

Iwatani **Financial Results for 1Q FY2022** **(Ending March 31, 2023)**

August 8, 2022

Iwatani Corporation

[TSE Prime, 8088]

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

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FY2022 1st Quarter Overview

Summary as of the First Quarter

- ▶ Increased sales and profit from the previous year, and record-high in profit for 1Q FY22.

Overview of Consolidated Financial Results for 1Q of FY2022

- Increase in net sales due to high LPG import prices and steady progress in price pass-through in line with rising market conditions.
- Sales of mainstay products increased in the Integrated Energy business and the Materials business, in addition to the positive impact of LPG import price fluctuation.
- Sales and profit progressed steadily at around 25% of the full-year forecast.

Net Sales

203.8 billion yen YoY +58.3 billion yen (+40.1%)

Operating profit

8.9 billion yen YoY +1.0 billion yen (+13.8%)

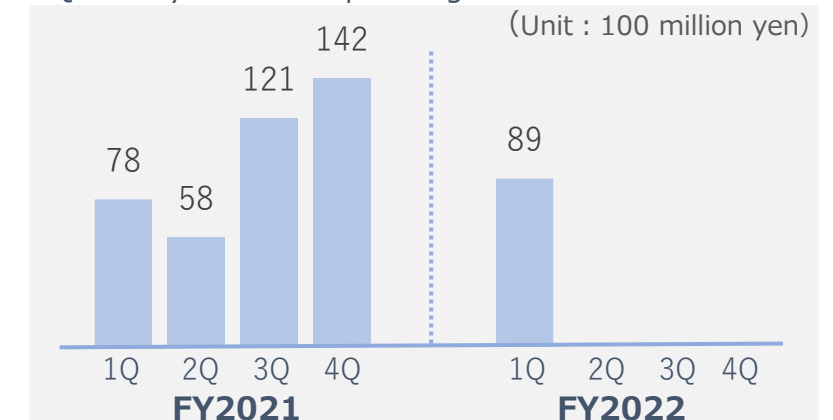
Ordinary profit

11.4 billion yen YoY +2.0 billion yen (+22.4%)

Profit attributable to owners of parent

7.7 billion yen YoY +1.7 billion yen (+28.7%)

■ Quarterly results 【Operating Profit】

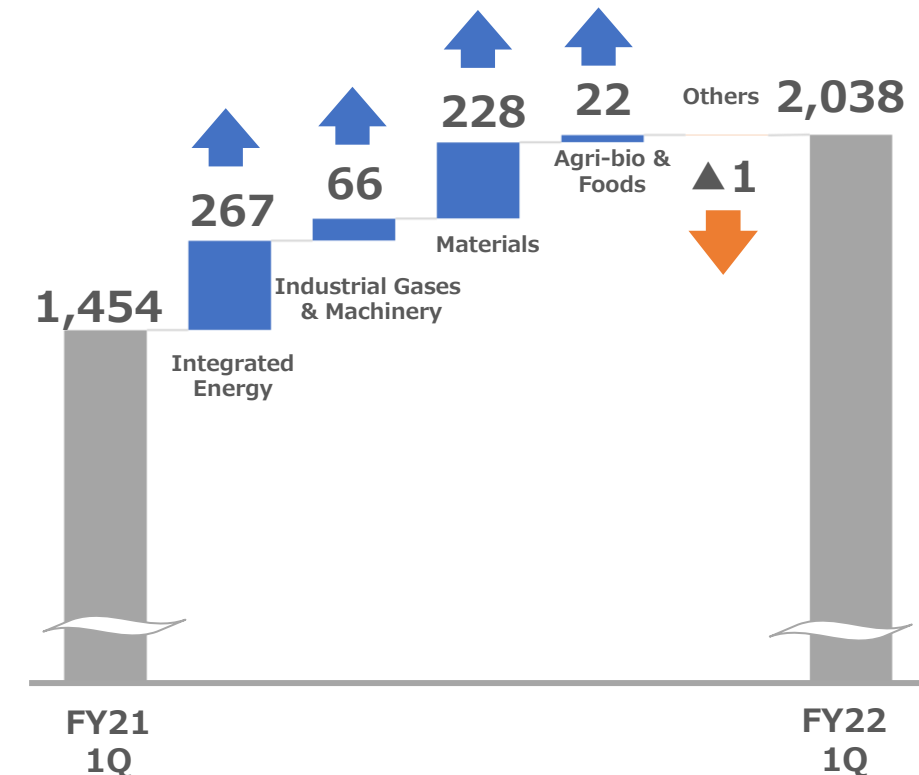


Analysis of Net Sales

	FY22 1Q Results	FY21 1Q Results	Year on year	FY22 Forecasts	Progress
Net Sales	2,038	1,454	+583 (40.1%)	8,030	25.4%
Gross profit	505	445	+60 (13.5%)	-	-
Operating profit	89	78	+10 (13.8%)	350	25.5%
Non-operating profit	25	14	+10 (67.6%)	-	-
Ordinary profit	114	93	+20 (22.4%)	410	27.8%
Ordinary profit except for impact of LPG import price fluctuation	93	82	+11 (14.0%)	410	22.9%
Profit attributable to owners of parent	77	60	+17 (28.7%)	265	29.2%

Factors contributing to increase in sales

- High LPG import prices
- Steady progress in price pass-through in line with rising market conditions
- Sales of mainstay products increased in the Integrated Energy Business and the Materials Business.

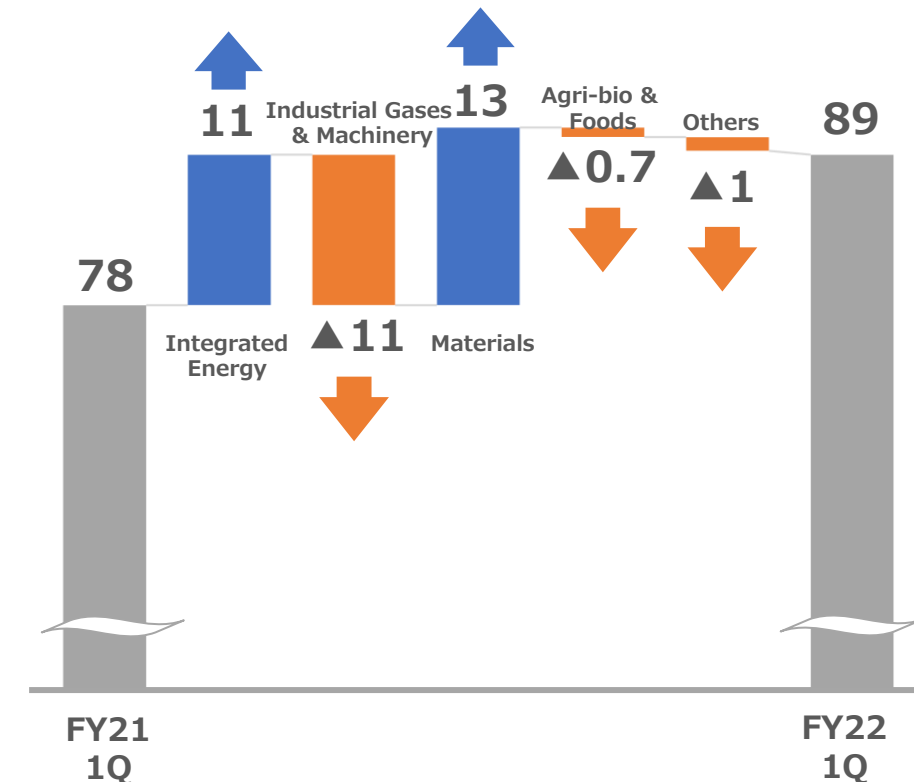


Analysis of Operating Profit

	FY22 1Q Results	FY21 1Q Results	Year on year	FY22 Forecasts	Progress
Net Sales	2,038	1,454	+583 (40.1%)	8,030	25.4%
Gross profit	505	445	+60 (13.5%)	-	-
Operating profit	89	78	+10 (13.8%)	350	25.5%
Non-operating profit	25	14	+10 (67.6%)	-	-
Ordinary profit	114	93	+20 (22.4%)	410	27.8%
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Profit attributable to owners of parent	77	60	+17 (28.7%)	265	29.2%

Factors contributing to increase in profit

- Increased in operating profit in the Integrated Energy Business and Materials Business.
 - Increased in general and administrative expenses due to higher electricity rates and distribution costs in addition to effect of the new consolidation.
- ※ Record-high in all profits for the first quarter.



Consolidated Financial Results by Segment

	FY22 1Q Results(A)	FY21 1Q Results(B)	Year on year(C) (A) - (B)	Year on year (A) / (B)	FY22 Forecast	Progress
Net Sales	2,038	1,454	+583	40.1%	8,030	25.4%
■ Integrated Energy	916	648	+267	41.3%	3,592	25.5%
■ Industrial Gases & Machinery	484	418	+66	15.8%	2,282	21.2%
■ Materials	555	326	+228	70.1%	1,806	30.8%
■ Agri-bio & Foods	72	49	+22	46.3%	307	23.5%
■ Others	10	11	▲1	▲14.8%	43	23.5%
Operating Profit	89	78	+10	13.8%	350	25.5%
■ Integrated Energy	52	41	+11	27.8%	156	33.9%
■ Industrial Gases & Machinery	15	27	▲11	▲42.4%	134	11.7%
■ Materials	27	13	+13	95.7%	82	33.0%
■ Agri-bio & Foods	0.1	0.8	▲0.7	▲85.9%	11	1.1%
■ Others , Adjustments	▲6	▲4	▲1	-	▲33	-
Ordinary profit	114	93	+20	22.4%	410	27.8%
Ordinary profit except for impact of LPG import price fluctuation	93	82	+11	14.0%	410	22.9%
Profit attributable to owners of parent	77	60	+17	28.7%	265	29.2%

Changes in Operating Profit – Integrated Energy

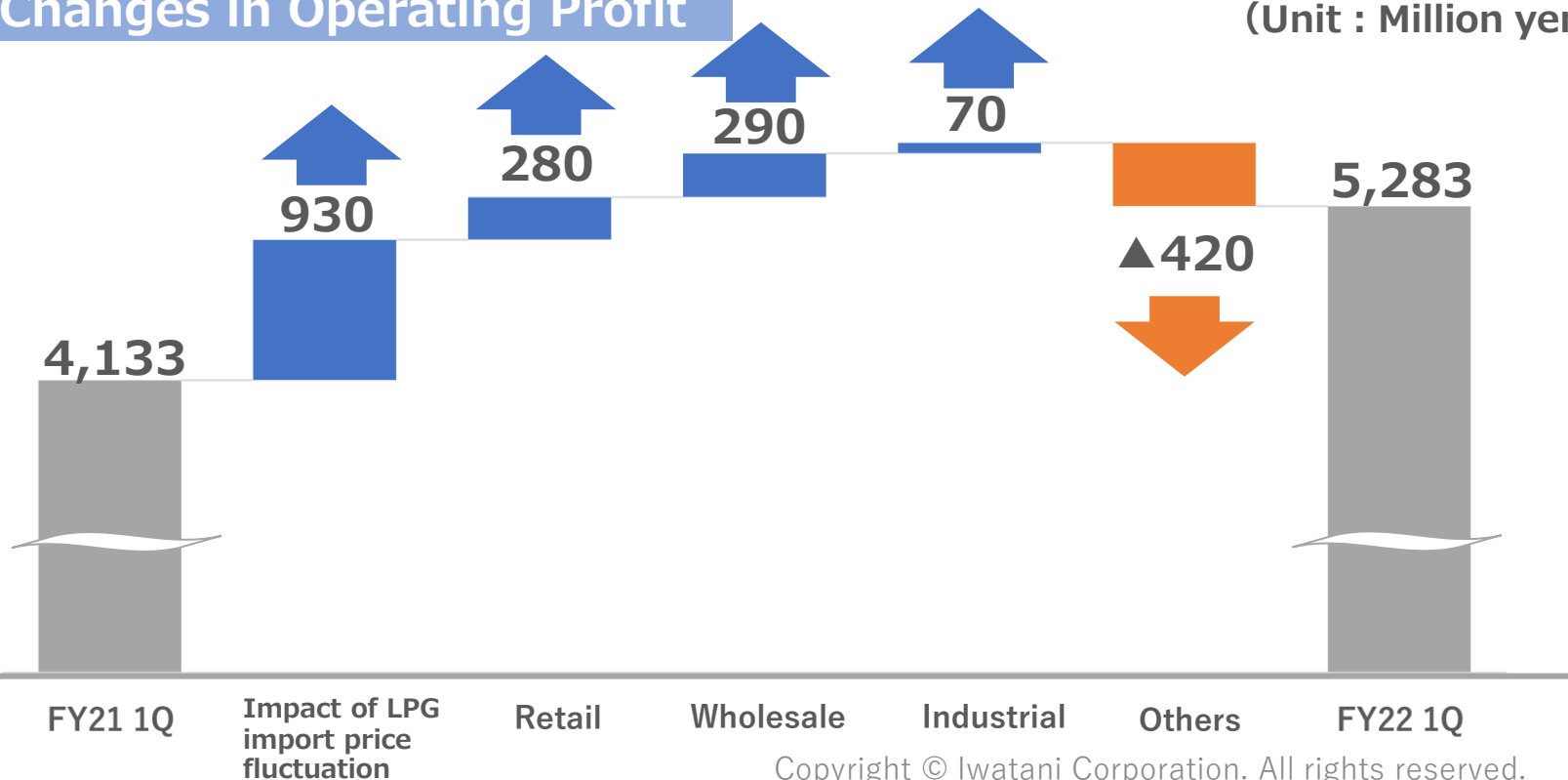
Financial Results

(Unit : 100 million yen)

	FY22 1Q Results(A)	FY21 1Q Results(B)	Year on year (A) - (B)	Year on year (C) / (B)	FY22 Forecast	Progress
Net Sales	916	648	+267	41.3%	3,592	25.5%
Operating Profit	52	41	+11	27.8%	156	33.9%

Changes in Operating Profit

(Unit : Million yen)



Factors contributing to change in Operating Profit

■ Impact of LPG import price fluctuation +930

(100 million yen)	1Q	2Q	3Q	4Q	Full-year
FY22	+20.4	-	-	-	+20.4
FY21	+11.0	+11.0	+49.1	+8.5	+79.7

■ Retail +280

- Improve the profitability due to progress in price pass-through of higher LPG import prices in addition to increase in sales of LPG.

■ Wholesale +290

- Increase in LPG sales due to recovery in demand for commercial use.

■ Industrial +70

- Increase in LPG sales for calorific adjustment for city gas.

■ Others ▲420

- Sales of portable gas cooking stoves and cassette gas canisters were flat due to the impact of increased costs.
- Decrease in sales of large energy-related equipment.

Changes in Operating Profit – Industrial Gases & Machinery

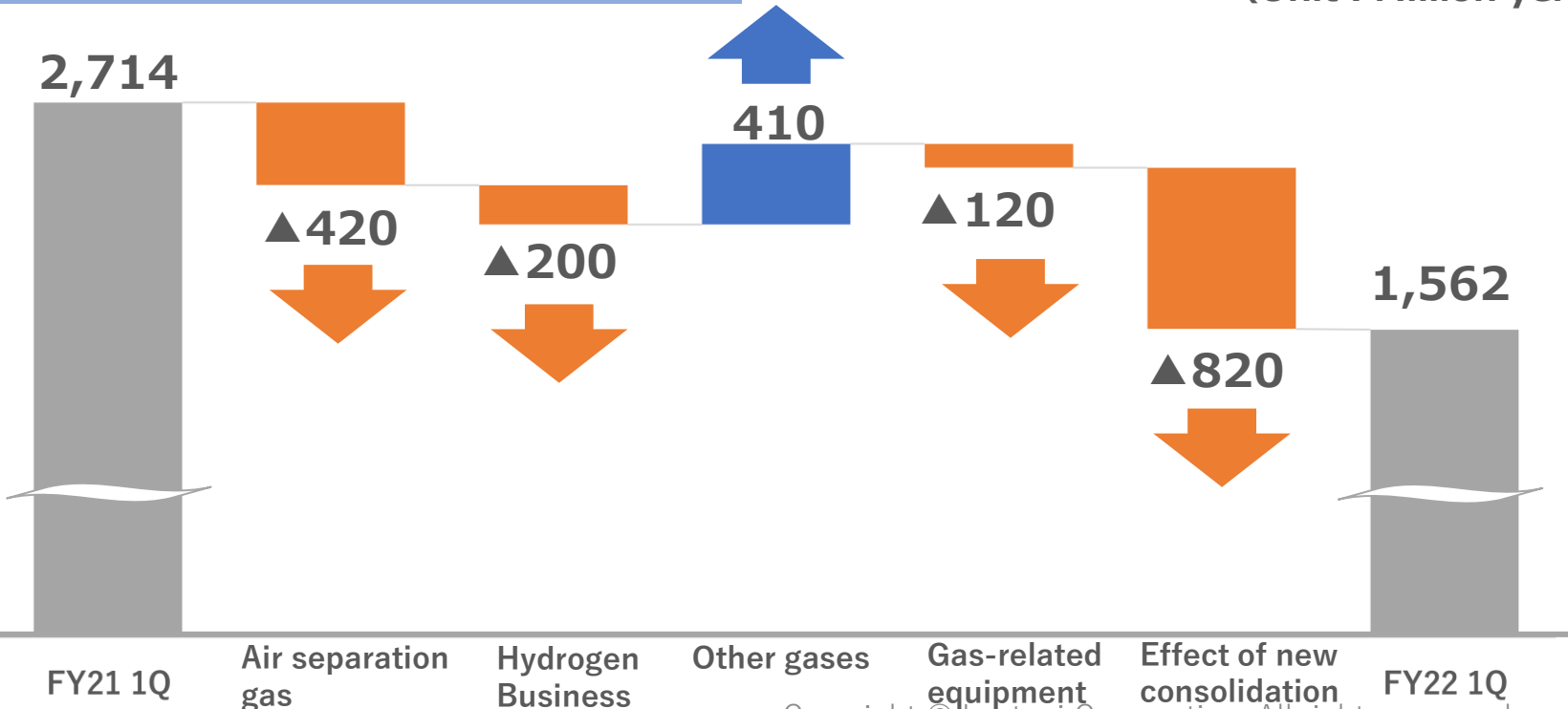
Financial Results

(Unit : 100 million yen)

	FY22 1Q Results(A)	FY21 1Q Results(B)	Year on year (A) - (B)	Year on year (C) / (B)	FY22 Forecast	Progress
Net Sales	484	418	+66	15.8%	2,282	21.2%
Operating Profit	15	27	▲11	▲42.4%	134	11.7%

Changes in Operating Profit

(Unit : Million yen)



Factors contributing to change in Operating Profit

- Air separation gas ▲420**
 - Sales volume decreased mainly to the automobile-related industry.
 - Production costs increased due to higher electricity rates.
- Hydrogen Business ▲200**
 - Increase in sales of liquid hydrogen while increase in operating expenses of hydrogen-refueling stations.
- Other gases +410**
 - Improve in profitability of helium sales due to the surge in market price.
- Gas-related equipment ▲120**
 - Sales of machinery and equipment declined due to delivery delays caused by parts shortages and other factors.
- Effect of new consolidation ▲820**
 - Temporal expenses were incurred due to the effect of new consolidation.

<Impact on production costs from increase in electricity cost and LNG market >

Approx. +600 million yen

Changes in Operating Profit – Materials

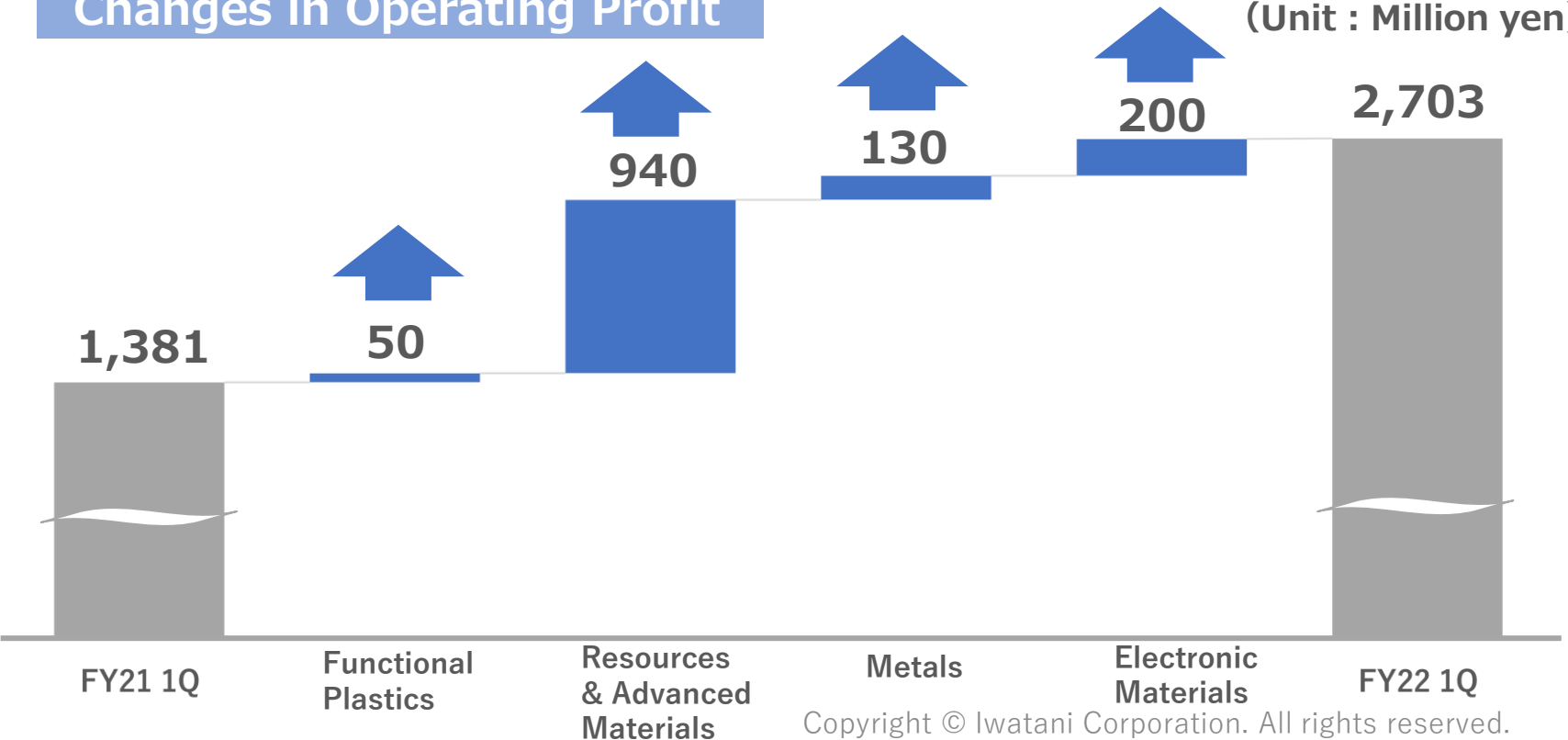
Financial Results

(Unit : 100 million yen)

	FY22 1Q Results(A)	FY21 1Q Results(B)	Year on year (A) - (B)	Year on year (C) / (B)	FY22 Forecast	Progress
Net Sales	555	326	+228	70.1%	1,806	30.8%
Operating Profit	27	13	+13	95.7%	82	33.0%

Changes in Operating Profit

(Unit : Million yen)



Factors contributing to change in Operating Profit

- Functional Plastic Products +50**
 - Increase in sales of eco-friendly PET resins.
- Resources & Advanced Materials +940**
 - Secure stable supply amid soaring market prices due to disruptions in the global supply chain.
- Metals +130**
 - Increase in sales of stainless steels to new customers.
- Electronic Materials +200**
 - Increased in sales of Battery-related materials to new customers in addition to higher market prices.

Changes in Operating Profit – Agri-bio & Foods

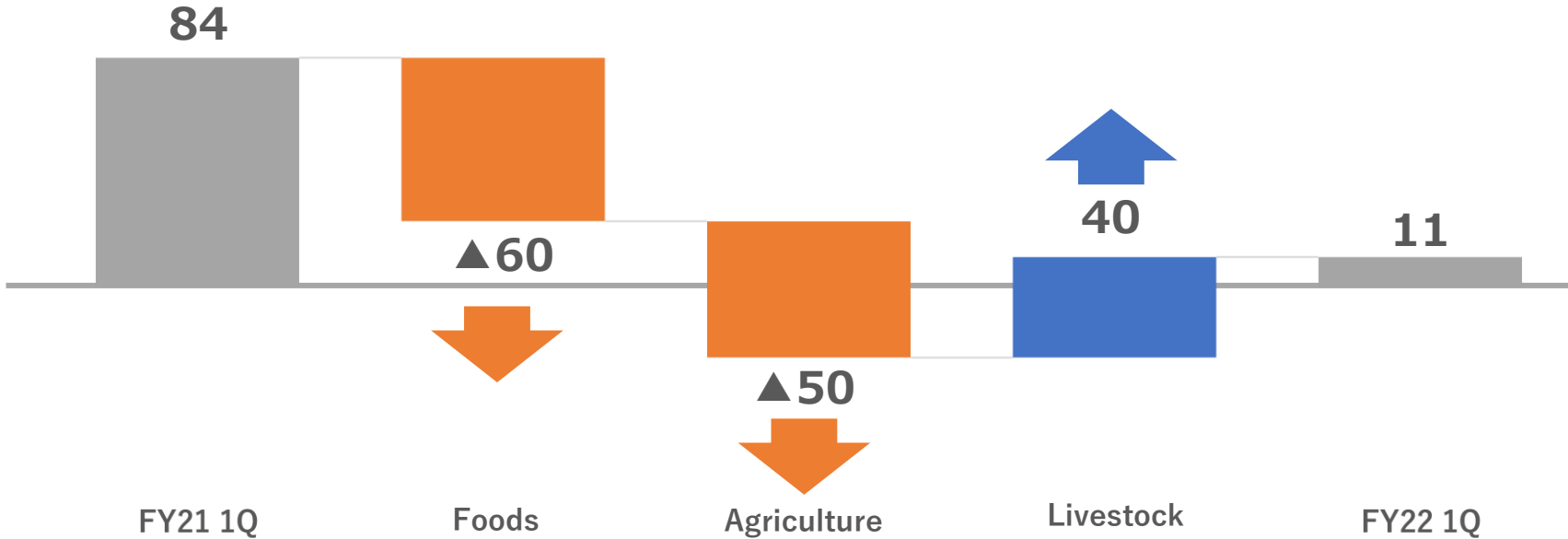
Financial Results

(Unit : 100 million yen)

	FY22 1Q Results(A)	FY21 1Q Results(B)	Year on year (A) - (B)	Year on year (C) / (B)	FY22 Forecast	Progress
Net Sales	72	49	+22	46.3%	307	23.5%
Operating Profit	0.1	0.8	▲0.7	▲85.9%	11	1.1%

Changes in Operating Profit

(Unit : Million yen)



Factors contributing to change in Operating Profit

- Foods ▲60**
 - Increase in sales of frozen foods for general consumers and recovery in demand for commercial frozen foods.
 - Procurement and distribution costs increased.
- Agriculture ▲50**
 - Increase in sales of agricultural materials.
 - Decrease in construction orders of agricultural equipment.
- Livestock +40**
 - Livestock equipment increased.

FY2022 Forecasts

FY2022 Forecasts

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

Assumptions

■ 1st Half

exchange rate 120
JPY/USD

CP USD 700/ton

■ 2nd Half

exchange rate 120
JPY/USD

CP USD 750/ton

Dividend Forecast

FY2022 85yen/share

Iwatani

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