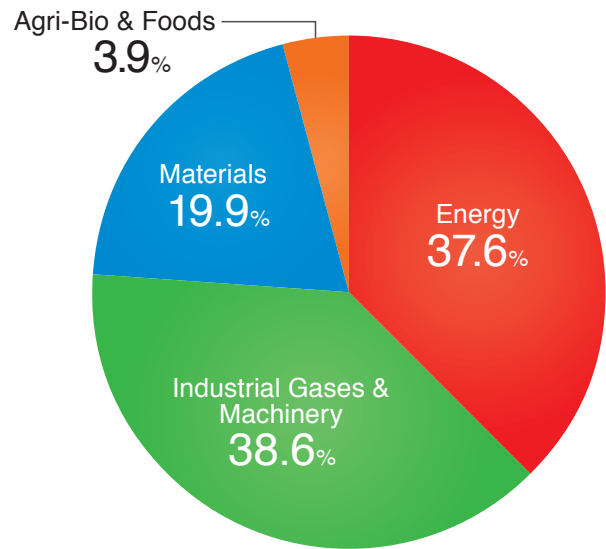
# Company Overview

## Financial Results for FY2018

Consolidated Net Sales: **¥715.0 billion**  
(for the fiscal year ended March 2019)



Consolidated Operating Income: **¥26.4 billion**  
(for the fiscal year ended March 2019)



\* Others and Adjustments are not included.

## Four Businesses with a Focus on Gas & Energy



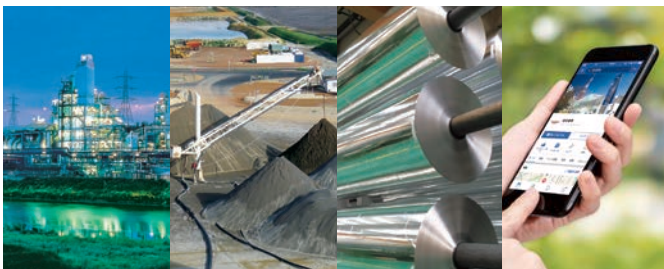
### Energy

- LPG ● Electric power sales and city gas safety service
- Gas equipment and lifestyle products
- Portable gas cooking stoves and cassette gas canisters



### Industrial Gases & Machinery

- Industrial gases (including air separation gases, hydrogen and helium)
- Gas facilities and industrial machinery



### Materials

- Functional plastic products
- Resources and advanced materials ● Metals
- Electronic materials

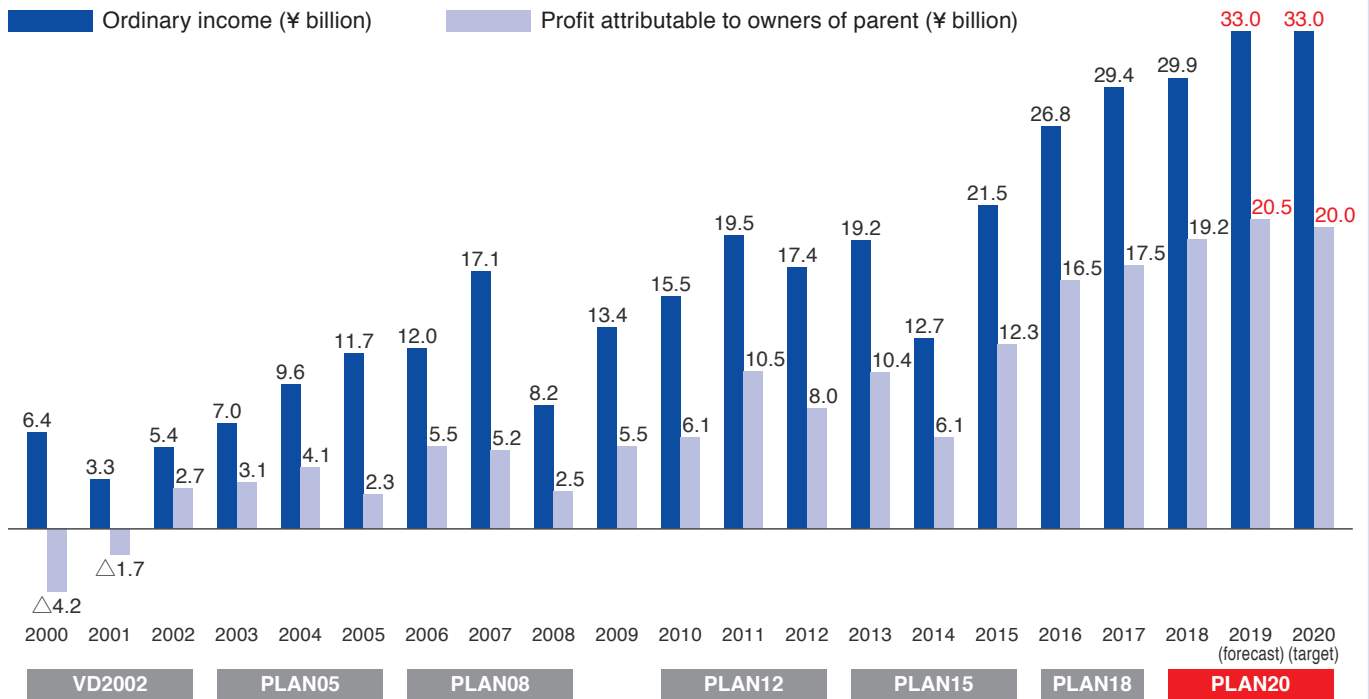


### Agri-Bio & Foods

- Frozen foods ● Health foods ● Agriculture ● Livestock

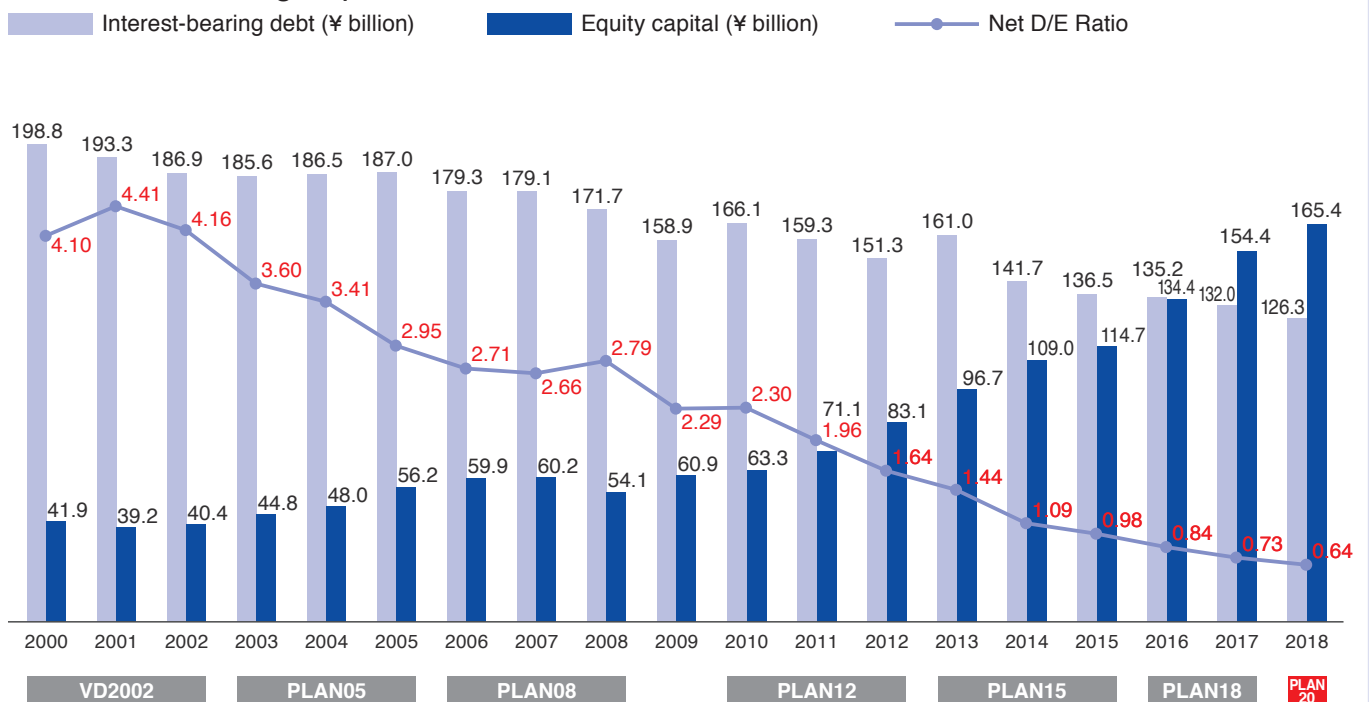
## Earning Power

Income is achieving steady growth.



## Financial Standing

Financial standing improved, with net D/E ratio of 0.64.



# Medium-Term Management Plan: PLAN20 (2018-2020)

## Key Themes

### Evolution and Creation

Further evolution of the energy business and creation of customer value

## Basic Policies

Implement strategies for growth and Expand our business foundation

## Basic Strategies

- 1** Evolution of the energy business
  - Energy distribution reform
  - Promotion of a hydrogen society
  - Expansion of the renewable energy business

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- 2** Creation of new businesses both in Japan and overseas
  - Inroads made overseas through synergies between the industrial gases & machinery and materials businesses
  - Development of new products and services in growth areas
  - Expansion of the cartridge gas business overseas

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- 3** Promotion of ESG initiatives
  - Reduction of environmental impact
  - Promotion of businesses that reliably and safely support industrial and regional infrastructure
  - Tightening of governance (ensuring compliance)

## Management Targets

|                       | Management Indicators |                        |               | Key Business Indicators     |   |                                  |                                 |
|-----------------------|-----------------------|------------------------|---------------|-----------------------------|---|----------------------------------|---------------------------------|
|                       | Ordinary Income       | ROE                    | Net D/E Ratio | LPG direct sales customers  | Portable gas cooking stove and cassette gas canister sales volumes (global) | Air separation gas sales volume  | Liquid hydrogen sales volume    |
| FY2017 Results        | ¥29.4 billion         | 12.2%                  | 0.73          | 900,000 households          | 3,333,000 stoves & 103 million canisters                                    | 1.5 billion m <sup>3</sup>       | 59 million m <sup>3</sup>       |
| FY2018 Results        | ¥29.9 billion         | 12.0%                  | 0.64          | 990,000 households          | 3,869,000 stoves & 120 million canisters                                    | 1.6 billion m <sup>3</sup>       | 70 million m <sup>3</sup>       |
| <b>PLAN20 Targets</b> | <b>¥33.0 billion</b>  | <b>10.0% or higher</b> | <b>0.7</b>    | <b>1,000,000 households</b> | <b>4,400,000 stoves &amp; 137 million canisters</b>                         | <b>1.7 billion m<sup>3</sup></b> | <b>90 million m<sup>3</sup></b> |

## Business Strategies Key Strategies and Targets for Individual Segments

### Energy

#### ① Expansion of direct sales customer base through M&A

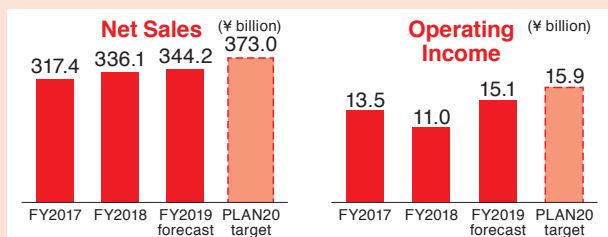
(Number of LPG direct sales customers)  
900,000 households for FY2017→990,000 households for FY2018  
→1,000,000 households for FY2020

#### ② Sales expansion of gas machinery, consumer products and services, etc.

(Sales) ¥74 billion for FY2017→¥84.5 billion for FY2018  
→¥90 billion for FY2020

#### ③ Expansion of the cartridge gas business through new product development and new demand creation

(Sales volumes in Japan)  
1,998,000 cooking stoves & 65 million canisters for FY2017→  
2,449,000 cooking stoves & 77 million canisters for FY2018→  
2,500,000 cooking stoves & 86 million canisters for FY2020  
(Sales volumes overseas)  
1,335,000 cooking stoves & 38 million canisters for FY2017→  
1,419,000 cooking stoves & 43 million canisters for FY2018→  
1,900,000 cooking stoves & 51 million canisters for FY2020



### Industrial Gases & Machinery

#### ① Expansion of the hydrogen business

Implementation of efforts to spread hydrogen energy in society (Liquid hydrogen sales volume)  
59 million m<sup>3</sup> for FY2017→70 million m<sup>3</sup> for FY2018  
→90 million m<sup>3</sup> for FY2020

#### ② Sales promotion of air separation gas and expansion of the machinery business

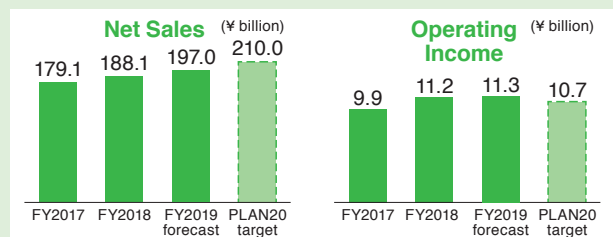
(Air separation gas sales volume)  
1.5 billion m<sup>3</sup> for FY2017→1.6 billion m<sup>3</sup> for FY2018  
→1.7 billion m<sup>3</sup> for FY2020

#### ③ Enhancement in earning power of the helium business

Strengthening of direct sales inside and outside Japan (to boost the helium direct sales volume to 1.2 times the FY2017 level) / Increase in stable supply capacity through investment in containers / Improvement in customer services and cost reductions through utilization of container management systems

#### ④ Expansion of overseas operations

Expansion of business scale through positive investment in growing industries / Entry into European and American markets



### Materials

#### ① Enlargement of new businesses

##### ○ Biomass (PKS)

(Sales volume) 110,000 tons for FY2017→140,000 tons for FY2018  
→500,000 tons for FY2020  
(Sales) ¥1.2 billion for FY2017→¥1.6 billion for FY2018  
→¥6.4 billion for FY2020

##### ○ Eco-friendly PET resins

##### (aluminum catalyst PET resins and bio-based ones)

(Sales) ¥1.1 billion for FY2017→¥3.4 billion for FY2018  
→¥10.0 billion for FY2020

##### ○ EV-related and other battery materials

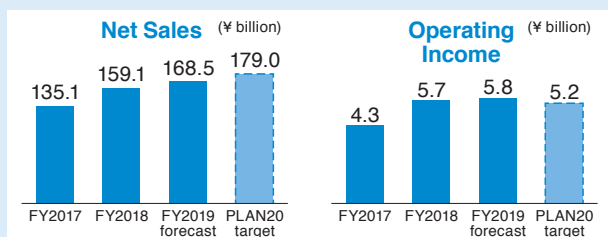
(Sales) ¥6.5 billion for FY2017→¥16.1 billion for FY2018  
→¥14.0 billion for FY2020

##### ○ Nano-nickel

Capital and business alliance with Microwave Chemical Co., Ltd.

#### ② Enlargement of overseas operations

Expansion of metal processing business in Southeast Asia  
(Sales) ¥5.0 billion for FY2020



### Agri-Bio & Foods

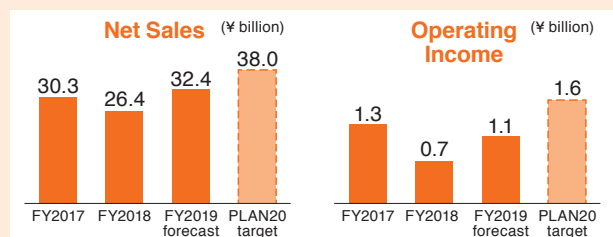
#### ① Sales promotion of frozen food in Japan and overseas

(Sales volume)  
38,000 tons for FY2017→38,000 tons for FY2018  
→55,000 tons for FY2020

Use of proprietary freezing technologies / Product development in collaboration with partners

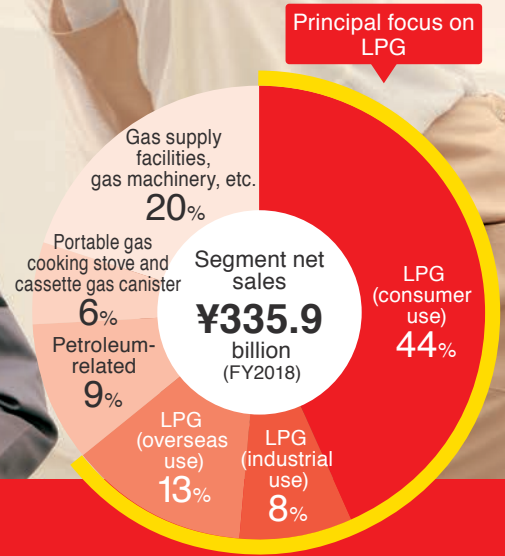
#### ② Increase in market share of pig breeding business

(Market share in Japan)  
12% for FY2017→13% for FY2018→20% for FY2020  
Sales promotion to large customers / Enrichment of production management support services for customers' farms





# Energy



The Energy segment offers LPG for consumer use under the brand name of Marui Gas to households nationwide and sells LPG and LNG for industrial use in factories. It provides customers with portable gas cooking stoves, cassette gas canisters, Fuji no Yusui natural water and other daily living products, gas-related equipment and city gas safety services to support living infrastructure.

## Nationwide Brand of Marui Gas

Iwatani is Japan's only LPG operator holding an integrated LPG supply system covering all processes from import to retail to serve the entire country. With approximately 400 business sites nationwide, we make use of sales, distribution and safety structures to supply high-quality services with excellent attention to detail throughout Japan.

**Marui gas**

Nationwide Users

Approx. **3.2 million** households



Approx. 400 sites across Japan

Sales Network  
Distribution Network  
Safety Network



## Japan's Largest\*1 Customer Base

Iwatani's LPG, provided under the brand name of Marui Gas, serves approximately 3.2 million households across Japan to hold the largest market share in the country's wholesale market. In addition, Iwatani is also the top market shareholder in the retail market, selling directly to 990,000 households among the said figure. We will continue to strengthen the retail business by means of mergers and acquisitions of LPG retailers.

\*1: Source: Iwatani Corporation (based on sales market shares in Japan's LPG retail and wholesale markets as of the end of March 2019)

### Iwatani LPG Sales Results

|                            | Retail                        | Wholesale                    |
|----------------------------|-------------------------------|------------------------------|
| Industry ranking           | <b>1st</b> / 18,516 companies | <b>1st</b> / 1,100 companies |
| Market share               | <b>4.0%</b>                   | <b>13.1%</b>                 |
| Households using Marui Gas | <b>990,000</b>                | Approx. <b>3.2 million</b>   |

As of March 31, 2019



## Entry into City Gas and Electricity Markets

Following the LPG business, Iwatani launched the electricity business in 2016 and the city gas (safety services and equipment sales) business in 2017. In the city gas business, the safety service has been commenced to serve 940,000 customers (as of the end of March 2019). We are striving to expand our customer base in the city gas supply areas as well as in the LPG service area.



Logos of the Iwatani Denki (electricity service) and the Kanden Gas Support Shop

## Sales and Services Concerning a Wide Variety of Products

Iwatani stands as a general energy operator offering gas and electricity. It is working to obtain more customers nationwide and provide customers with a wide variety of products and services including gas equipment and safety services as well as B2C services such as the home delivery of water.

In gas equipment, we provide a range of products to cater to the needs of customers, including energy-saving hot water heaters and stoves equipped with Si safety sensors. We are also engaged in nationwide activities to promote the widespread adoption of Ene-Farm systems, which can generate electricity from gas and also supply hot water, making them effective for use as BCP (Business Continuity Planning) countermeasures.

In our Fuji no Yusui water delivery business, we produce and deliver water to our customers under rigorous quality control at our own production plant, in line with our motto of offering safety and peace of mind.

### Examples of Products



Eco-Jozu water heater



Gas stove



The ALALA series



Ene-Farm household fuel cell cogeneration systems



Fuji no Yusui water

## Japan's Largest\*2 Cartridge Gas Business

For 50 years, since the release of the Cassette-Feu, Iwatani has been focused on developing of products to cultivate demand for applications other than the cooking of hot-pot type dishes in winter. We have thus secured the position of the leading market share holder in Japan for both portable gas cooking stoves and cassette gas canisters. In recent years, our cassette-type portable gas cooking stoves have become popular for outdoor use, catering to new demand primarily amongst younger customers engaging in camping and other outdoor activities. Stockpiling of portable gas cooking stoves for use as a form of disaster readiness equipment—as a source of heat that can be used even when essential lifelines are cut off—is also progressing. Outside Japan, we have a production site in China. We will work to expand sales in the growing Chinese market and expand business operations into Southeast Asia.

\*2: Source: Iwatani Corporation (based on sales market shares in Japan's markets of portable gas cooking stoves and cassette gas canisters as of the end of March 2019)



Iwatani Cassette Gas Canisters



"Yakimaru" Cassette Gas-Type Smokeless Meat Barbeque Grill



The Cassette-Feu Super Tatsujin Slim III



The Cassette-Feu Tafumaru

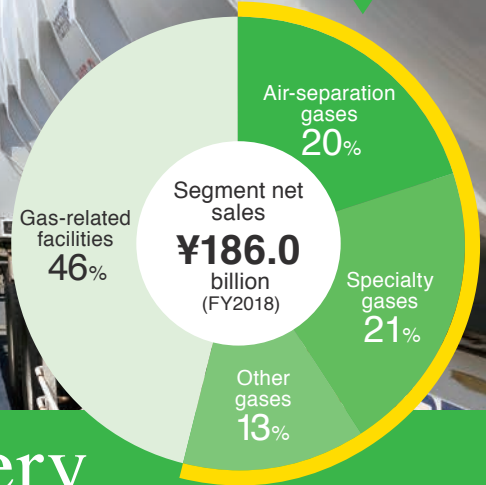


Crush Millser

Market Shares in Japan  
80% in stoves  
55% in canisters  
As of March 31, 2019



Slightly more than half of sales are in industrial gases



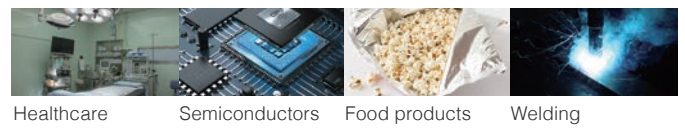
# Industrial Gases & Machinery

The Industrial Gases & Machinery segment consists of the Industrial Gases business, which offers air separation gases (oxygen, nitrogen and argon), hydrogen, helium, carbon dioxide, semiconductor material gases and medical gases, and the Machinery business, which offers different gas production and supply systems, factory automation systems, welding systems, semiconductor manufacturing systems, environmental equipment and others. On the basis of our long-cultivated technological capabilities and a broad array of products and services in this segment, we make proposals matching customers' needs to support the entire industry.

## Contributing Through Stable Supply and Application Technologies

Oxygen, nitrogen and argon are produced by separation from liquefied air utilizing the differences in their boiling points. These gases are used in a diverse range of fields, including iron and steel production, machinery, semiconductors, chemicals and healthcare. Iwatani has established a stable supply network for these gases on a nationwide scale, and offers application technologies that enable the free and unrestricted utilization and handling of the properties of these gases.

### Fields of Use

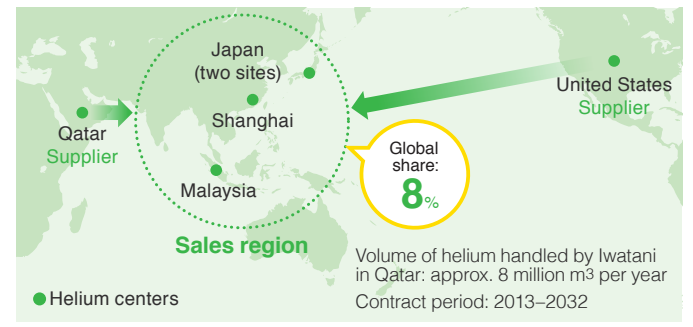


Hydro Edge Co., Ltd.

## Japan's No.1\*1 Helium Supplier, with Highly Reliable Procurement Capabilities

Helium is a rare natural resource that is indispensable for use in cutting-edge technologies and medical treatments. Iwatani procures helium from two countries—Qatar and the United States—for which it has obtained direct import rights, and has now secured an 8% global share. Based on these procurement capabilities, we are now investing our energies into sales activities not only in Japan (where Iwatani holds the top market share) but also in China and Southeast Asia.

### Double-Sourcing from Qatar and the United States



\*1: Domestic market share of helium sales as of March 31, 2019 (according to a survey conducted by Iwatani)

## Japan's Largest\*2 Hydrogen Business

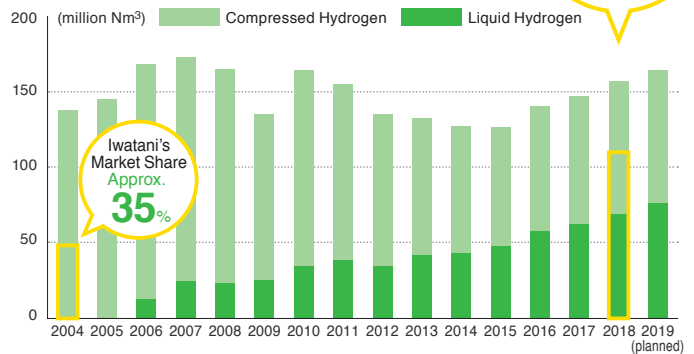
Iwatani first encountered hydrogen in 1941. Its hydrogen business has since accumulated experience and expertise over a long period of time, and we hold a 100% market share for liquid hydrogen. We have seen the liquid hydrogen sales volume increase steadily, especially in recent years. Our share of the Japanese market has grown to 70%—almost doubling—since 2004.

### Inauguration of Liquid Hydrogen Plants

2006: Hydro Edge Co., Ltd.  
2009: Chiba Plant of Iwatani Industrial Gases Corporation  
2013: Yamaguchi Liquid Hydrogen Corporation

\*2: Source: Iwatani Corporation (based on sales market shares in Japan's compressed hydrogen and liquid hydrogen markets as of the end of March 2019)

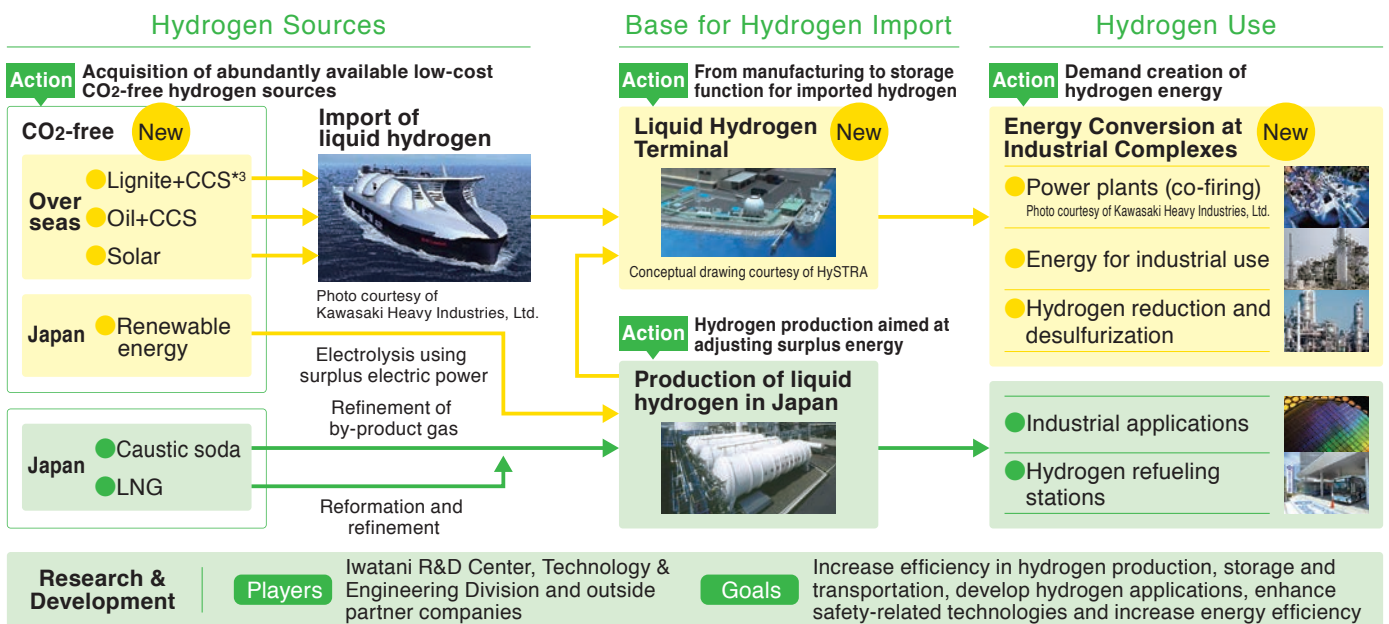
### Trends in Hydrogen Sales Volumes in Japan and Iwatani's Market Share



Iwatani's Market Share Approx. **70%**  
(100% in liquid hydrogen)

Iwatani's Market Share Approx. **35%**

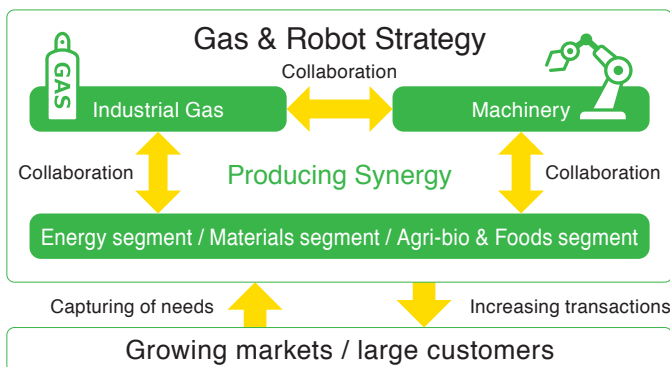
## Future Vision of Hydrogen Business



\*3: CCS stands for CO<sub>2</sub> capture and storage. It refers to the collection and storage of CO<sub>2</sub> emitted from hydrogen production from lignite and oil.

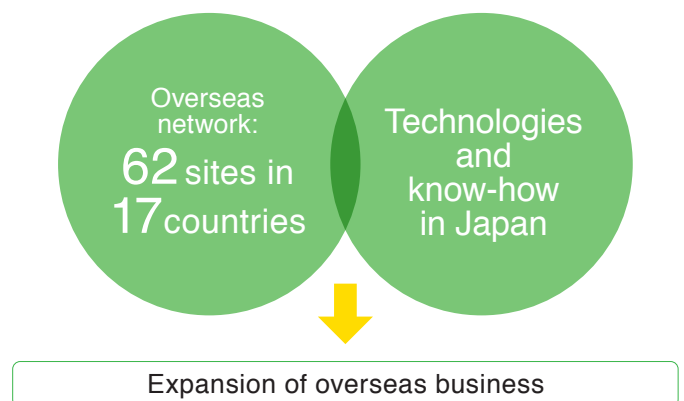
## Synergy between Gases and Machinery

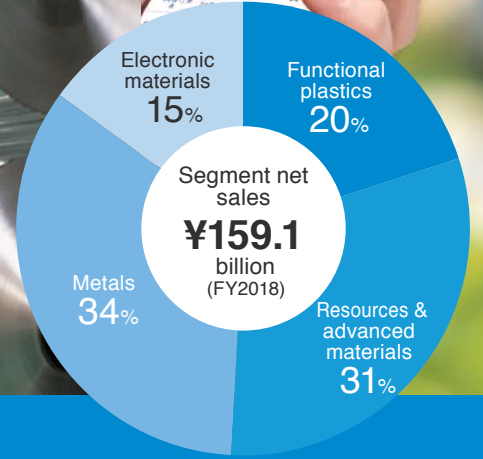
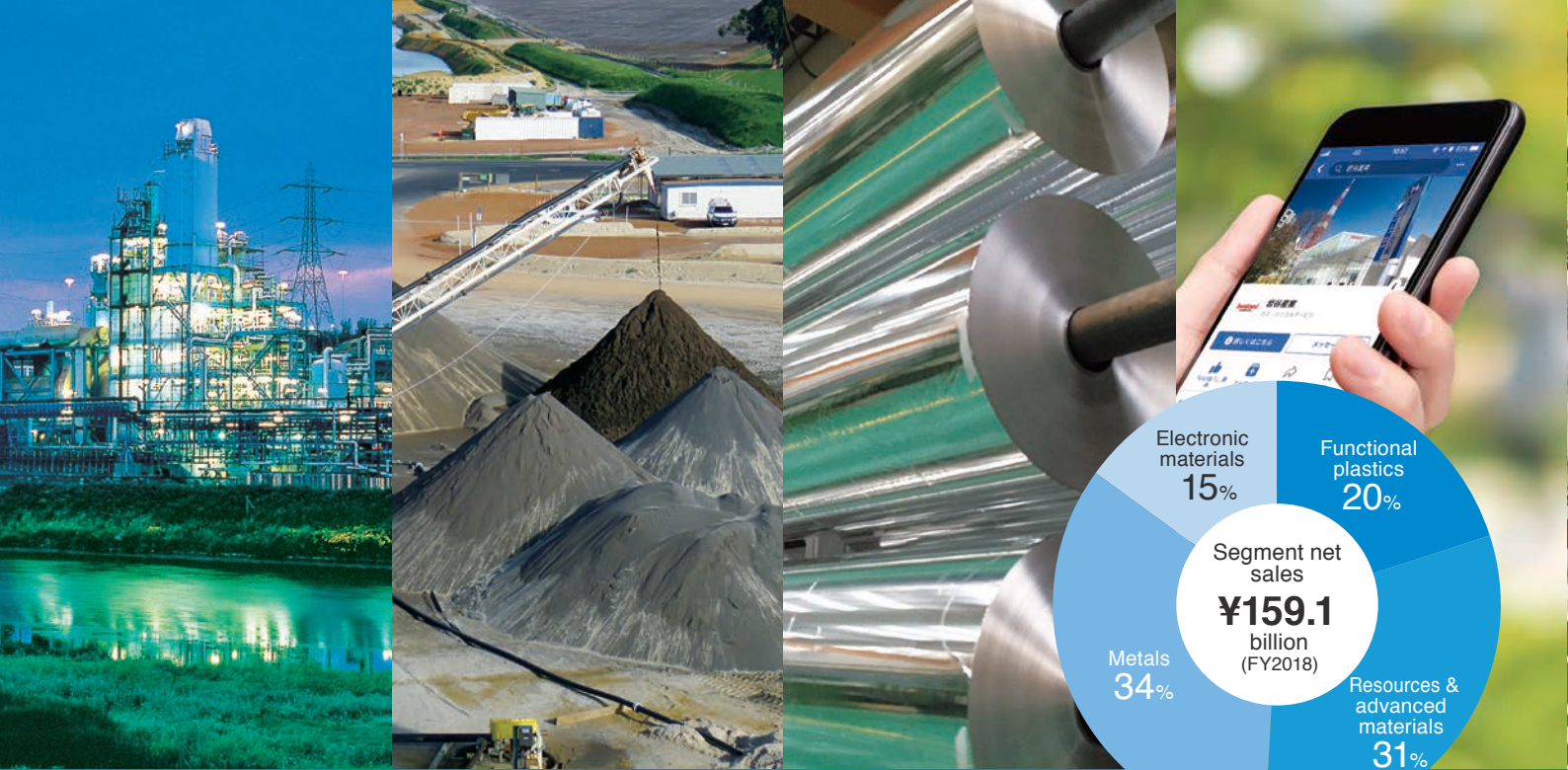
Iwatani's business is not limited to industrial gases. It has an extensive lineup of machinery and equipment, including welding robots and semiconductor production systems. We offer optimal proposals that combine industrial gases with machinery and equipment to produce synergy between gases and robots. This shapes our unique business operations, which are not found in other companies.



## Taking Advantage of Expertise Cultivated in Japan for Business Expansion Overseas

Iwatani aims to achieve business expansion not only in Japan but also overseas by taking advantage of the technologies and know-how that it has nurtured as well as its overseas network. We will also carry out cross-organizational collaboration among other segments with a view to producing synergy between business segments.





# Materials

The Materials segment consists of the functional plastics section, which provides resin raw materials and resin products, the resources & advanced materials section, providing mineral sand and others, the metals section, providing stainless steel and non-ferrous metals, and the electronic materials section, providing electronic materials. The segment provides raw materials and other materials that are necessary for manufacturing.

## Functional plastics section

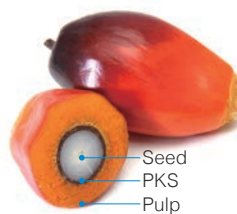
Eco-friendly PET resin contributes to promoting recycling and reducing CO<sub>2</sub> emissions. Moving forward, Iwatani will aim to expand its application to uses other than beverage bottles, such as packaging materials and lifestyle goods.



Eco-friendly PET resin

## Resources & advanced materials section

Iwatani contributes on a global scale through the supply of raw materials, from natural resources to rare metals and cutting-edge advanced materials. We also supply palm kernel shells (PKS) as a type of biomass fuel, which is gathering attention as a source of renewable energy.



Palm kernel shells (PKS) serves as a biomass fuel



Mineral sand quarry

## Metals section

Even after use, stainless steel products are almost 100% recyclable without any loss of quality. Iwatani supports the production of a variety of next-generation electronics products—such as represented by 5G telecommunications devices—with stainless materials that offer superior recyclability.



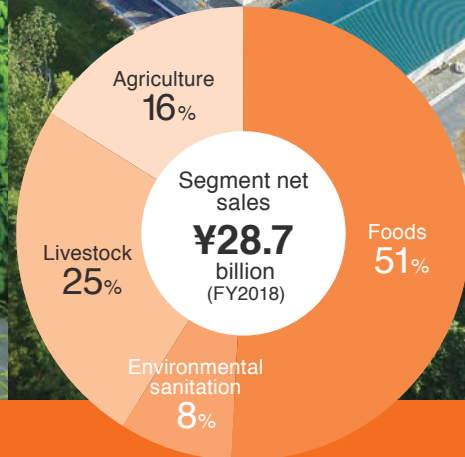
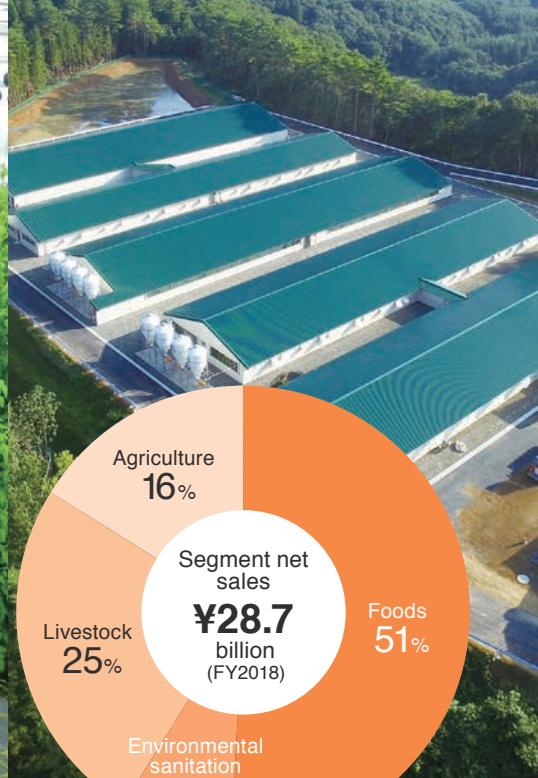
Stainless steel

## Electronic materials section

Next-generation vehicles do not use fossil fuels. Secondary batteries contribute to conserving the global environment, such as by enabling the production of electric powered cars. Iwatani procures and sells essential materials required for use in batteries from locations around the world.



Battery-related materials



# Agri-Bio & Foods

The Agri-Bio & Foods segment offers frozen food as mainstay products. This business began as part of an initiative to develop businesses and products by harnessing cold thermal energy from liquid nitrogen. Today, we sell frozen vegetables, frozen prepared food, sesame seeds processed using a freeze shattering technology, soft-shelled turtle products and dietary supplements. We also engage in the breeding stock business and the sale of plant factories, agricultural machinery and agricultural equipment.

## Frozen Food Produced with Unique Freezing Technology

Iwatani boasts its original Fresh-I method of preserving the freshness and taste of frozen vegetables. We are working on developing products in response to needs for labor saving and on sales expansion through the cultivation of new sales channels.



Frozen Food

## Breeding Stock Business Holding the Top Market Share

Iwatani supplies excellent pig breeds to producers as an exclusive agency of Pig Improvement Company (PIC), which is the world's largest breeding stock company. In partnership with large business operators, we will work to increase our market share in Japan from the current level of 13% to 20%.



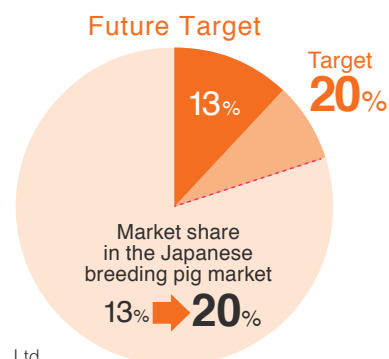
Large Livestock Farm



Health Food Series

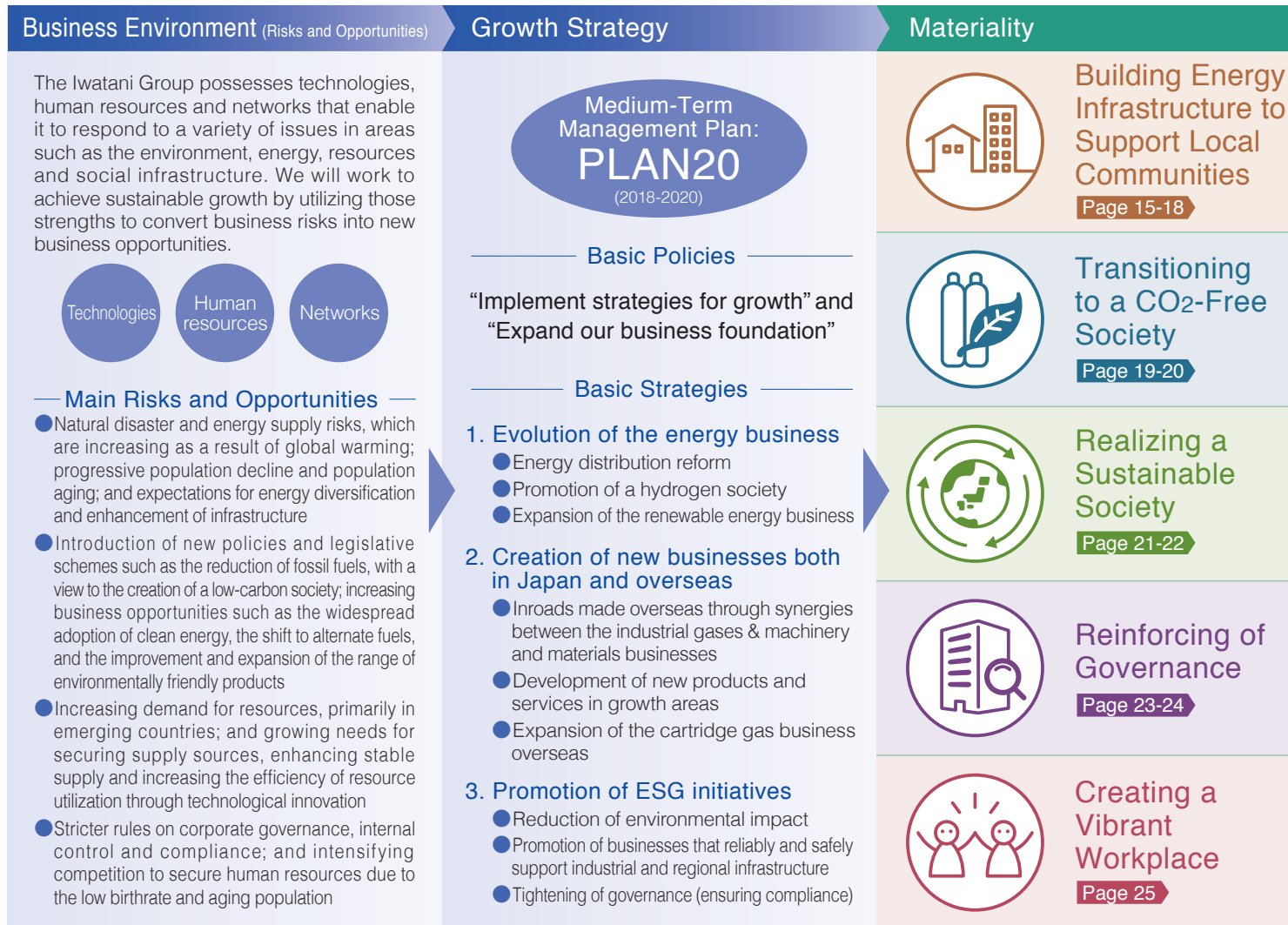


Tashiro Farm of Iwatani Camborough Co., Ltd.

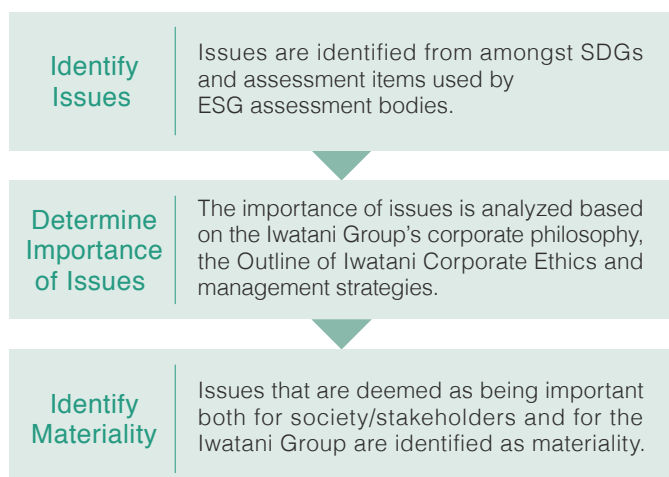


# Initiatives for Achieving Sustainable Growth

With the corporate philosophy of, “Become a person needed by society, as those needed by society can prosper,” the Iwatani Group will work to achieve sustainable growth and resolve social issues through its business operations, with a focus on gases and energy.

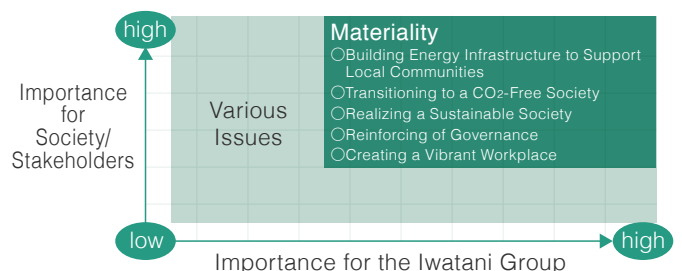


## Process for Identifying Materiality
























### Approach to Materiality

In identifying materiality, we consider the two axes of Importance for the Iwatani Group (horizontal axis) and Importance for Society/Stakeholders (vertical axis), and select issues that are of high importance on both the two axes.



# Materiality and SDGs

|  | Main Initiatives  | Related SDGs  |
|--|---|---|
| <ul style="list-style-type: none"> <li>● Securing lifelines in provincial cities</li> <li>● Building a resilient supply chain</li> <li>● Enhancing disaster countermeasures and response</li> </ul>            | <ul style="list-style-type: none"> <li>● Expanding use and ensuring stable supply of Marui Gas</li> <li>● Developing Core LPG Centers ● Marui Gas Disaster Relief Corps</li> <li>● Disaster readiness provisions (portable gas cooking stoves and Fuji no Yusui water supplies)</li> <li>● Support Team for Your Community (Kodomo 110-Ban Emergency Call Centers for Kids)</li> <li>● TeleSafe System and Iwatani GateWay</li> </ul> |   <br>      |
| <ul style="list-style-type: none"> <li>● Widespread use and stable supply of clean energy</li> </ul>   | <ul style="list-style-type: none"> <li>● Encouraging shift to alternative fuels (LPG and LNG)</li> <li>● Creating demand for hydrogen energy</li> <li>● Participating in industry-government-academia projects</li> </ul>   |   <br>      |
| <ul style="list-style-type: none"> <li>● Growing use of renewable energy</li> <li>● Widespread adoption of products with low environmental impact</li> <li>● Stable supply of scarce resources</li> </ul>      | <ul style="list-style-type: none"> <li>● Expanding use of biomass fuels</li> <li>● Developing environmentally friendly products</li> <li>● Ensuring stable supply of helium</li> <li>● Developing and supplying scarce mineral resources</li> </ul>   |   <br>   |
| <ul style="list-style-type: none"> <li>● Building a governance system to support sound business activities</li> </ul>  | <ul style="list-style-type: none"> <li>● Business execution and supervisory system</li> <li>● Auditing system</li> <li>● Enhancing risk management system</li> <li>● Ensuring compliance</li> </ul>   |    |
| <ul style="list-style-type: none"> <li>● Developing human resources to support growth strategies</li> <li>● Creating workplaces where a diverse range of human resources can engage in active roles</li> </ul> | <ul style="list-style-type: none"> <li>● Human resources schemes</li> <li>● Promoting diversity</li> <li>● Human resources development and education schemes</li> <li>● Maintaining and improving employee health</li> </ul>  |     |

## Responding to the SDGs (Sustainable Development Goals)

Iwatani recognizes understanding and responding to the SDGs (Sustainable Development Goals) adopted by the United Nations in 2015 as essential to identifying materiality. By validating the relationship between its

materiality and the 17 Goals and 169 Targets specified by the SDGs, and positioning SDGs for each material issue, the Iwatani Group contributes widely to the transformation of society.





# Building Energy Infrastructure to Support Local Communities

It is not permissible for energy supplies to stop. As a top supplier of LPG, Iwatani contributes to the safety and security of local communities by endeavoring to enhance its stable supply networks and promote widespread adoption of disaster readiness measures.

## Supporting Households Nationwide with Marui Gas

LPG is an environmentally friendly energy source that offers excellent portability. Utilizing these characteristics, LPG covers approximately 95% of Japan, which has diverse and varied landscapes, and supports the lifestyles of around half of all households nationwide. It is also used for a wide range of other purposes including business, industrial and automotive applications, and plays a key role as an important part of energy infrastructure for local communities.

Iwatani supplies LPG under the top brand name of Marui Gas to approximately 3.2 million households across Japan, from Hokkaido to Okinawa, and for many different applications. Moving forward, we will continue to drive the stable supply and the expansion of use of LPG as a general-purpose energy source that also contributes to reducing environmental impact.

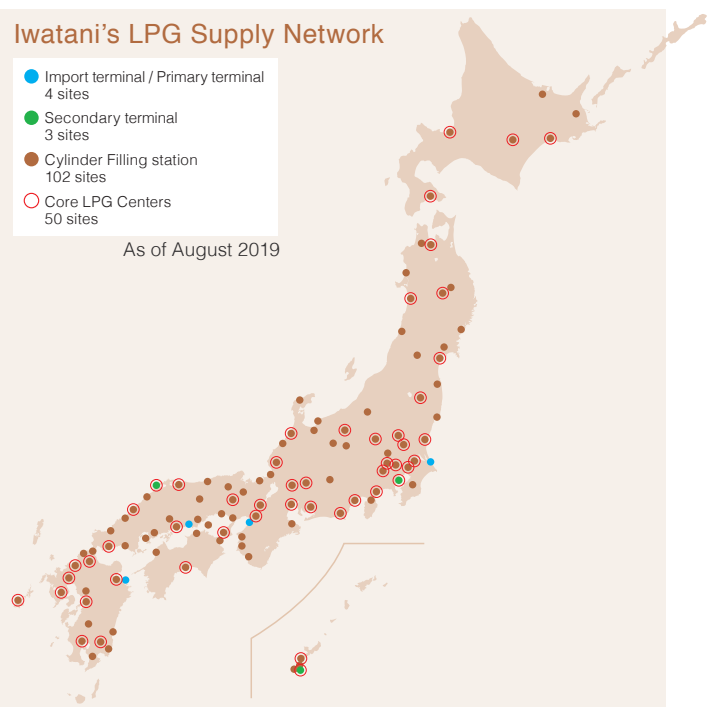


## Core LPG Centers : Crucial to Ensuring Stable Supply

In order to maintain the stable supply of LPG even during times of disaster, such as after the occurrence of earthquakes, it is essential to ensure that the LPG refueling stations—which provide high-capacity storage and fill and ship individual LPG containers—continue to operate stably. By developing Core LPG Centers (LPG refueling stations with increased earthquake resistance), Iwatani ensures the higher robustness of its network for the stable supply of LPG.

In addition to enhancing the earthquake resistance of LPG storage tanks and refueling equipment, Core LPG Centers are also equipped with auto gas dispensers and LPG-powered emergency generators that enable operation of facilities even during power outages. In addition, by increasing the ratio of LPG-fueled vehicles used to deliver LPG from Core LPG Centers to users, we have established a network that is not influenced by gasoline shortages during times of emergency.

Iwatani currently has 102 LPG refueling station locations across Japan, 50 of which have now been completely converted into Core LPG Centers.



Core LPG Centers are highly disaster-resistant



Disaster-ready LPG bulk storage tank



LPG power emergency generator



## Promoting Disaster Readiness Measures Using LPG

In the event of a large-scale natural disaster, lifelines such as electric power, gas and water supplies are interrupted, and it becomes difficult to use these utilities. LPG does not require any gas pipes, and is expected to be useful as a last resort for supplying energy to disaster-stricken areas. Iwatani has developed the Emergency Energy System, which utilizes the advantages of LPG as a disaster-readiness measure. We also promote the introduction of technologies such as cogeneration systems and GHP (gas heat pump) air conditioning systems, which can be utilized for everyday use, but which are also useful in times of disaster.

The Emergency Energy System combines a disaster-ready LPG bulk storage tank, LPG-powered emergency generator, a delivery station (a portable large-scale cooking set created by joint development with Rinnai Corporation), and gas stoves. This set enables cooking, hot water supply and heating even under conditions where electric power and city gas cannot be used. The cogeneration systems are stable power sources that generate electricity using LPG, and are useful as a countermeasure against

power outages and for avoiding voltage drops. GHP (gas heat pump) air conditioners also work using LPG. These LPG-utilizing systems and equipment are also effective as BCP (Business Continuity Planning) countermeasures for ensuring business continuity during times of disaster, and are being introduced at a wide range of facilities across Japan, including local governments, hospitals, nursing care facilities, schools and business enterprises.



Iwatani Emergency Energy System

## Marui Gas Disaster Relief Corps

The Marui Gas Disaster Relief Corps is the only nationwide-scale disaster-readiness organization operated by a private sector energy service provider, formed with the assistance of around 1,400 Marui Gas distributors for the purpose of swiftly carrying out LPG recovery work in the wake of a disaster. At the moment, it boasts a total of approximately 3,600 qualified gas technicians from different companies. In the wake of heavy rainfall in western Japan in 2018, too, the Relief Corps rushed to help disaster-stricken areas, by engaging in LPG inspections and recovery work. In preparation for its deployment in the event of unforeseeable disasters, the Marui Gas Disaster Relief Corps endeavors to maintain and improve its disaster response capabilities by conducting simultaneous nationwide mass training drills once a year.



Mass training drill

### Examples of past deployments



January 1995:  
Great Hanshin-Awaji (Kobe) Earthquake



March 2011:  
Great East Japan Earthquake



April 2016:  
Kumamoto Earthquake



July 2018:  
Heavy rainfall in western Japan



# Building Energy Infrastructure to Support Local Communities

Iwatani is engaged in activities to make effective use of the technologies and network developed through its LPG business in creating a better future for local communities, such as through disaster readiness and the development of services that cater to Japan's super-aging society.

## Bonds of Support That Go Beyond Borders: Saudi Aramco Program

In 2009, Iwatani and the nationally run Saudi Arabian oil company Saudi Aramco established the Saudi Aramco-Iwatani Emergency LP Gas Relief Program, which provides portable gas stoves and cassette gas canisters free of charge as emergency relief items to areas affected by large-scale natural disasters. In recent years, the program has been utilized to provide relief after the occurrence of the 2016 Kumamoto Earthquake and heavy rainfall in western Japan in 2018. Portable gas stoves and cassette gas canisters delivered to disaster-stricken areas were used as valuable sources of heat during the period before recovery of lifelines.

In 2016, Iwatani and Saudi Aramco sought to further improve the relief program.



Emergency shipping in the wake of the Great East Japan Earthquake

## Iwatani's Portable Gas Stoves, Cassette Gas Canisters and Fuji no Yusui Water are Also Useful as Disaster Readiness Provisions

It is recommended for households to store at least three days' worth of emergency provisions in readiness for natural disasters, including food, drinking water, other living supplies, and portable gas stoves and cassette gas canisters. As the top manufacturer of portable gas stoves and cassette gas canisters, and as a supplier of natural spring water under the well-known brand name of Fuji no Yusui, Iwatani is using various opportunities to

appeal to consumers about the need to stockpile disaster readiness provisions.

For the stockpiling of cassette gas canisters and spring water, Iwatani recommends the rolling stock method, in which the items are used on an everyday basis, while at the same time maintaining a certain amount of stored provisions by replenishing supplies depleted by day-to-day usage.



The Cassette-Feu Kazemaru is equipped with wind guards to ensure operation in windy environments



Iwatani cassette gas canisters



Fuji no Yusui containers are fitted with an emergency-use cock, which ensures peace of mind even when an electrically powered water server cannot be used.

## Maintaining Safety in Local Communities: Ugoku Kodomo 110-Ban

Marui Gas distributors all over Japan carry out activities called Anata-no Machi-no Sapototai (Support Team for Your Community) to help maintain safety and reassurance in communities with the use of their sales and delivery networks. This name also serves as a general term for specific activities, namely Kodomo 110-Ban no Mise (Store Acting as Emergency Call Center for Kids), Ugoku Kodomo 110-Ban (Mobile Emergency Call Center for Kids) and Hitokoe Yobikake Undo (Call-Out Campaign). We strive to serve local communities by safeguarding missing children, calling relevant public authorities, giving greetings and calling out to members of the community while conducting LPG deliveries and other day-to-day operations.



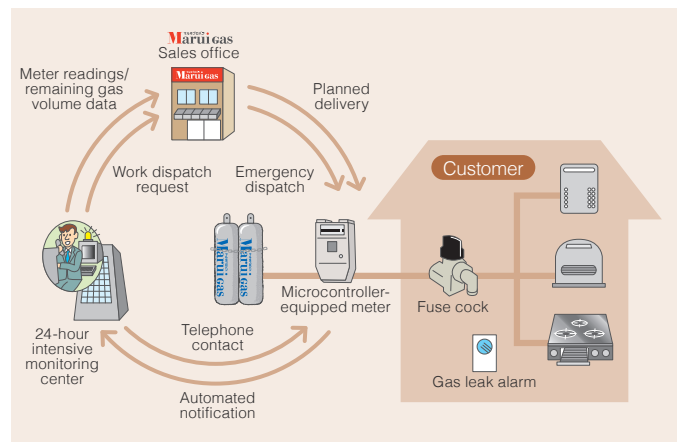
## Safety Techniques and Know-How to Ensure Gas Safety

In addition to stable supply, another key value that Iwatani emphasizes as a supplier of LPG is ensuring safety. Based on know-how accumulated through the provision of Marui Gas over many years, Iwatani has created its own proprietary unified safety standard system called ISS (Iwatani Safety Spec). We utilize this standard in working to improve the level of safety-related services on a day-to-day basis, such as in regular inspections and emergency response. We also utilize safety techniques and know-how developed in the LPG market in the field of city gas. Kanden Gas Support Co., Inc. (established in partnership with Kansai Electric Power Co., Inc., known more commonly in Japan as “Kanden”) provides support for total safety and peace of mind with regard to city gas. Iwatani offers reliable safety services for both LPG and city gas.



## TeleSafe 24-Hour Intensive Monitoring System

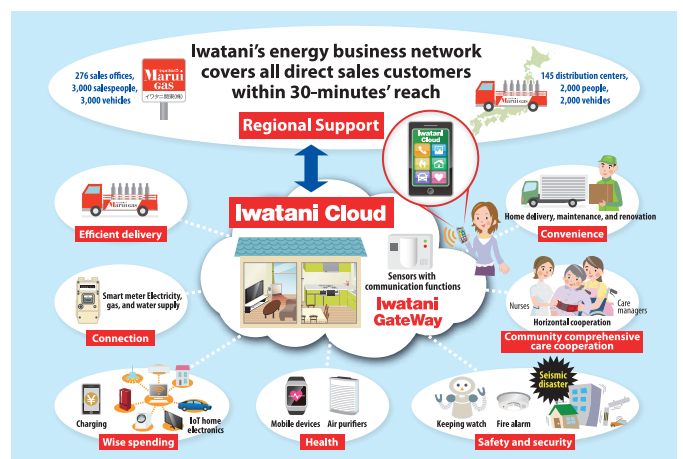
The TeleSafe System is a two-way system that ensures gas safety in real time, 24 hours a day, 365 days a year. It does this by connecting gas meters at customers' homes to an intensive monitoring center, called the TeleSafe Center, via telephone lines. When a microcontroller-equipped gas meter detects a gas leak or other abnormality, it automatically shuts off the supply of gas and notifies the TeleSafe Center. Staff then respond swiftly to the call. Since the system enables the center to ascertain detailed information on gas usage it is also useful in preventing gas cutoffs, and also achieves automated meter reading. Iwatani also provides other services that are finely tuned to the needs of customers, including the MappySafe service, which sends mail notifications to customers' cellphones informing them of gas-related anomalies that have been detected, and non-use of gas over extended period of times.



## Pioneering Next-Generation Services with Iwatani GateWay

Iwatani has developed a new technology of equipping a home-use gas leak alarm with communication functionality for making it act as an IoT gateway (relay station) that connects various devices and items of hardware to the Internet. This technology is currently in demonstrative test operation at the homes of customers in some regions. In the future, the Iwatani GateWay gas leak alarm with communication features will serve as a hub that connects other infrastructure meters and IoT devices around the home to the Internet.

Moving forward, Iwatani will seek to create new services to support various aspects of customers' lifestyles—including health management and safety watch for elderly people—by combining the GateWay system with the advantages of its large customer base (one of the largest in Japan) and its response network, which enables the dispatch of safety personnel to customer locations within 30 minutes in the event of an emergency.



Utilizing AI and IoT to build Iwatani's business platforms (illustrative image)



# Transitioning to a CO<sub>2</sub>-Free Society

Iwatani is working to develop hydrogen refueling stations and develop technologies for utilizing hydrogen, which we regard as the key to achieving the realization of a CO<sub>2</sub>-free society. We are also participating in numerous large-scale projects to demonstrate these technologies.

## Encouraging the Shift to Alternative Fuels

Iwatani is encouraging the shift from fossil fuels such as coal and petroleum to LPG and natural gas, and is investing its efforts into making proposals for factories to shift to these alternative fuels. LPG and natural gas produce lower levels of CO<sub>2</sub> emissions, and offer greater stability of supply due to the abundance of underground reserves. Additionally, by simultaneously introducing equipment such as gas cogeneration systems, GHP (Gas Heat Pump) air conditioning, high-efficiency water heaters and other gas equipment and systems that seek to improve efficiency of operation, we will also contribute not only to reducing environmental impact but also cutting costs and offering BCP (Business Continuity Planning) solutions. As

a supplier with an integrated LPG and LNG (Liquid Natural Gas) supply network, Iwatani offers total support for customers shifting to alternate fuels, from stable supply to equipment improvement and maintenance services.



Cogeneration system



GHP (Gas Heat Pump) air conditioning system

## Creating Demand for Hydrogen Energy

In order to achieve the realization of a hydrogen energy-based society, with the aim of becoming CO<sub>2</sub>-free, it is essential to create demand for hydrogen energy, such as by encouraging the use of FCVs (Fuel Cell Vehicles). With a view to resolving this issue, Iwatani is engaged in the development of hydrogen refueling stations throughout Japan, primarily located around the four major metropolitan areas, to support the utilization of hydrogen as a fuel. In 2018, Iwatani opened a hydrogen refueling station in Okayama Prefecture. In 2019, we opened stations in Wakayama and Niigata Prefectures. All of these stations were the very first hydrogen refueling stations to be opened in their respective prefectures. Iwatani has now established hydrogen refueling stations at a total of 27 locations. We are also working to reduce construction costs for hydrogen refueling stations, and to improve their safety and convenience. In addition to reducing construction costs by developing specifications to match location conditions, such as by developing stations conjoined to convenience stores and mobile refueling stations, and producing major pieces of equipment as integrated units, we have also commenced test

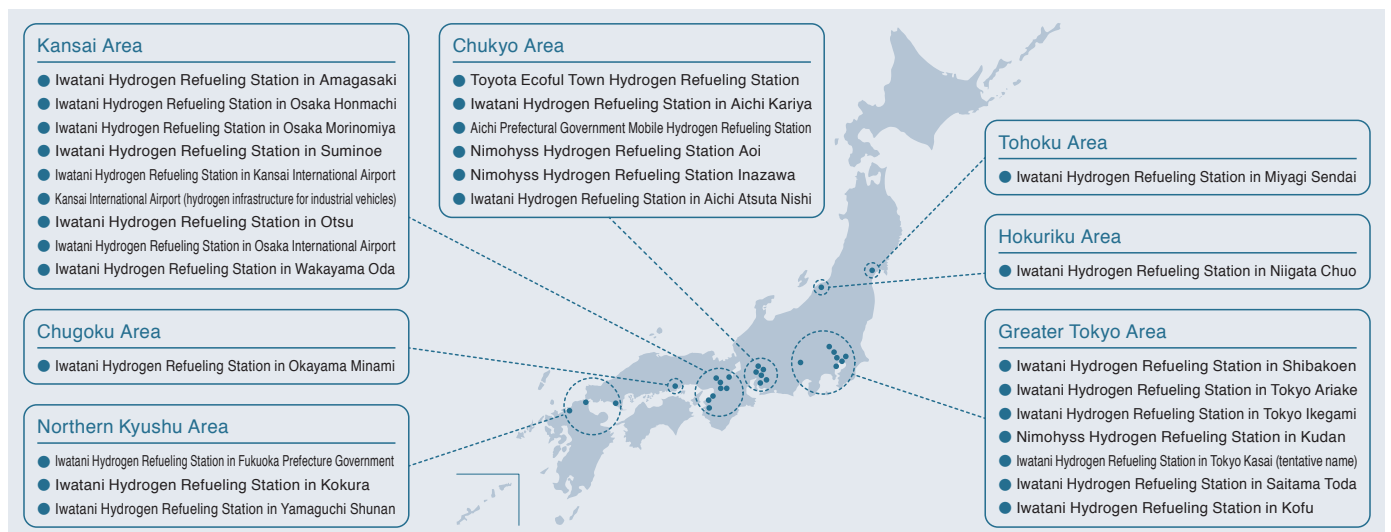
operation to validate the concept of self-service hydrogen refueling. In 2018, we introduced the highest level of advanced hydrogen research equipment in Japan at the Iwatani R&D Center, establishing a framework for further enhancing our safety technology and engineering capabilities. In 2019, we commenced operation of hydrogen refueling stations at four locations in California, United States. Iwatani will make use of this opportunity to accumulate know-how regarding the operation of hydrogen refueling stations in the United States, and utilize it in developing stations both there and in Japan.



Hydrogen refueling station in the united states



Self-service hydrogen refueling station, where customers can refuel their vehicles by themselves



Iwatani Hydrogen Refueling Station locations in Japan

\*Includes refueling stations that are currently under development, or planned for construction (as of April 2019).



## Japan H2 Mobility, LLC (JHyM)

JHyM was established in 2018 for the development and efficient operation of hydrogen refueling stations aimed primarily at FCVs (Fuel Cell Vehicles), and to encourage the widespread adoption of FCVs. Currently, a total of 28 Japanese companies including Iwatani—along with various automotive, energy and finance-related companies—have participated in the initiative. Iwatani is addressing the construction and operation of hydrogen refueling stations as well as the standardization of equipment and systems in a bid to help increase and enhance hydrogen refueling stations.



Press conference announcing the launch of the new company

## Hydrogen Council

The Hydrogen Council is composed of 60\* leading global companies from the energy, transportation and manufacturing industries. It aims to achieve shared goals by formulating recommended strategies for hydrogen use and effective action plans in cooperation with policymakers, hydrogen users (usually business enterprises), international organizations and citizens' groups in various countries. As a member of the Hydrogen Council, Iwatani also shares a global vision for hydrogen, and is investing its energies into expanding the use of hydrogen in Japan.

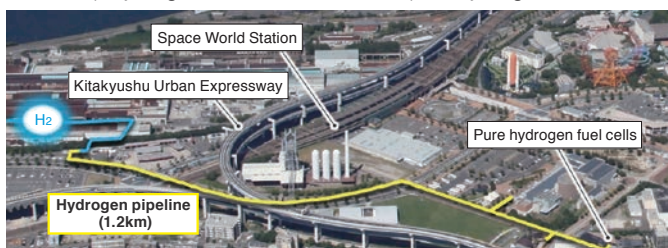
\*: As of June 2019



CEO Meeting in San Francisco in September 2018

## Kitakyushu Hydrogen Town

Iwatani is engaged in the Kitakyushu Hydrogen Town technology demonstration and PR project in association with Kitakyushu City Government. The project aims to develop and validate devices intended for enabling the use of hydrogen in the home, with a view to the creation of a hydrogen energy-based society. As part of the project, hydrogen produced at nearby factories is being supplied via a 1.2km-long pipeline to residences around the town, and being utilized to develop hydrogen sensors and validate pure hydrogen fuel cells.



Power supplies for residences are covered by the supply of hydrogen via the pipeline

(Image Courtesy of the Kitakyushu City Government)

## CO<sub>2</sub>-free Hydrogen Energy Supply-chain Technology Research Association (HySTRA)

The CO<sub>2</sub>-free Hydrogen Energy Supply-chain Technology Research Association (HySTRA) was established in 2016 by Iwatani, Kawasaki Heavy Industries, Ltd., Shell Japan Limited and Electric Power Development Co., Ltd. (J-POWER). HySTRA is engaged in efforts to demonstrate technologies for the production of hydrogen by on-site gasification of brown coal (low-grade coal, an untapped resource) in Australia, along with hydrogen liquefaction and mass-transportation of liquefied hydrogen. The association aims to commercialize CO<sub>2</sub>-free hydrogen, which does not produce any CO<sub>2</sub> emissions, even during its manufacture or transportation. Iwatani is responsible for the operation and evaluation of liquefied hydrogen loading terminals.



Conceptual Drawing of Liquid Hydrogen Loading Terminal (Image Courtesy of HySTRA)

## The Fukushima Plan for a New Energy Society

Iwatani is a participant in the Fukushima Plan for a New Energy Society, which is being spearheaded by the Japanese government and Fukushima Prefecture. The plan aims to demonstrate technologies to convert electrical power generated using solar power generation into hydrogen, and to store it and utilize it in local communities. In 2018, Iwatani—working together with the New Energy and Industrial Technology Development Organization (NEDO), Toshiba Energy Systems & Solutions Corporation, and Tohoku Electric Power Co., Inc.—commenced construction of the Fukushima Hydrogen Energy Research Field, which is capable of 10,000kW-class hydrogen production utilizing solar power generation. The plan is to utilize the hydrogen produced for power generation using fuel cells, and supply it for use in FCVs (Fuel Cell Vehicles), including cars and fuel cell-powered buses, aiming to achieve demonstrative operation by 2020.



Conceptual Drawing of the Hydrogen Production Unit (Image Courtesy of Toshiba Energy Systems & Solutions Corporation)

## Iwatani Hydrogen Energy Forum

Iwatani has hosted the Iwatani Hydrogen Energy Forum at two venues in Osaka and Tokyo every year since 2006, with the aim of deepening understanding of the hydrogen energy-based society concept, and providing opportunities for networking towards its realization at the earliest possible stage. In 2019, the Forum included special lectures (and Q&A sessions involving participants) based on the theme of "Latest Trends in Japan and Overseas Aimed at Building a Hydrogen-Based Society," giving a boost to the movement for promoting the widespread use of hydrogen energy.



The 13th Iwatani Hydrogen Energy Forum



# Realizing a Sustainable Society

Iwatani is engaged in continuous efforts to tackle the issue of ensuring the stable future procurement and supply of resources and raw materials that are essential to the development of society, with a view to conserving the global environment.

## Biomass Fuel as a Renewable Energy Source

In biomass power generation, organic resources (biomass) derived from plants are burned as fuel in order to generate power. Although burning these fuels produces CO<sub>2</sub> emissions, since plants absorb CO<sub>2</sub> during photosynthesis as part of their growth process, the use of these fuels does not result in an overall increase in CO<sub>2</sub>. They are therefore referred to as being “carbon neutral.” For this reason, there is now growing demand for biomass as a renewable energy source. Iwatani imports palm kernel shells (PKS), which are suited as a fuel for biomass power generation, from Indonesia and Malaysia. Using analysis technologies developed by Iwatani R&D Center to conduct quality control, we supply only high-quality PKS to biomass power plants in Japan.



Palm kernel shells (PKS) serve as a biomass fuel

## PET Resins Friendly to the Global Environment

Massive volumes of PET plastic bottles are consumed every day. In order to reduce the environmental impact of the manufacture, disposal and incineration of these bottles, Iwatani has developed biomass PET resin, in which the petroleum-derived mono-ethylene glycol (MEG) which constitutes 30% of the raw material for conventional PET resin is substituted with Bio-MEG, derived from inedible sugar cane. Iwatani procures Bio-MEG from India, manufactures PET resin using a plastic manufacturer in Thailand, and supplies it to the market.

The manufacture of PET resin also requires a catalyst. Iwatani has developed an “aluminum PET resin” that is produced using an aluminum catalyst that does not contain heavy metals. This resin is gaining attention as a form of PET resin that will encourage the recycling of PET plastic bottles.



Bottles made of biomass PET

## Stable Supply of Helium

Helium is indispensable for use in cutting-edge technologies and medical treatments. However, it is also a rare natural resource that can only be produced in a limited number of countries around the world. Iwatani procures helium from two countries—Qatar and the United States—for which it has obtained direct import rights. Based on these reliable procurement capabilities, Iwatani has established a stable helium supply network.

In 2019, Iwatani constructed one of Japan’s largest-scale helium centers at Inashiki in Ibaraki Prefecture, further enhancing its stable supply capabilities. The center has introduced high-efficiency helium recovery equipment, reducing losses occurring during filling down to 1/8 of previous levels. It has also introduced the latest gas manufacturing equipment, enabling the production of ultra-high purity helium gas, at purity levels in

excess of 99.9999%. Moving forward, Iwatani will work to ensure stable supplies to cater to increasing demand for helium not only in Japan but also in China and Southeast Asia.



Tokyo Helium Center, completed in April 2019



## Supply of Rare Mineral Resources

Iwatani has been engaged in the development and supply of rare mineral resources from early on. In 1952, we became the first company in Japan to supply mineral sand. We also have mines in Australia, and are the top suppliers of zircon and rutile in Japan (by volume). With its reliable capabilities for procuring raw materials, Iwatani contributes to improving productivity and developing new products in a diverse range of industries, including functional plastics and high-performance metals, and the environmental, electronics and automotive industries.



## Hydrocut® Environmentally-Friendly Mixed Fusing Gas

Developed and manufactured by Iwatani, the Hydrocut® is an environmentally-friendly mixed fusing gas produced by mixing hydrogen gas, which emits no CO<sub>2</sub> when burnt, with hydrocarbon gas to exhibit enhanced performance. It can be used in the same way as conventional acetylene gas, while at the same time reducing CO<sub>2</sub> emissions by approximately 70% in comparison with acetylene. As well as offering superior safety and workability, Hydrocut® also alleviates flashback, soot and radiant heat, and contributes to improving working environments in a wide-range of business categories, including the iron and steel, shipbuilding, construction and automotive industries.



Hydrocut®

## Providing Safe and Secure Food Supplies

Iwatani contributes to healthy and enriched lifestyles through the provision of safe and secure supplies of food. Utilizing its unique strengths, including its national and international networks, and freshness and food processing technologies utilizing gas, Iwatani has built an integrated supply network that incorporates the procurement, processing and sale of food products. We supply a wide range of products to the marketplace, including frozen vegetables, ready-to-eat foods, cooked and processed foods, processed meat and fish products, and health foods. Iwatani also works together with the Pig Improvement Company (PIC), the world's largest pig breeding stock company, to supply high-quality pig breeds to Japanese pork producers. We also support the production of safe and delicious pork by providing the latest breeding systems.

## CFC-Free Dust Blower

NKK Co., Ltd. is an Iwatani Group company that has developed CFC-free dust blowers, which contain no chlorofluorocarbons (CFCs). While the typical alternative fluorocarbon HFC-134a does not directly deplete the ozone layer, it has a very high global warming potential of 1,430. CFC-free dust blowers achieve a global warming potential of 1 or below. They won a Minister of the Environment Prize for Activities against Global Warming in 2007 for their environmentally-friendly attributes.



CFC-Free Dust Blower

## Quality Assurance

Iwatani is a gas manufacturer as well as a trading company, and pays the utmost attention to the quality of the gas it supplies as its product. In accordance with the Green Procurement Standards required by customers, the Product Department and the Quality Assurance Department work together to meet the standards. As for implementation, Iwatani R&D Center has established a system for supporting it in terms of analysis and other aspects with respect to industrial gases, for example. The Iwatani Group's separation gas plant has obtained certification of the ISO 9001 international standards for quality management systems and has established an advanced quality management system.



Foods Land frozen foods brand

Camborough pork



# Reinforcing of Governance

To ensure sound management and fulfill our corporate responsibilities to society, we maintain our corporate governance structure and raise employee awareness on governance.

## Business Execution and Supervisory System

### Board of Directors

The Board of Directors is Iwatani's decision-making and supervisory body. It consists of 12 directors, including two outside directors. They make rapid, appropriate decisions and perform supervisory functions on the basis of sufficient and active deliberations. In particular, outside directors heighten the functionality of the Board by increasing the transparency of decision-making and the effectiveness of supervisory functions from a standpoint that is independent from the management team and on the basis of their extensive experience and knowledge of corporate governance.

### Executive Officers

With the aim of revitalizing the Board of Directors, Iwatani has introduced the posts of executive officers to accelerate decision-making and delegate authority. Executive officers are delegated by the representative director to exclusively conduct business execution in accordance with the management policy determined by the Board of Directors and in compliance with the directions and commands of the representative director. We therefore step up the Board of Directors' functions to make decisions on corporate strategies and to perform supervision and implement more efficient corporate management.

### Joint Committee of Directors and Executive Officers

Iwatani holds a monthly meeting of its Joint Committee of Directors and Executive Officers, with membership consisting of full-time directors, executive officers and full-time corporate auditors. Through these meetings, in addition to deliberating on important matters concerning the execution of business duties, we also seek to share information and improve communication.

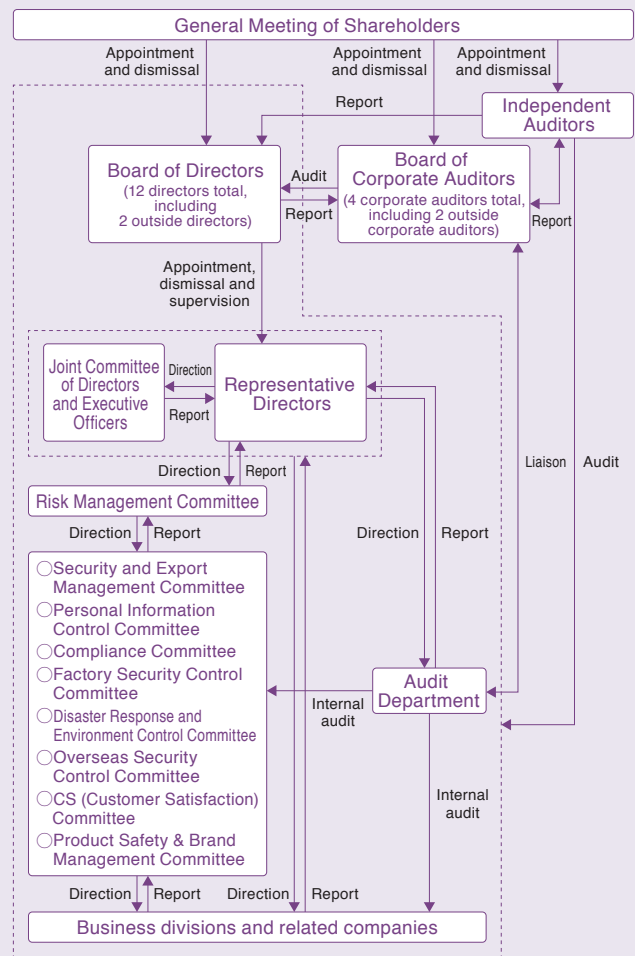
## Audit Structure

Iwatani is a company with a board of company auditors. Our Board of Corporate Auditors consists of four corporate auditors, including two outside corporate auditors. Full-time corporate auditors attend all Board of Directors and Joint Committee of Directors and Executive Officers meetings, while outside corporate auditors also attend Board of Directors meetings. Our audit system is designed to fully monitor directors' execution of their duties. In the event of electing corporate auditors, we focus on expertise in finance, accounting and legal affairs and on knowledge and experience regarding our businesses. For internal audits, the Audit Department has been established under the direct control of the president. It carries out internal audits on a regular basis, working closely with the corporate auditors to examine whether or not the business activities of the entire Group are being conducted properly and efficiently.

### Basic Policy

1. We will create an environment that allows shareholders to exercise their rights properly and will endeavor to ensure quality among shareholders.
2. We will respect the rights and positions of employees, customers, business partners, creditors, local communities and other stakeholders and endeavor to collaborate with them properly.
3. We will make appropriate disclosure in accordance with legislation. For the purpose of ensuring transparency, we will endeavor to offer information other than the information to be disclosed pursuant to the legislation.
4. We will make impartial, transparent and swift decisions in an effort to ensure that the Board of Directors will properly fulfill its functions and duties.
5. We will endeavor to hold constructive dialogs with shareholders in a bid for continuous growth and increase in corporate value.

### Corporate Governance Structure



The Corporate Governance Report is available at:  
<http://www.iwatani.co.jp/jpn/ir/pdf/governance.pdf>  
 The list of officers is available at:  
<http://www.iwatani.co.jp/jpn/company/company03-02.html>



## Risk Management System

The Iwatani Group has established a Risk Management Committee for the purpose of conducting the integrated management of all the risks in the group. Under this committee, we have set up specialized committees addressing the main presumable risks such as compliance risks and factory safety risks to take comprehensive action against outstanding and latent corporate risks. The Risk Management Committee holds regular meetings presided over by the chair of this committee to report its deliberations to the management team and to implement risk management throughout the group, including compliance with related legislation. Specialized committees also hold meetings on a regular basis to examine how the risks they deal with are addressed and controlled. Their respective chairs report the findings to the Risk Management Committee.

### Specialized Committees

| Committee   | Objectives and Descriptions  |
|---|--|
| Security and Export Management Committee            | Toughening control structures for compliance with the Foreign Exchange and Foreign Trade Act and for the prevention of illegal exports and other conduct         |
| Personal Information Control Committee              | Strictly protecting personal information   |
| Compliance Committee                                | Ensuring rigid compliance with legislation   |
| Factory Security Control Committee                  | Drawing up priority measures for the safety of high pressure gas and others  |
| Disaster Response and Environment Control Committee | Developing response measures in the event of disasters and discussing important matters concerning environmental management                                      |
| Overseas Security Control Committee                 | Implementing strict control of overseas risks  |
| Customer Satisfaction (CS) Committee                | Increasing customer satisfaction   |
| Product Safety and Brand Management Committee       | Conducting examinations on the safety and compliance of products offered, establishing the image of the Iwatani brand and maintaining and increasing brand value |

## Compliance

Iwatani respects compliance with related legislation as well as the spirit of complying with it and fulfills its social responsibility through impartial and free competition.

For the purpose of deterring the occurrence of corporate scandals, we have formulated the Outline of Iwatani Corporate Ethics in 1998 as a norm to be observed in all aspects of business activities on the basis of sharing the management philosophy, morality and values among management team members and employees in the group. We will make it well known and observed throughout the company and in its group companies to improve compliance awareness in the whole group. We revise the Outline of Iwatani Corporate Ethics as needed, based on recent changes in social circumstances surrounding businesses and trends in amendments of legislation.

### Compliance Committee

Iwatani has established a Compliance Committee under the Risk Management Committee for the purpose of enforcing and strengthening the compliance system in the Iwatani Group's business activities. It reports the compliance status through its chair to the Risk Management Committee and through the chair of the Risk Management Committee to the management team.

We have also established a whistleblowing program. This is a system aimed at dealing properly with whistleblowing reports from employees and other parties regarding any organizational or personal act in violation of legislation for the purposes of quickly discovering and correcting dishonest acts and enhancing compliance management. The Compliance Committee investigates the facts and swiftly takes corrective actions and recurrence prevention measures as needed. Whistleblowing contacts who receive reports from employees and others are provided both inside and outside the company. Response actions are taken on the basis of advice from experts as third parties. To protect the rights of whistleblowers, it is stipulated that no disadvantageous treatment is permitted against them.

### Prohibition of Bribery

The Behavioral Guidelines in the Outline of Iwatani Corporate Ethics prohibit offering and receiving any entertainment or gift in association with business that exceeds the limit according to social and international norms. They also ban any act that falls under bribery in connection with business to any public employee or any deemed public employee (employee of any local government, incorporated administrative agency, affiliated organization or equivalent) in Japan or overseas. We formulate guidelines like these and raise the behavioral awareness of every single employee in a bid to prevent bribery.

### Internal Awareness Raising Activities

The Outline of Iwatani Corporate Ethics is a set of rules that the members of the management team and employees in the Iwatani Group must follow in all aspects of business activities. By means of this outline, we share our management philosophy, morality and values and offer compliance training to raise compliance awareness. In the training, an invited lawyer gives lectures to make our employees well aware of the importance of compliance with the Antimonopoly Act and other legislation.



# Creating a Vibrant Workplace



In order for Iwatani to achieve sustainable growth and advancement, it is essential for each and every one of its employees to make maximum effective use of their individual abilities. We are trying to create workplaces that respect individuality, and enable a diverse range of human resources to make an active contribution.

## Personnel System

Iwatani's personnel system is designed to appoint the most suitable personnel to the most appropriate positions, irrespective of their qualifications or age, on the basis of a point-adding scoring system. By doing so, it maximizes the motivation and spirit of both employees and organizations to make bold attempts in accordance with the principle of respecting employees' humanity and helping them to fully display their abilities. We recognize and reward those who work diligently toward achieving more challenging goals.

## Career Development and Training Program

Iwatani believes that staff skill development is vital for corporate development. We run a range of group training programs, including level-specific, screening-type and purpose-specific training, as well as training with other companies in different business sectors. We also offer training programs to match the growth stages and objectives of individual employees, including an overseas study dispatch program and a variety of e-learning programs. As we regard the first year after joining the company as an important period, we provide multifaceted education to new employees, including cohabitation with other colleagues in dormitories.



Long-Term Study at the University of California, Berkeley

|                          | Level-specific   | Selective   | Purpose-specific<br>Voluntary participative                | Global<br>personnel   | External  |
|--------------------------|--|---|--|---|---|
| Management personnel     | Practical course for senior management personnel<br>Practical course for new management personnel                                      | The next management development program               |  |   |   |
| Non-management personnel | Promotion Assessment Training (Manager)<br>Promotion Assessment Training (Assistant Manager)<br>4th year training<br>2nd year training | Next-generation senior management development program | Leadership development course<br>Critical thinking program | e-learning (English, etc.)<br>Overseas staff training participation in Japan<br>Overseas language study<br>Long-term overseas study | Long-term business program<br>Overseas fieldwork<br>Business school |
| Prospective employees    | 1st year new employee training, Wednesday courses, group company training<br>Assignments for prospective employees                     |   |  |   |   |

Training system

## Employee Health

Based on the idea that human resources are its most important resource, Iwatani is engaged in initiatives to ensure a safe working environment and support employees in maintaining their health. In addition to conducting annual stress tests from a mental health strategy perspective, we also maintain physical health, such as prohibiting smoking during working hours. In addition to designating Wednesdays as a "no overtime" day and encouraging employees to leave work at the end of their official working hours, we have also introduced a PC shutdown system as a work hour management tool and to drive workstyle reforms to increase work efficiency.

## Diversity

Iwatani promotes diversity based on the belief that in order to develop as a company it is essential to assign a diverse range of human resources with suitable skills to appropriate positions. Among other initiatives, we are trying to promote internal diversity by driving women's participation and career advancement by providing support to enable a healthy work-life balance and career continuity, and by accepting interns from overseas.

### Main specific initiatives

- Fostering a culture of accepting a diverse range of human resources
- Driving women's participation and career advancement
- Providing support to enable employees to balance work with childcare and caregiving responsibilities
- Supporting active roles for global human resources

## Support for Childbirth, Child Care and Nursing Care

Iwatani is constructing an environment that enables its employees to have both a career and a family. With respect to child care, we are upgrading our support system consisting of a program of childcare leave that is longer than that required by the statutes, allowances for supporting an early return to work, and subsidies for the use of childcare services. We are recognized by the Ministry of Health, Labour and Welfare as a company that actively supports a balance between work and childcare. With regard to nursing care, our employees are entitled to nursing care leave that is twice the period required by legislation. We therefore make intensive efforts to help staff achieve a balance between a career and private life.



Iwatani has acquired the certification mark known as Kurumin pursuant to the Act on Advancement of Measures to Support Raising Next-Generation Children

## Benefit Programs

Iwatani has established the welfare programs specified below to ensure that employees can work in good mental and physical health and without anxiety.



Iwatani has many different recreational societies that help employees to spend their time off work in a fulfilling manner and that provide them with opportunities for communication

Program of leave for refreshment, leave for commemorative events, leave for spouse's childbirth, other leave (for marriage, mourning, pregnancy, general care and nursing care; allowances for supporting an early return to work; subsidies for the use of child care services; program for asset-building savings; shareholding program; program of home construction loans; program of providing accommodation leased by the company; program of subsidies for admission fees for children of relocated employees to kindergartens and schools; program of scholarships for bereaved children, etc

## Labor-Management

Iwatani is aware that no business can develop without mutual trust between labor and management and that improving employees' lives is inseparable from corporate growth, and endeavors to build favorable labor-management relations. As consultation bodies between labor and management, we have the Labor-Management Conference and the Labor-Management Liaison Meeting. They discuss any issues that have arisen between labor and management and the construction of a worker-friendly environment in the workplaces.



Poster commemorating 30th anniversary of Labor-Management Joint Declaration

# Social Contribution Activities

Iwatani works proactively to contribute to society through the subsidization of cultural activities and research and development, and through international exchanges and technological assistance.

## Cooperation with Activities of NHK Symphony Orchestra

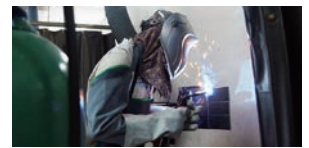
Iwatani cooperates with the activities of the NHK Symphony Orchestra throughout Japan and overseas, as a special assistance company, based on its agreement with the orchestra's purpose, which is to "augment Japan's musical and artistic standard through symphonic music performances and to achieve its social and cultural mission." The pillar of our activities is the classical music concerts held in Tokyo and Osaka, titled N-Kyo Natsu (NHK Symphony Orchestra in Summer). This year marked the 32nd concert in the series in Tokyo, with which we assisted, and the 29th in Osaka, which we organized.



The NHK Symphony Orchestra that Iwatani assists as a special assistance company

## Support for Improvement and Spread of Welding Techniques in Asia

Iwatani has been continuously conducting support activities aimed at improving welding techniques. We have been organizing the "Dalian City - Iwatani Japan-China Welding Technology Seminar and Contest" for over ten years since 1997, the Iwatani Welding Seminars in Hanoi, Jakarta and other locations since 2007, and the Iwatani-API/IWS Welding Contest jointly with the Indonesian Welding Society (IWS) in a suburb of Jakarta from 2016 to 2019. We will continue to hold these events to help improve welding skills in Asian countries.



Scene from the Iwatani-API/IWS Welding Contest

## A Comfortable Planet - All Japan Elementary School Essay Contest

Since 2010, Iwatani has been organizing the All Japan Elementary School Essay Contest, which is open to all elementary schoolchildren in Japan. The contest invites children to submit essays on the topic of "A Comfortable Planet," with the aim of boosting children's interest in the energy and the environment. In 2019, too, the contest received a total of 5,551 entries from 675 schools, including those for Japanese children overseas, written from a variety of approaches that included "protecting a comfortable world," "making the world a more comfortable place to live," "life and nature," "living creatures," and "energy."



## Social Contribution through Sports Promotion

Iwatani formed an athletics club (or a women's Ekiden race team) in April 2017. We asked Mr. Hisakazu Hirose, who is well known for having trained many long-distance runners including Mizuki Noguchi, the gold medalist in the women's marathon at the Olympics in Athens, to assume the post of head coach. With a basic policy of developing Japan's leading athletes and contributing to local communities and society through sports activities, the club aims to be able to compete for victory in the All-Japan Women's Corporate Ekiden Championships.



Iwatani Corporation Athletics Club

## Technology Promotion Activities (The Iwatani Naoji Foundation / Iwatani Subsidies for Science and Technology Research / Iwatani Naoji Commemorative Award / Iwatani Scholarship for International Students)

### The Iwatani Naoji Foundation

The Iwatani Naoji Foundation engages in the subsidization and encouragement of research and development, support for the facilitation of international exchanges and human development with the aim of further developing the whole of science and technology and thereby helping improve people's lives and international mutual understanding.

### Iwatani Subsidies for Science and Technology Research / Iwatani Naoji Commemorative Award / Iwatani Scholarship for International Students

The Iwatani Naoji Foundation grants subsidies at a maximum of two million yen per project to around 55 outstanding research projects per year concerning energy and the environment. For FY2018, it decided to grant a total of 108.09 million yen to 55 such projects. As of FY2018, it has provided 837 beneficiaries with a cumulative total of 1,682.75 million yen. The Iwatani Naoji Commemorative Award is designed to honor research and development activities on energy and the environment with distinguished achievements. In FY2018, the award was won by Nippon Steel Corporation. The Iwatani Scholarship for International Students is a program that offers financial support for self-financed graduate students from East Asia and Southeast Asia majoring in natural sciences. It decided to award 15 students an amount of 1.8 million yen for one year each. The program has so far provided 424 students with a cumulative total of 759.95 million yen.



Beneficiaries of the 45th (FY2018) Iwatani Subsidies for Science and Technology Research

# Promoting Environmental Management

The Iwatani Group engages in environmental activities. To attain better results, we are working to improve organizations and structures and to raise staff awareness. As a result, we made steady achievements in FY2018.

## Environmental Policy

**岩谷産業 環境方針**

岩谷産業は「ガス&エネルギー」を企業コンセプトに、LPガス、各種高圧ガスを中心とし、生活商品、食品、機械、溶接材料、電子機器、金属、化学品、鉱産物など広範な事業を展開しています。

当社はこれら全ての事業活動において、「イワタニグループ環境憲章」の精神に固り、地域社会との共生および、温暖化をはじめとする地球環境の負荷低減に努めます。

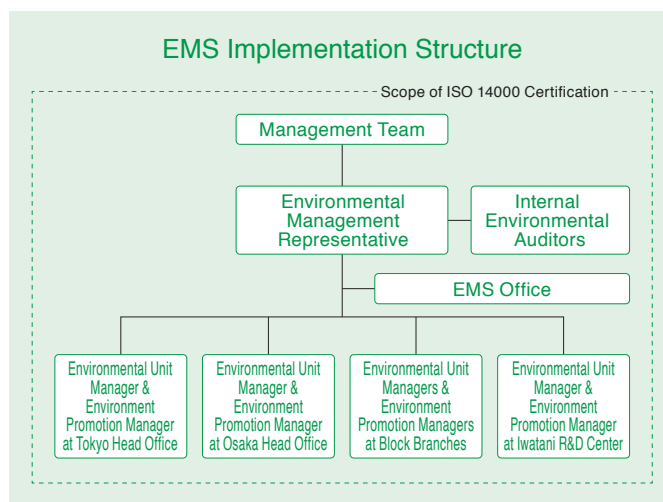
1. 資源を有効利用するための技術、社会の持続的発展に寄与する新エネルギーの研究・開発ならびに、水素をはじめとする環境良品の普及拡大を通じて、CO<sub>2</sub>フリー社会の実現および、循環型社会の構築に向けて取り組みます。
2. 事業の諸活動を通じて、省資源・省エネルギー、廃棄物の低減および、汚染の予防に努めます。
3. 環境関連法規および、当社が同意する環境に係わる順守義務を満たします。
4. 環境目標を設定し見直すことにより、環境パフォーマンスを向上させるための環境マネジメントシステムの継続的な改善を推進します。
5. 当社および、グループ全社員に対し環境啓発・教育を実施します。

2019年9月11日  
岩谷産業株式会社  
代表取締役 社長執行役員  
谷本 光博

**Iwatani**

## Environmental Management System

Iwatani's environmental management system is based on ISO 14001 certification obtained by its Tokyo and Osaka Head Offices, Iwatani R&D Center and six major operational bases in Japan, covering more than 70% of all its personnel. Non-certified branch offices are constructing their management systems under the guidance of the head offices and major operational bases. The Disaster Response and Environment Control Committee discusses important matters concerning environmental management and puts them into practice.



## Results of Environmental Activities for FY2018 and Environmental Goals for FY2019

Under its EMS, Iwatani sets environmental goals every year. The tables below show the results for FY2018 and the environmental goals for FY2019. For FY2018, we were able to successfully meet the goals for six out of seven items, with the exception of reducing environmental burdens through rationalized logistics in accordance with regulations on specified consigners under the amended Act on Rationalizing Energy Use.

| No. | Item   | Environmental Goals and Results for FY2018  |  |   | Achievement rate  | Environmental Goals for FY2019 |
|-----|--|---|--|---|---|--------------------------------|
|     |  | Goal  | Result   |   |   |                                |
| 1   | Expansion of use of eco-friendly products  | 100 points  | 107 points   | ○ | Expansion of use of eco-friendly products: 80 points  |                                |
| 2   | Promotion of environmental activities  | 9,000 points  | 9,537 points   | ○ | Promotion of environmental activities: 10,000 points  |                                |
| 3   | Reduction in environmental burdens from business vehicles: Introduction of low-emission vehicles   | 25 vehicles   | 28 vehicles  | ○ | Reduction in environmental burdens from business vehicles: Introduction of 25 low-emission vehicles                                   |                                |
| 4   | Ensuring compliance with environmental legislation in the construction of factories and facilities   | Ensuring compliance with environmental legislation  | No cases of non-compliance with environmental legislation  | ○ | Ensuring compliance with environmental legislation in the construction of factories and facilities                                    |                                |
| 5   | Reduction in environmental burdens through rationalized logistics in accordance with regulations on specified consigners under the amended Act on Rationalizing Energy Use       | Improvement in energy consumption efficiency for transport [1% improvement in average efficiency over a five-year period (2014-2018)] | Improvement in energy consumption efficiency for transport [8.3% increase in average over a five-year period (2014-2018)]              | × | Improvement in energy consumption efficiency for transport [1% improvement in average efficiency over a five-year period (2015-2019)] |                                |
| 6   | Reduction in environmental burdens from companywide energy consumption in accordance with regulations on individual businesses under the amended Act on Rationalizing Energy Use | Improvement in company-wide energy consumption efficiency [1% improvement in average efficiency over a five-year period (2014-2018)]  | Improvement in company-wide energy consumption efficiency [6.8% improvement in average efficiency over a five-year period (2014-2018)] | ○ | Improvement in company-wide energy consumption efficiency [1% improvement in average efficiency over a five-year period (2015-2019)]  |                                |
| 7   | Reduction in burnable waste emissions  | 1% reduction from the average emissions in a three-year period (2015~2017)  | 36% reduction from the average emissions in a three-year period (2015~2017)  | ○ | Reduction in burnable waste emissions by 1% from the average emissions in a three-year period (2016-2018)                             |                                |

Achievement rate: ○=100% / △= 60% or above / ×= less than 60%

## Environmental Education

Iwatani provides education as stated below for the purpose of raising employees' environmental awareness.

| Name                     | Timing                              | Content   |
|--------------------------|-------------------------------------|---|
| Introductory Education   | Training for new employees          | Overall matters regarding environmental issues, overview of EMS, and advantages of environmental activities |
| Level-Specific Education | Training for managers               | Requirements under environmental legislation and relationships with business                                |
| Unit Education           | At the beginning of the fiscal year | Environmental goals, procedures of environmental activities, and compliance procedures                      |
| E-learning               | As needed                           | Spreading and promoting understanding of EMS content/details  |

## Internal Environmental Audit and External Audit

Under the EMS, Iwatani conducts internal environmental audits of all the units twice a year. Nonconformities that are discovered are addressed immediately. For FY2018, they were conducted in September and February, with no severe nonconformities found. Iwatani also underwent a regular examination under ISO 14001 performed by the High-Pressure Gas Safety Institute of Japan in November 2018, and its EMS implementation was rated "fine".



Scene from the external audit in November 2018

## Compliance with Environmental Legislation

Iwatani is endeavoring to ensure that environmental legislation is known to and observed by employees engaging in related duties. For FY2018, there were no cases of non-compliance.

### List of Environmental Legislation for FY2018

| Main Environmental Legislation Related to Iwatani's Business                        | Examples of Activities Subject to Legislation | Compliance Status |
|---|---|-------------------|
| High-Pressure Gas Safety Act  | Sales of high-pressure gas                    | Good              |
| Poisonous and Deleterious Substances Control Act                                    | Sales of ammonia and other substances         | Good              |
| Industrial Safety and Health Act  | Sales of ethylene oxide and other substances  | Good              |
| Waste Management and Public Cleansing Act   | Emission of industrial waste                  | Good              |
| Act on Rationalizing Energy Use   | Outsourcing of cargo transport                | Good              |
| Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging | Sales of Cassette-Feu stoves                  | Good              |
| Act on Rational Use and Proper Management of Fluorocarbons                          | Management of CFC equipment                   | Good              |

With regard to the Act on Rationalizing Energy Use, Iwatani was designated as a specified consigner in FY2006 pursuant to the Act. We are working to integrate and/or decommission logistical bases, encourage environmentally-friendly driving through the introduction of EMS devices, shift to fuels such as LPG which have lower environmental impact, and improve transport efficiency, such as by undertaking commissioned deliveries for other companies. Furthermore, by working to improve energy usage efficiency for various energy types we have reduced total energy usage to below 1,500kl/year (crude oil equivalent). As a result, our designation as a specified consigner was cancelled in February 2018.

## Group EMS Manager Committee

Since FY2001, Iwatani has held regular meetings of its Group EMS Manager Committee, with membership consisting primarily of EMS Managers from main ISO-certified subsidiaries and affiliates (eight companies). Through these meetings, we seek to enhance the Group's environmental management framework by unifying policy direction, exchanging information and giving guidance.

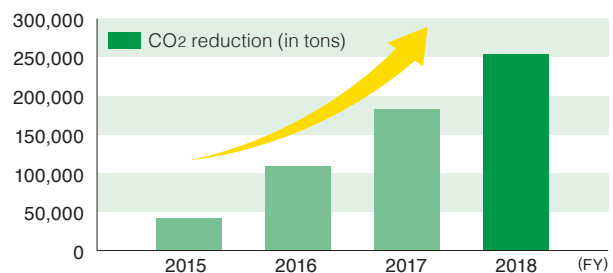
(A total of 11 Iwatani Group companies overseas have obtained ISO14001 certification)

## Controlling Global Warming and Cutting CO<sub>2</sub> Emissions

Iwatani contributes to the reduction of CO<sub>2</sub> emissions through business activities.

For FY2018, we helped cut CO<sub>2</sub> emissions by approximately 250,000 tons by promoting a fuel shift to LPG and LNG and expanding sales of palm kernel shells (PKS) for biomass power generation and biomass PET resins.

We will continue to vigorously promote and develop clean energy in a bid to contribute to global warming control.



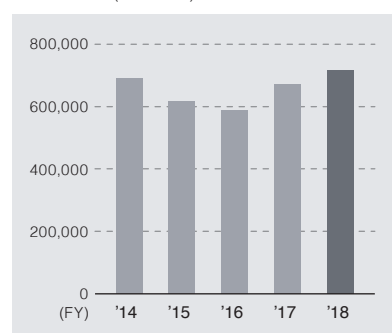
# Financial Highlights

|  | FY2014    | FY2015    | FY2016    | FY2017   | FY2018    |
|--|-----------|-----------|-----------|----------|-----------|
| For the year                                       |           |           |           |          | ¥ million |
| Net sales  | ¥ 691,902 | ¥ 616,201 | ¥ 588,045 | ¥670,792 | ¥715,085  |
| Gross profit                                       | 141,034   | 154,055   | 161,592   | 168,027  | 170,613   |
| Operating income                                   | 11,174    | 20,496    | 25,038    | 27,193   | 26,456    |
| Ordinary income                                    | 12,761    | 21,584    | 26,834    | 29,407   | 29,952    |
| Income before income taxes and minority interests* | 12,468    | 20,781    | 26,781    | 29,040   | 29,438    |
| Profit attributable to owners of parent            | 6,199     | 12,365    | 16,546    | 17,577   | 19,221    |
| Comprehensive income                               | 16,100    | 8,281     | 22,498    | 23,102   | 15,955    |
| R&D expenses                                       | 1,250     | 1,173     | 1,302     | 1,912    | 2,428     |
| Ratios   |           |           |           |          | %         |
| Net income to net sales*                           | 0.9       | 2.0       | 2.8       | 2.6      | 2.7       |
| ROE (net income to net assets)                     | 6.1       | 11.1      | 13.3      | 12.2     | 12.0      |
| ROA (ordinary income to total assets)              | 3.1       | 5.3       | 6.4       | 6.6      | 6.6       |
| Equity ratio                                       | 26.7      | 28.4      | 30.9      | 34.0     | 36.1      |
| Per share data                                     |           |           |           |          | ¥         |
| Profit attributable to owners of parent            | 125.99    | 251.24    | 336.22    | 357.2    | 390.62    |
| Shareholders' equity                               | 2,241.83  | 2,332.13  | 2,731.38  | 3,138.11 | 3,361.91  |
| Cash dividend applicable to the period             | 35        | 40        | 40        | 55       | 65        |
| At year-end  |           |           |           |          | ¥ million |
| Total assets                                       | 408,824   | 404,479   | 434,690   | 453,518  | 457,603   |
| Fixed assets                                       | 227,015   | 228,601   | 250,226   | 262,315  | 259,768   |
| Interest-bearing debt                              | 141,793   | 136,514   | 135,287   | 132,057  | 126,359   |
| Net assets   | 117,942   | 124,583   | 144,879   | 165,901  | 173,986   |

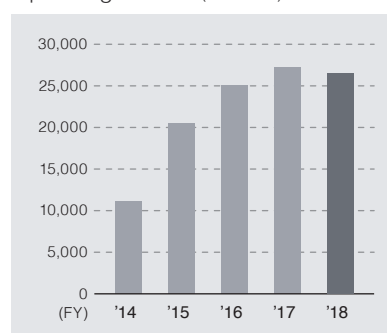
\*The basis for calculation of "Net income to net sales" is "Profit attributable to owners of parent."

Per-share data values indicate amounts that consider the impact of the reverse stock split (five shares to one new share) carried out in October 2017.

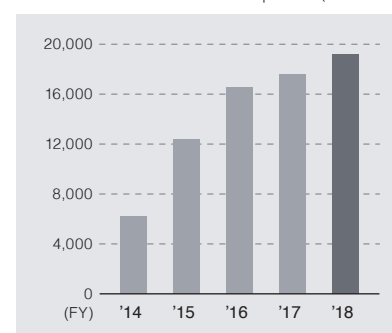
Net sales (¥ million)



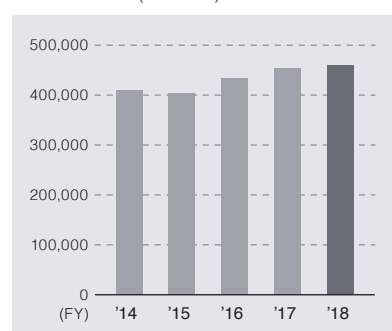
Operating income (¥ million)



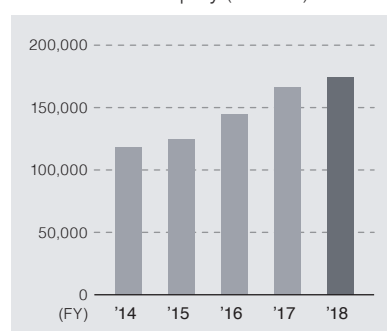
Profit attributable to owners of parent (¥ million)



Total assets (¥ million)



Shareholders' equity (¥ million)



# Company Information

(As of March 31, 2019)

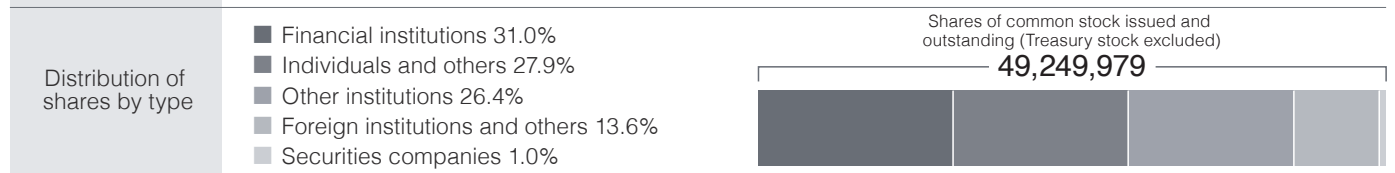
## Company Information

|                                |   |   |  |   |   |
|--------------------------------|---|---|--|---|---|
| Name                           | <b>Iwatani Corporation</b>  |   | Formal establishment   | February 2, 1945  |   |
| Headquarters                   | Osaka Head Office 6-4, Hommachi 3-chome, Chuo-ku, Osaka 541-0053, Japan Tel: 81-6-7637-3131<br>Tokyo Head Office 21-8, Nishi-Shimbashi 3-chome, Minato-ku, Tokyo 105-8458, Japan Tel: 81-3-5405-5711  |   |  |   |   |
| Company directors and auditors | Chairman and CEO<br><b>Akiji Makino</b><br>Vice Chairman<br><b>Toshio Watanabe</b><br>President<br><b>Mitsuhito Tanimoto</b><br>Member of the Board Vice President<br><b>Hisato Ueha*</b><br>Member of the Board Vice President<br><b>Hiroshi Majima*</b> | Member of the Board Senior Managing Officer<br><b>Naoki Iwatani*</b><br>Member of the Board Senior Managing Officer<br><b>Akira Ohta*</b><br>Member of the Board Senior Managing Officer<br><b>Satoshi Watanabe*</b><br>Member of the Board Senior Managing Officer<br><b>Makoto Horiguchi*</b> | Member of the Board Managing Officer<br><b>Itaru Ookawa*</b><br>Member of the Board<br><b>Shinji Murai**</b><br>Member of the Board<br><b>Shosuke Mori**</b> | Audit & Supervisory Board Member<br><b>Toyofumi Ohama</b><br>Audit & Supervisory Board Member<br><b>Yoshiaki Fukuzawa</b> | Audit & Supervisory Board Member<br><b>Masahiro Horii***</b><br>Audit & Supervisory Board Member<br><b>Yoshinori Shinohara***</b> |
| Paid-in capital                | ¥20,096 million   |   | Number of employees  | 9,749 (consolidated)  |   |
| Website                        | http://www.iwatani.co.jp/   |   |  |   |   |

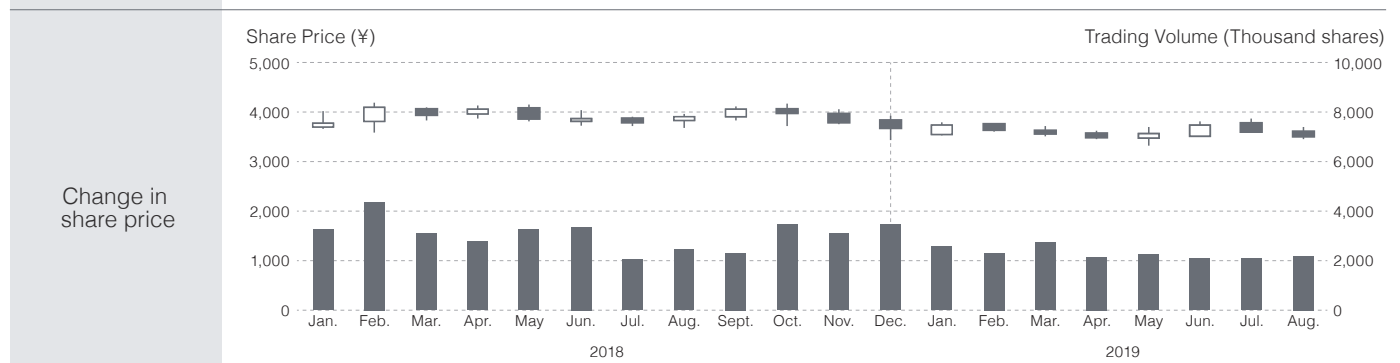
※The Board members marked with one asterisk(\*) concurrently serve Executive Officers. ※The Directors marked with two asterisks(\*\*) are outside ones. ※The Audit & Supervisory Board members marked with three asterisks(\*\*\*) are outside ones.  
(As of June 19, 2019)

## Share Information

|  |  |   |   |
|--|--|---|---|
| Share listing                          | First Section, Tokyo Stock Exchange          | Shares of common stock issued and outstanding | 49,249,979<br>(1,023,026 shares of treasury stock excluded) |
| Agent to manage shareholders' registry | Mitsubishi UFJ Trust and Banking Corporation |   |   |



| Name   | Number of shares held (Thousand shares) | Shareholding ratio (%) |
|--|---|------------------------|
| The Iwatani Naoji Foundation                         | 4,132                                   | 8.39                   |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 2,119                                   | 4.30                   |
| Japan Trustee Services Bank, Ltd. (Trust Account)    | 1,577                                   | 3.20                   |
| Tetsu Iwatani Co., Ltd.                              | 1,374                                   | 2.79                   |
| MUFG Bank, Ltd.                                      | 1,336                                   | 2.71                   |
| Resona Bank, Ltd.                                    | 1,177                                   | 2.39                   |
| SSBTC CLIENT OMNIBUS ACCOUNT                         | 924                                     | 1.88                   |
| Japan Trustee Services Bank, Ltd. (Trust Account 9)  | 906                                     | 1.84                   |
| Nippon Life Insurance Company                        | 898                                     | 1.82                   |
| Iwatanisangyou Senyukai                              | 890                                     | 1.81                   |



(Notes) In addition to the above, the Company holds 1,023,026 shares of treasury stock.  
On October 1, 2017, a reverse share split was executed at the ratio of five common shares to one new share.  
The Company was delisted from Nagoya Stock Exchange on September 15, 2019.

# Iwatani

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## Iwatani Corporation

Osaka Head Office 6-4, Hommachi 3-chome, Chuo-ku, Osaka 541-0053, Japan TEL:81-6-7637-3131  
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