

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 Iwatani Corporation's philosophy since its founding. We are pursuing the satisfaction of both society and consumers, the philosophy handed down over the years as the foundation of all our businesses. Today, our core business of LPG, which spurred a revolution in household fuel and reduced the burden of household tasks, provides a reliable and widely used clean energy source for daily life, for commercial activity, and for emergencies. Industrial gases, another core business, are essential to the manufacture of nearly all of the products around us. They play a key role as an infrastructure on which industrial progress is based. Iwatani is a market pioneer in hydrogen, which, in addition to its industrial applications, is on the verge of becoming a major driving force toward the realization of a sustainable society as the ultimate zero-carbon energy source.

While today's society faces a wide range of challenges in areas ranging from the environment and global warming to energy, we will continue striving to establish a sustainable, resource-circulating, carbon-free society by ceaselessly creating and supplying what society needs.

Editorial Policy

Since FY2022, this Integrated Report has sought to promote understanding among an ever broader range of stakeholders. The report provides an overview of the Iwatani Group and its medium- to long-term business strategies from both financial and non-financial perspectives. It also presents our plans for medium- to long-term growth, addressing major initiatives and business strategies intended to create social value and strengthen corporate value. We will continue to enhance the Integrated Report and the information it provides to more clearly explain the Iwatani Group's efforts to strengthen corporate value over the medium to long term.

Period Covered Most of the information provided in this Report concerns the period from April 1, 2022 through March 31, 2023, the Group fiscal year. Some information also refers to events before and after this period.

Published October 2023

Guidelines Referenced

- International Integrated Reporting Council (IIRC), International Integrated Reporting Framework
- Ministry of Economy, Trade and Industry of Japan, Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation



Forward-Looking Statements (Business and Other Risks)

Forecasts of business performance and other forward-looking statements found in this Report involve risks and uncertainty. Please note that actual results may differ for various reasons from the forward-looking statements presented herein.

CONTENTS

P. 2	Corporate Philosophy	P. 35	Integrated Energy
P. 3	To Our Stakeholders	P. 39	Industrial Gases & Machinery
P. 5	Iwatani's History	P. 43	Materials
P. 7	Business Summary	P. 47	Governance
P. 9	Value Creation Process	P. 49	Governance – Executive Officers
P. 11	Value Creation Capital	P. 53	Climate Change Response
P. 13	Interview with the President	P. 56	Promoting Environmental Management
P. 17	Long-Term Vision and Materiality	P. 57	Supply Chain Management and Human Rights
P. 19	Medium-Term Management Plan	P. 58	Safety and Security Initiatives
P. 21	Hydrogen Strategies	P. 59	Health and Productivity Management and Occupational Health and Safety
P. 25	Carbon-free Strategies	P. 60	ESG Data
P. 27	Domestic Energy & Service Strategies	P. 61	Social Contribution Activities
P. 29	Overseas Strategies	P. 63	Financial Highlights
P. 31	Non-financial Strategies – Human Resource Strategy	P. 64	Company Data
P. 33	Non-financial Strategies – Technology Strategy		



Contributing to society as a trusted company by creating new value

Since our founding in 1930, Iwatani Corporation has provided a wide range of products and services for both daily life and industrial applications, including energy, industrial gases, and materials, based on our corporate philosophy: Become a person needed by society, as those needed by society can prosper. These efforts are grounded in our desire to contribute to society by creating new value society will need in the future. This is the major driving force underlying the progress of our businesses.

Since 1941, when we identified hydrogen as the ultimate clean energy source, we have pushed for progress toward widespread use of hydrogen energy. Under the corporate slogan adopted in 1970 on the 40th anniversary of our founding—Creation of a more comfortable space on the Earth is what Iwatani wishes and strives for—we strive to deliver solutions to the social issues posed by environmental issues, as well as help achieve the Sustainable Development Goals (SDGs), through contributing to create a carbon-free society based on hydrogen.

As a co-representative of the Japan Hydrogen Association established in December 2020 and as a key member of the Hydrogen Council established chiefly by global energy firms, we are acting to promote use of hydrogen around the world with the aim of moving toward a hydrogen energy-based society.

To stimulate new hydrogen demand, we are developing hydrogen-refueling stations in Japan and in the United States in response to the spread of fuel cell vehicles (FCVs). We will focus on developing hydrogen-refueling stations for fuel cell commercial vehicles, including trucks and buses, as well as reducing operating costs by promoting self-service refueling.

We are securing new hydrogen demand by meeting customer needs to reduce carbon emissions through means including factory decarbonization and hydrogen supply as a fuel to enable real-world means of transportation and mobility, whether by train, marine craft, or other, at large scale.

Our efforts to secure CO₂-free hydrogen sources include studying the commercialization of green liquid hydrogen production alongside our partners, including a power utility and a mining company in Australia. In particular, the Liquefied Hydrogen Supply Chain Commercialization Demonstration Project in which we participate has been selected by the New Energy and Industrial Technology Development Organization (NEDO) for funding from the Green Innovation Fund. This project will include feasibility studies on developing global liquid hydrogen supply chains integrating hydrogen production, liquefaction, shipping, marine transport, and receipt to establish the world's first large-scale hydrogen liquefaction and transport technologies capable of handling capacities on the order of tens of thousands of tons per year.

In Japan, we are participating in the Fukushima Plan for a New Energy Society, a project intended to produce green hydrogen using electric power generated from renewable energy sources. We are also studying a broad range of practical projects, including hydrogen production from plastic waste.

Our main LPG business has a customer base of more than 3.3 million households across Japan. We support our customers' lives in various aspects, including stable supplies, solutions, security, community contributions, and the environment. We are making energetic progress to achieve LPG decarbonization through various efforts, including research on decarbonization through supplying LPG mixed with hydrogen as well as propanation (synthetic green LPG production) as we head toward becoming the energy & living total service provider of choice for our customers and communities. As we advance toward our 100th anniversary and beyond, we remain firmly committed to achieving sustained growth, and will continue to offer new value to all our stakeholders.

Chairman and CEO

Akiji Makino

President

Kiroshi Majima



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

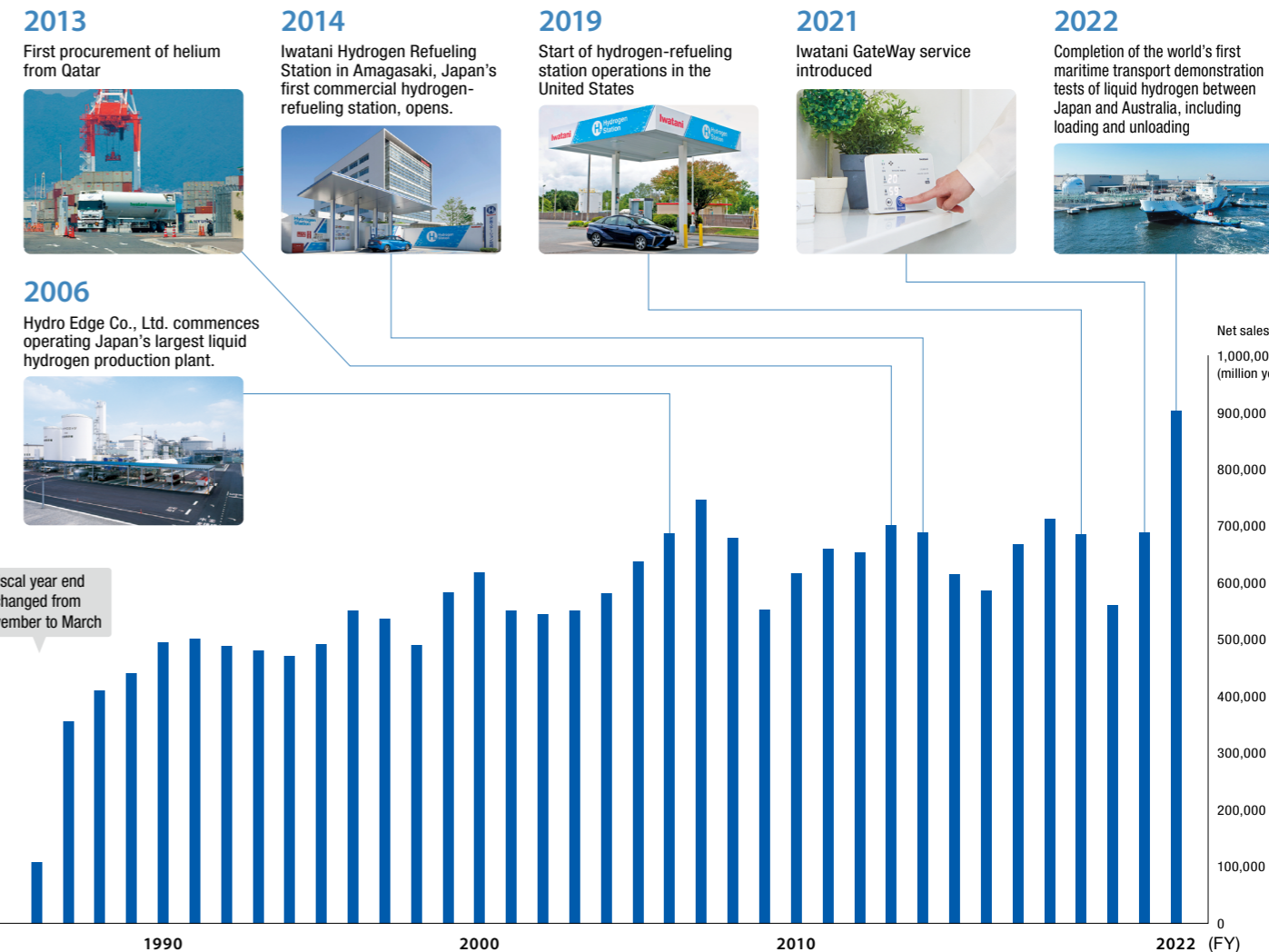
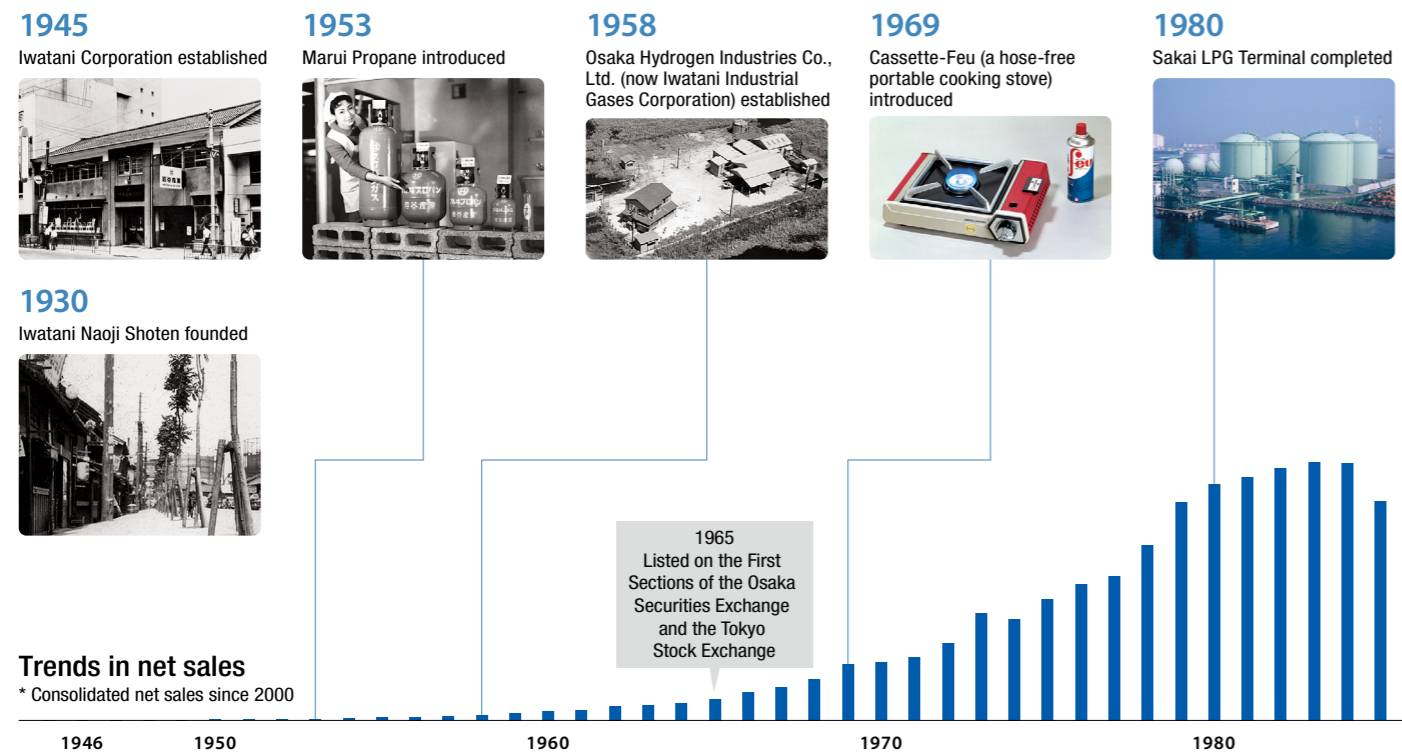


Iwatani Code of Corporate Ethics

- 1 We will create new values sought by our customers, thereby contributing to society.
- 2 We respect compliance with the related laws and ordinances and their spirit, and fulfill our social responsibility through fair and free competition.
- 3 We will proactively disclose our corporate information and have a dialogue with society in order to obtain wide support and mutual understanding from society.
- 4 We will respect diverse values and create an environment where abilities can be fully demonstrated irrespective of the race, nationality, gender, and age to flexibly respond to changes in business environment.
- 5 We will conduct corporate activities aimed at realization of a decarbonized society and 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 conduct corporate management from an international perspective.

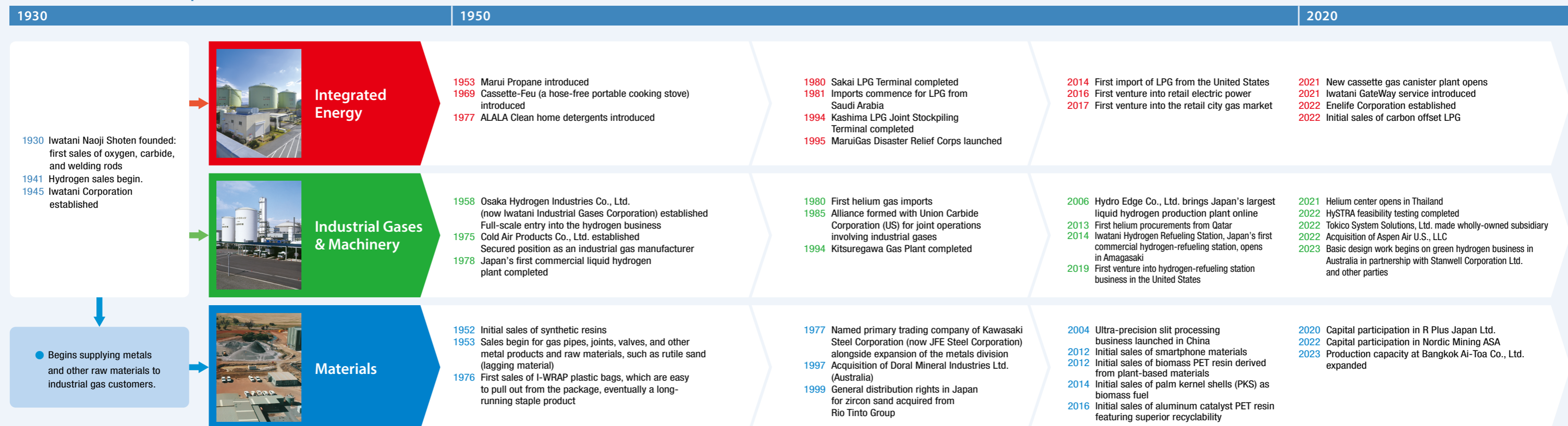
A History of Meeting Society's Needs and Rising to the Challenge of Innovation

The Gas and Energy business enriches daily life, supports societal progress, and contributes to a more prosperous future. Some of the gases we handle include LPG, air separation gases, helium, and hydrogen. Iwatani was early to identify the possibilities of these gases and has since built stable supply networks, developed new technologies, and devised new products. Iwatani maintains a firm commitment to pursuing the challenge of innovation in response to the world's needs, centered on the Gas and Energy business.



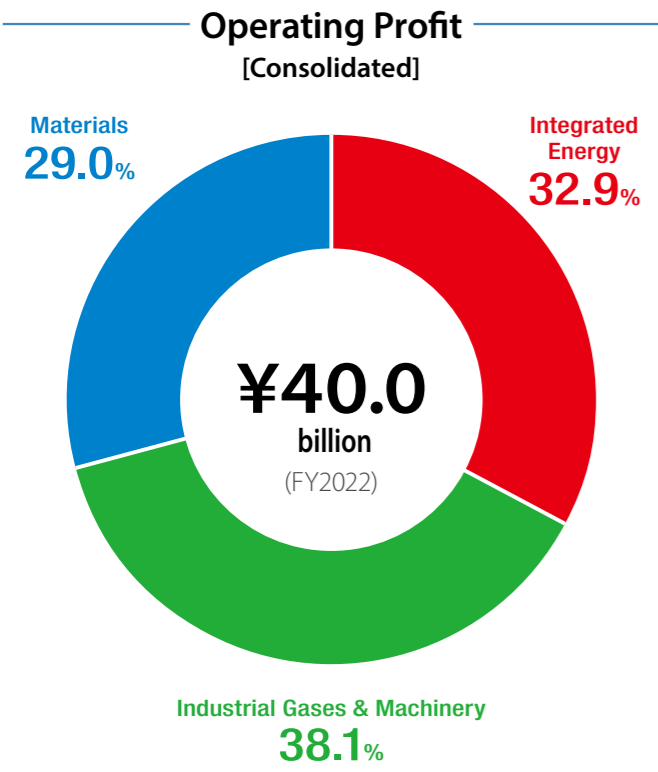
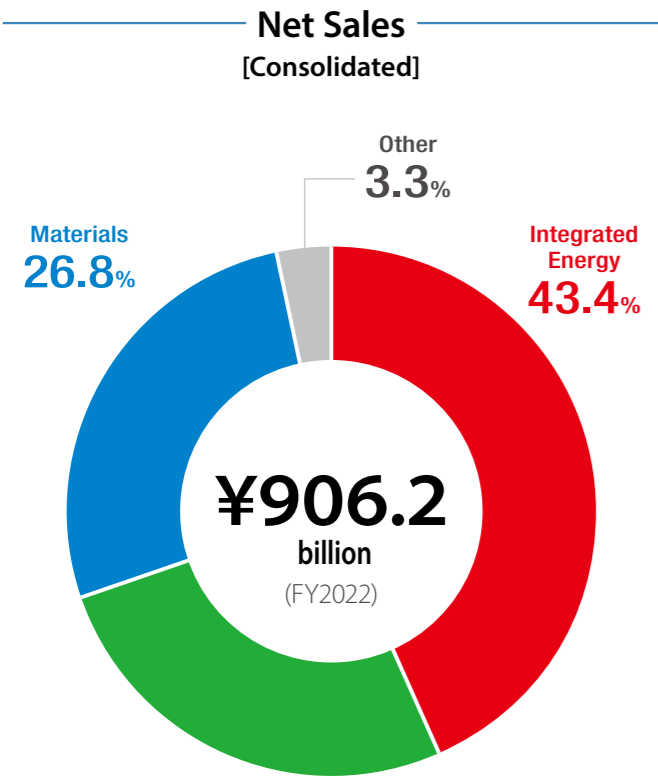
The Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan [ASBJ] Statement No. 29, March 31, 2020) and other accounting standards have been applied since FY2021. Figures shown for FY2020 have been restated through the retroactive application of these accounting standards.

Iwatani's Business Development



Business Summary

Financial Results for FY2022



*Excludes other businesses/adjustments.

Structure based on three businesses



Integrated Energy

- LPG ● Electricity sales and city gas safety services
- Gas equipment, lifestyle products, health foods
- Portable gas cooking stoves and cassette gas canisters



Industrial Gases & Machinery

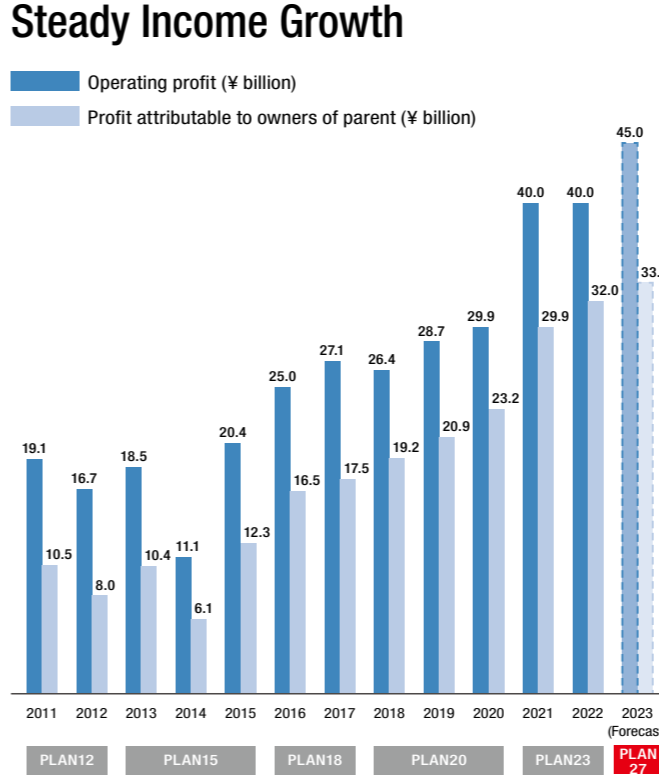
- Industrial gases (e.g., air separation gases, hydrogen, helium)
- Gas production and supply facilities and industrial machinery



Materials

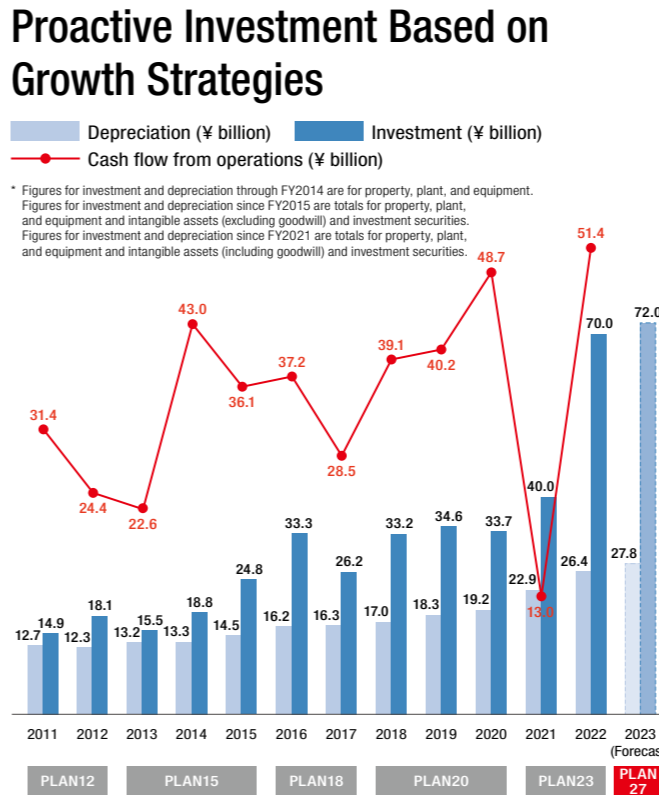
- Functional plastics products ● Resources
- Advanced materials ● Metals ● Electronic materials

Earning Power



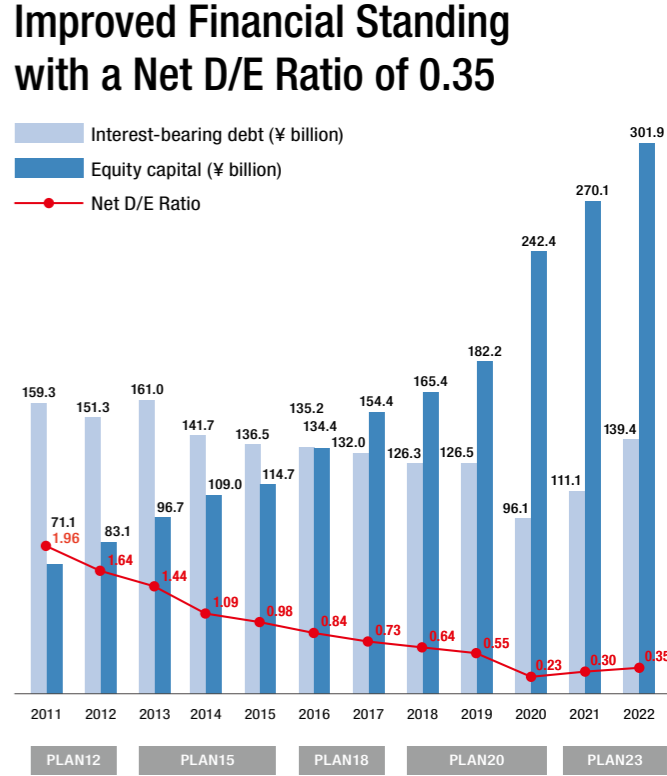
* Figures for FY2021 and later reflect the application of the Accounting Standard for Revenue Recognition.

Investment



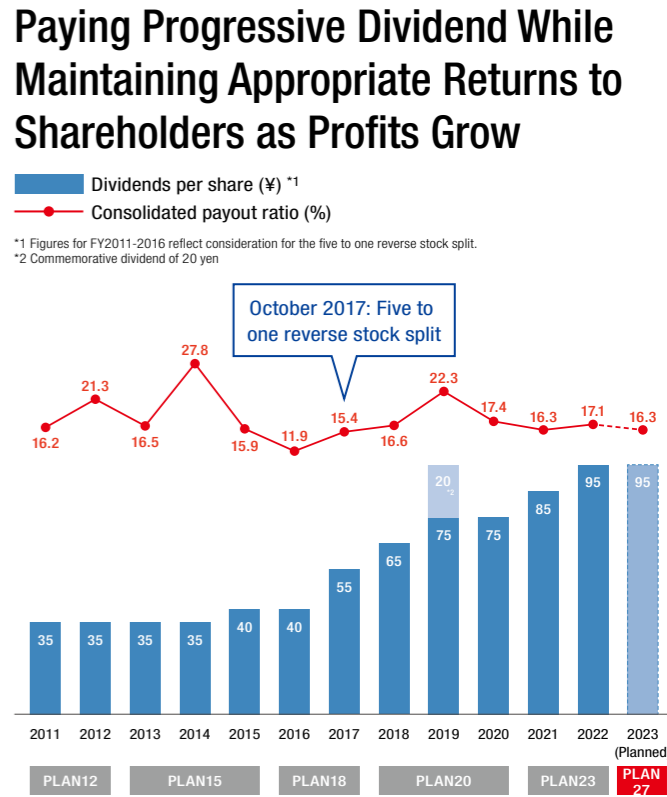
* Figures for investment and depreciation through FY2014 are for property, plant, and equipment. Figures for investment and depreciation since FY2015 are totals for property, plant, and equipment and intangible assets (excluding goodwill) and investment securities. Figures for investment and depreciation since FY2021 are totals for property, plant, and equipment and intangible assets (including goodwill) and investment securities.

Financial Standing



* Figures for FY2021 and later reflect the application of the Accounting Standard for Revenue Recognition.

Return to Shareholders



*1 Figures for FY2011-2016 reflect consideration for the five to one reverse stock split. *2 Commemorative dividend of 20 yen

* Figures for FY2021 and later reflect the application of the Accounting Standard for Revenue Recognition.