

FY2024 1st Half Financial Results **(Results for the Six Months Ended September 30, 2024)**

(Forward-Looking Statements)

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

November 20, 2024

Iwatani Corporation

[Securities code 8088]

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FY2024 1st Half Overview

► Increase in net sales and operating profit. Achieved record-high in all profit categories.

Summary of Financial Results for the 1st Half of FY2024

- Despite the sluggish sales of rechargeable battery materials for next-generation vehicles, the high import prices of LPG led to increase in net sales.
- Despite a decline in profits in the Industrial Gases & Machinery business and the Materials business, the Integrated Energy business achieved increased profits due to growth in the sales of portable gas cooking stoves and cassette gas canisters, as well as an improvement in the negative impact of LPG import price fluctuation on profits (+4billion yen year-on-year).
- Full-year financial forecasts: no change

Net sales

400.0 billion yen YoY +5.7 billion yen +1.5%

Operating profit

16.1 billion yen YoY +1.5 billion yen +10.6%

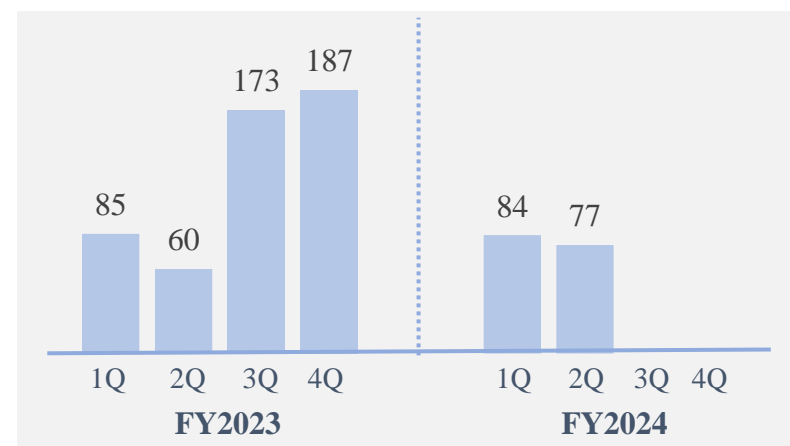
Ordinary profit

22.2 billion yen YoY +4.0 billion yen +22.5%

Profit attributable to owners of parent

15.0 billion yen YoY +3.0 billion yen +25.1%

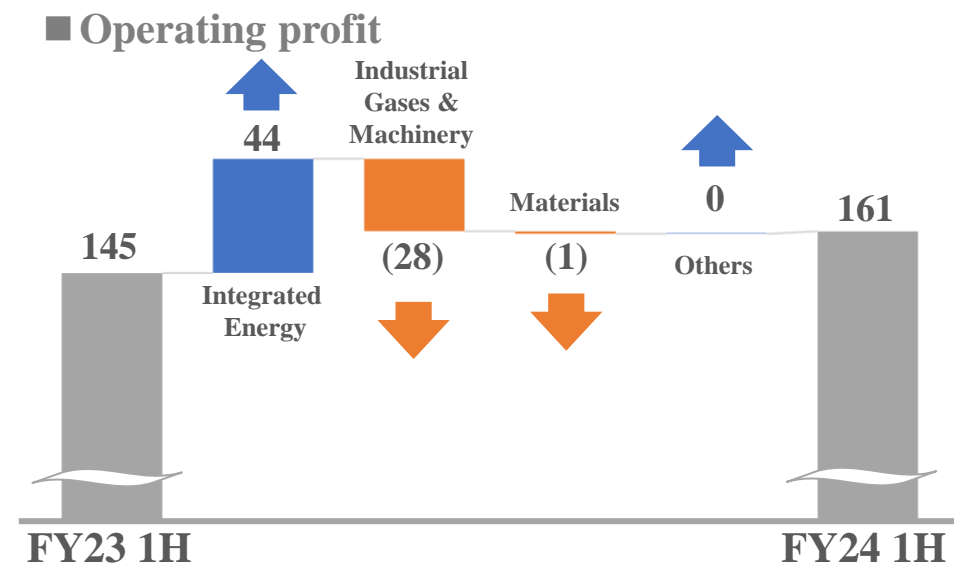
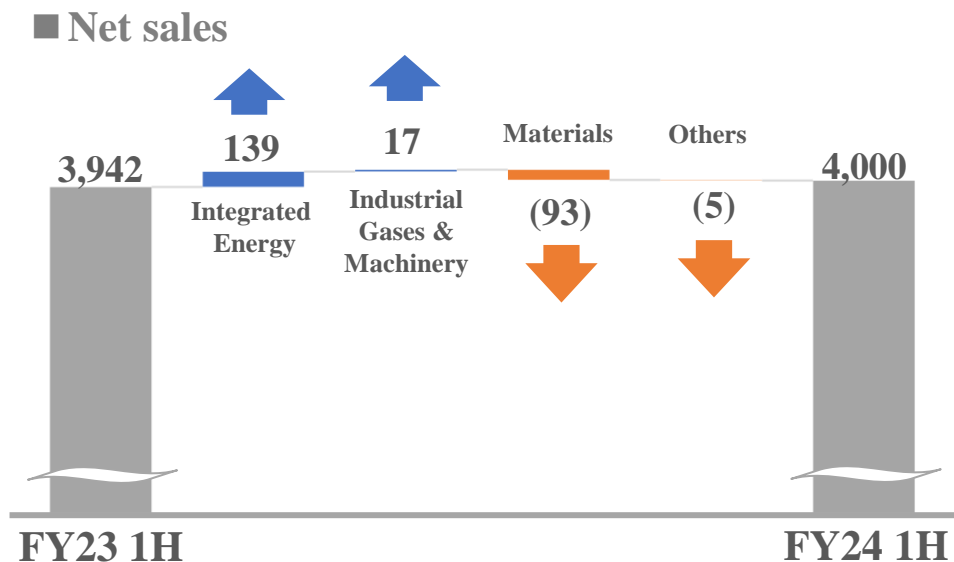
■ Operating profit quarterly trends (100 million yen)



Consolidated Operating Results

Iwatani
(100 million yen)

	FY24 1H Results (A)	FY23 1H Results (B)	YoY (A)-(B) (A)/(B)	FY24 Forecasts	Progress
Net Sales	4,000	3,942	+57 +1.5%	9,020	44.3%
Gross profit	1,066	1,009	+57 +5.7%	-	-
Operating profit	161	145	+15 +10.6%	527	30.6%
Operating profit excluding impact of LPG import price fluctuation	171	197	(25) (12.8)%	527	32.6%
Non-operating profit	61	35	+25 +70.8%	-	-
Equity gains of affiliated companies related to Cosmo Energy HD	35	-	+35 -	159	-
Ordinary profit	222	181	+40 +22.5%	728	30.6%
Profit attributable to owners of parent	150	120	+30 +25.1%	540	27.9%



Consolidated Operating Results (Segment Analysis)

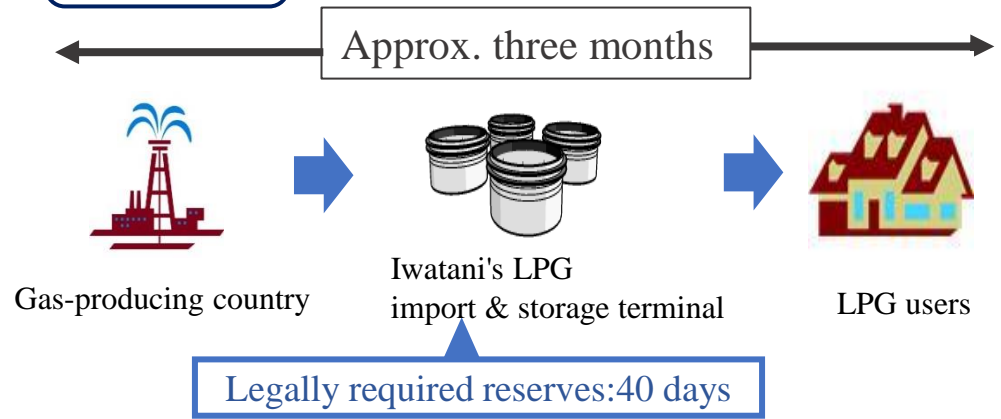
Iwatani
(100 million yen)

	FY24 1H Results (A)	FY23 1H Results (B)	YoY (A)-(B)	YoY (A)/(B)	FY24 Forecasts	Progress
Net sales	4,000	3,942	+57	+1.5%	9,020	44.3%
■ Integrated Energy	1,572	1,433	+139	+9.7%	3,840	41.0%
■ Industrial Gases & Machinery	1,285	1,268	+17	+1.4%	2,750	46.8%
■ Materials	991	1,085	(93)	(8.6)%	2,105	47.1%
■ Others	150	155	(5)	(3.2)%	325	46.2%
Operating profit	161	145	+15	+10.6%	527	30.6%
■ Integrated Energy	32	(11)	+44	-	210	15.6%
■ Industrial Gases & Machinery	79	108	(28)	(26.4)%	220	36.3%
■ Materials	61	62	(1)	(2.0)%	128	47.9%
■ Others, Adjustments	(12)	(13)	+0	-	(31)	-
Operating profit excluding impact of LPG import price fluctuation	171	197	(25)	(12.8)%	527	32.6%
Equity gains of affiliated companies related to Cosmo Energy HD	35	-	+35	-	159	-
Ordinary profit	222	181	+40	+22.5%	728	30.6%
Profit attributable to owners of parent	150	120	+30	+25.1%	540	27.9%

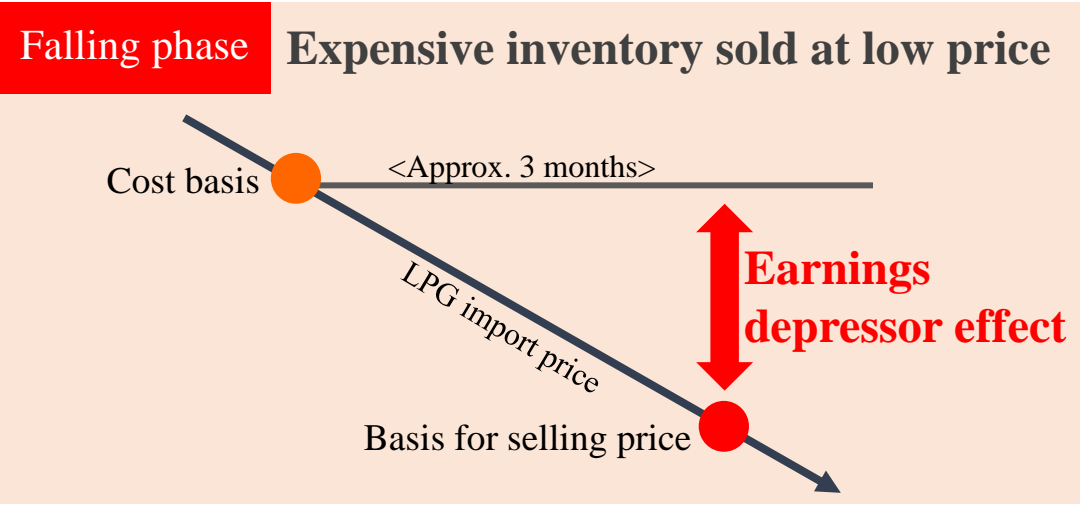
Impact of LPG Import Price Fluctuations

Assumption ① Wholesale price is linked to LPG import price.

Assumption ② Term from import to sale is approx. three months.



LPG import price fluctuation produces **short-term impact on performance (due to market fluctuations)**
(If LPG import prices return to original levels, impact will be zero.)



Operating Profit Analysis of Integrated Energy

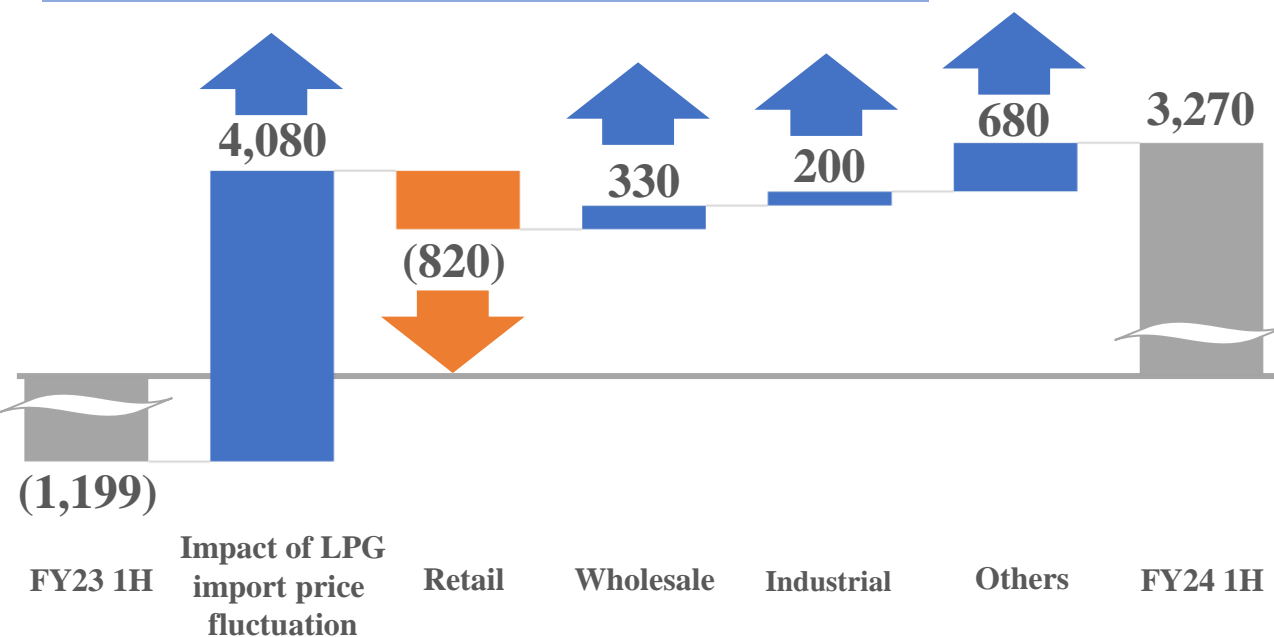
Results

(100 million yen)

	FY24 1H Results (A)	FY23 1H Results (B)	YoY (A)-(B)	YoY (A)/(B)	FY24 Forecasts	Progress
Net Sales	1,572	1,433	+139	+9.7%	3,840	41.0%
Operating Profit	32	(11)	+44	-	210	15.6%
Operating profit excluding impact of LPG import price fluctuation	43	39	+3	+9.9%	210	20.6%

Analysis of Changes in Operating Profit

(million yen)



Main factors

(million yen)

■ Impact of LPG import price fluctuation +4,080

(100 million yen)	1Q	2Q	1H	3Q	4Q	Full year
FY24	(0.7)	(9.8)	(10.5)	-	-	-
FY23	(17.3)	(34.0)	(51.3)	+32.6	+26.3	+7.5
Changes	+16.6	+24.2	+40.8	-	-	-

■ Retail (820)

-decline in profitability due to rising LPG import prices

■ Wholesale +330

-improved profitability of LPG through logistics optimization and other measures

■ Industrial +200

-increase in LPG demand for calorific adjustment for city gas

■ Others +680

-steady sales of portable gas cooking stoves, cassette gas canisters in Japan and overseas
-increase in sales of energy-related equipment

Operating Profit Analysis of Industrial Gases & Machinery

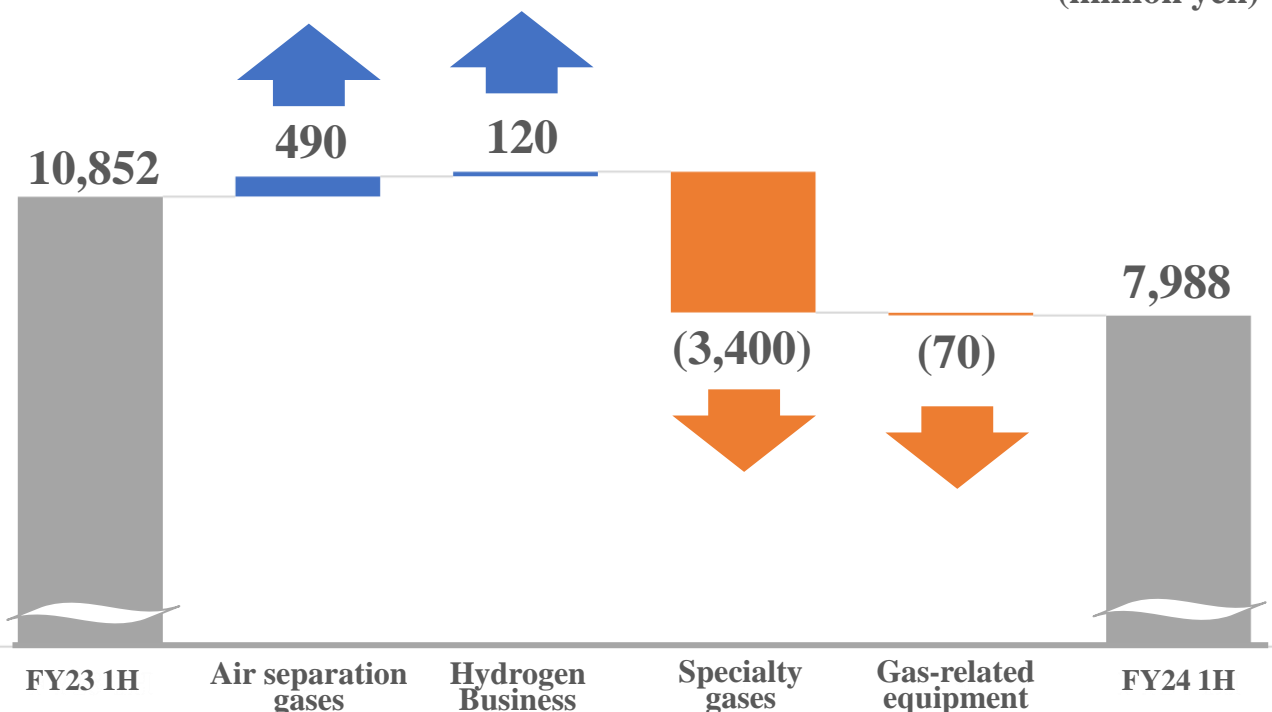
Results

(100 million yen)

	FY24 1H Results (A)	FY23 1H Results (B)	YoY (A)-(B)	YoY (A)/(B)	FY24 Forecasts	Progress
Net Sales	1,285	1,268	+17	+1.4%	2,750	46.8%
Operating Profit	79	108	(28)	(26.4)%	220	36.3%

Analysis of Changes in Operating Profit

(million yen)



Main factors

(million yen)

- Air separation gases +490**
 -increase in sales volume mainly for the electronic component industry
- Hydrogen Business +120**
 -steady sales of liquid hydrogen, mainly for the space development industry
- Specialty gases (3,400)**
 -expansion of the refrigerant business resulting from the acquisition of a business company in Malaysia
 -helium market weakened mainly in China, resulting in lower profitability
 -increase in procurement costs for carbon dioxide
- Gas-related equipment (70)**
 -despite sales of disaster prevention gas equipment increased, sales of automobile-related equipment decreased

Operating Profit Analysis of Materials

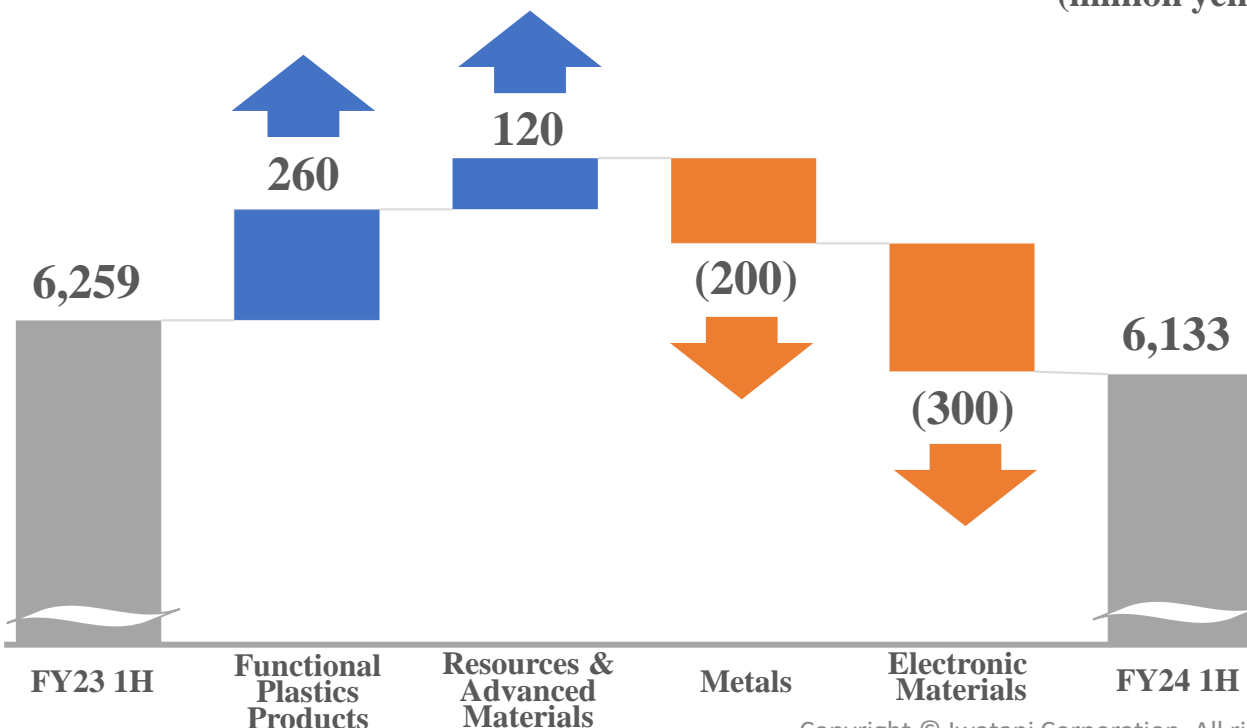
Results

(100 million yen)

	FY24 1H Results (A)	FY23 1H Results (B)	YoY (A)-(B)	YoY (A)/(B)	FY24 Forecasts	Progress
Net Sales	991	1,085	(93)	(8.6)%	2,105	47.1%
Operating Profit	61	62	(1)	(2.0)%	128	47.9%

Analysis of Changes in Operating Profit

(million yen)



Main factors

(million yen)

■ Functional Plastics Products +260

-increase in sales of molded products for air-conditioners and resin products for consumer

■ Resources & Advanced Materials +120

-Production of mineral sands at our own mining sites in Australia remained steady and sales volumes increased in Japan and overseas

■ Metals (200)

-decline in sales price of stainless steel

■ Electronic Materials (300)

-sluggish sales of battery-related materials for next-generation vehicles due in part to inventory adjustments at sales destinations

Consolidated Balance Sheets

- Interest-bearing debt increased due to capital investments in both Japan and overseas.

(100 million yen)

	Sept. 30, 2024 (A)	Mar. 31, 2024 (B)	Change (A)-(B)	Major factors for changes
Current assets	2,952	3,095	(143)	decrease in trade receivables
Property, plant and equipment	2,357	2,254	+103	
Intangible assets	407	365	+42	
Investments and other assets	2,643	2,629	+14	
Fixed assets	5,408	5,248	+160	
Total assets	8,360	8,343	+16	
Current liabilities	2,632	3,125	(492)	reduction in short-term borrowings and accounts payable
Non-Current liabilities	1,881	1,489	+391	issuance of 30 billion yen bonds
Total liabilities	4,513	4,614	(100)	interest-bearing debt 275.3 billion yen(+20.8 billion yen) ratio of interest-bearing debt to total assets 32.9%
Equity	3,736	3,623	+113	equity ratio 44.7%
Non-controlling interests	110	106	+4	
Net Assets	3,846	3,729	+117	
Total liabilities and net assets	8,360	8,343	+16	

Consolidated Statements of Cash Flows

Operating cash flow provided 13.2 billion yen. Investing cash flow was an outflow of 30.8 billion yen due to aggressive investments. As a result, free cash flow was an outflow of 17.6 billion yen. (100 million yen)

	FY24 1H(A)	FY23 1H(B)	YoY (A)-(B)
Cash flows from operating activities	132	98	+34
Cash flows from investing activities	(308)	(298)	(10)
Free cash flows	(176)	(200)	+23
Cash flows from financing activities	101	125	(24)
Effect of exchange rate changes, etc. ^{*1}	20	10	+10
Net increase (decrease) in cash and cash equivalents ^{*2}	(53)	(63)	+10
Cash and cash equivalents at beginning of period	336	332	+3
Cash and cash equivalents at end of period	282	268	+13

*1 “Effect of exchange rate changes, etc.” are the sum of “Effect of exchange rate changes”, “Increase (decrease) in cash and cash equivalents due to changes in scope of consolidation”, and “Increase in cash and cash equivalents resulting from merger with nonconsolidated subsidiaries”.

*2 The difference between “Cash and cash equivalents at beginning of period” and “Cash and cash equivalents at end of period” is shown.

FY2024 Forecasts

Forecasts for the year ending March 31, 2025

(100 million yen)

NO change from original forecasts

	FY24 forecasts	FY23 results	Change	Rate
Net sales	9,020	8,478	+541	+6.4%
■ Integrated Energy	3,840	3,571	+268	+7.5%
■ Industrial Gases & Machinery	2,750	2,621	+128	+4.9%
■ Materials	2,105	1,982	+122	+6.2%
■ Others	325	303	+21	+7.1%
Operating profit	527	506	+20	+4.1%
■ Integrated Energy	210	201	+8	+4.1%
■ Industrial Gases & Machinery	220	217	+2	+1.4%
■ Materials	128	123	+4	+4.0%
■ Others, Adjustments	(31)	(35)	+4	-
Operating profit excluding impact of LPG import price fluctuation	527	498	+28	+5.7%
Equity gains of affiliated companies related to Cosmo Energy HD	159	93	+65	+69.5%
Ordinary profit	728	662	+65	+10.0%
Profit attributable to owners of parent	540	473	+66	+14.0%

Estimated exchange rate

Exchange rate **145 JPY/USD**

LPG import price **650 \$/ton**

(FY23 results)

Exchange rate 143.5 JPY/USD

LPG import price 569 \$/ton

Dividend forecast

FY24 32.5 yen per share

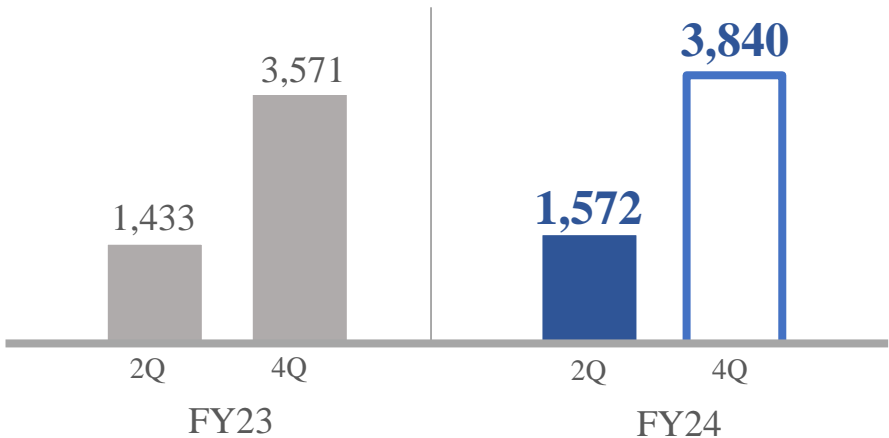
*The dividend for FY24 does not include the impact of accounting for Cosmo Energy HD using the equity method

* On October 1, 2024, the Company conducted a four-for-one stock split of its common stock to shareholders of record as of September 30, 2024.
The dividend shown are after the stock split.

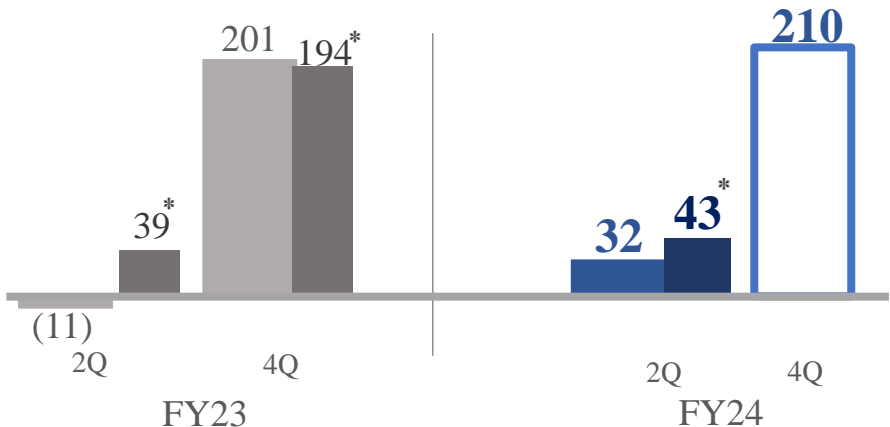
FY2024 Forecasts of Integrated Energy

NO change from original forecasts
(100 million yen)

Net Sales



Operating Profit



*excluding impact of LPG import price fluctuation

Measures toward achievement of FY2024 forecasts

-Enlarge LPG business

- increase in sales volume by expanding the number of LPG direct sales customers, mainly through M&A
- strengthen efforts for low-carbon energy through promoting fuel conversion from heavy oil and sales expansion of carbon offset gas
- strengthen business foundation and reduce costs by improving logistics efficiency

-Increasing sales of energy-related equipment

- expand sales of carbon neutral products (ENE-FARM, solar panel, rechargeable batteries, etc.)
- expand sales of LPG emergency generators and GHP for BCP measures

-Expanding cartridge gas business

- expand sales in the domestic market by creating demand through developing new product
- expand business mainly in Southeast Asia, based on the plant in Thailand

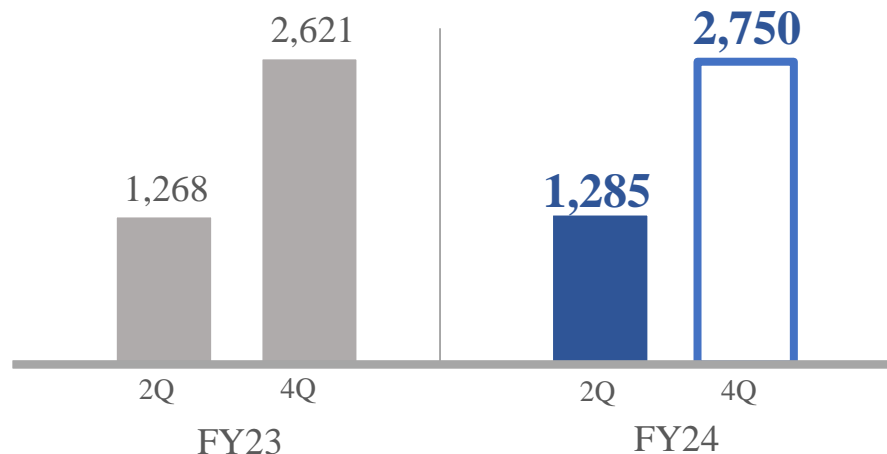
Main factors causing changes in business performance

- Trends in LPG import price, exchange rate fluctuations
- Effect of LPG sales volume due to higher temperature

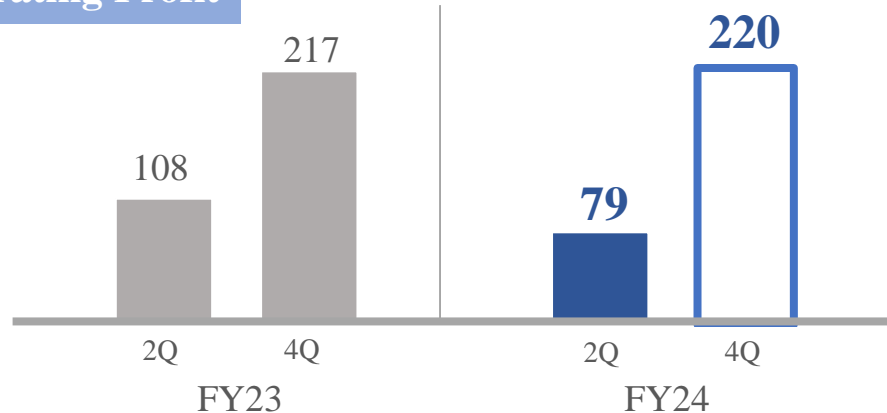
FY2024 Forecasts of Industrial Gases & Machinery

Net Sales

NO change from original forecasts
(100 million yen)



Operating Profit



Measures toward achievement of FY2024 forecasts

-Reasonable sales price adjustment and expanding sales of air separation gases

- focus on expanding sales to semiconductor and electronic component industries
- appropriate price adjustment to rising procurement and logistics cost

-Capturing new demand for liquid hydrogen

- strengthen sales of liquid hydrogen and related equipment to meet decarbonization demand

-Expanding specialty gases business

- appropriate price adjustment to rising procurement and logistics costs
- focus on stable procurement and supply of helium and carbon dioxide

-Expanding sales of machinery and equipment

- enhancing sales in growing fields such as decarbonization

Main factors causing changes in business performance

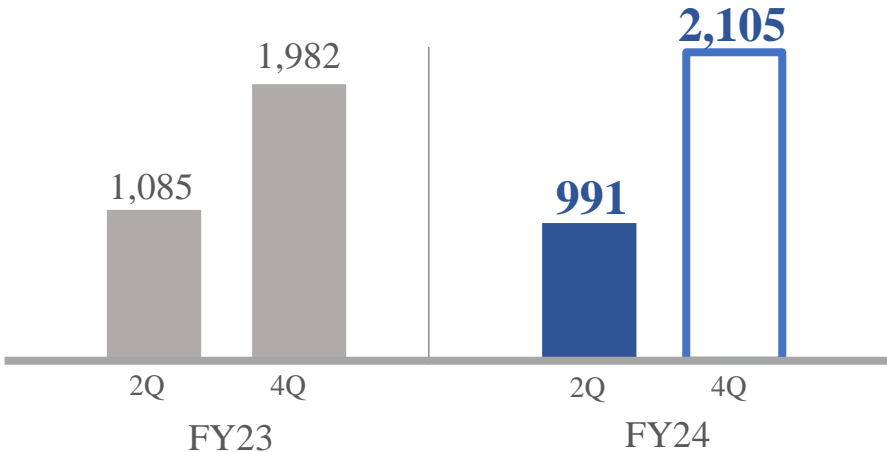
-Rising manufacturing and logistics costs

-Production trends in the manufacturing sector

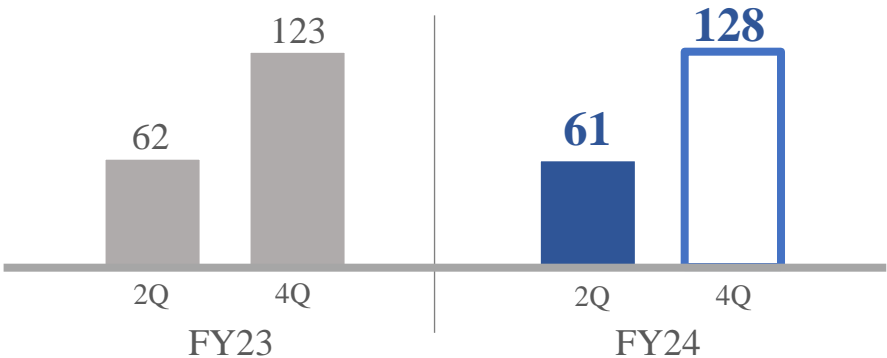
FY2024 Forecasts of Materials

NO change from original forecasts
(100 million yen)

Net Sales



Operating Profit



Measures toward achievement of FY2024 forecasts

-Expanding environmental solutions business

- expand sales of eco-friendly PET resins and biomass fuel
- promote resource recycling business and other initiatives

-Strengthening the Mineral Resources Business

- secure earnings by diversifying and stabilizing procurement sources

-Expanding metal business

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

-Promoting development and commercialization of advanced materials

Main factors causing changes in business performance

- Price fluctuations in resource markets
- Exchange rate fluctuations

Returns to Shareholder

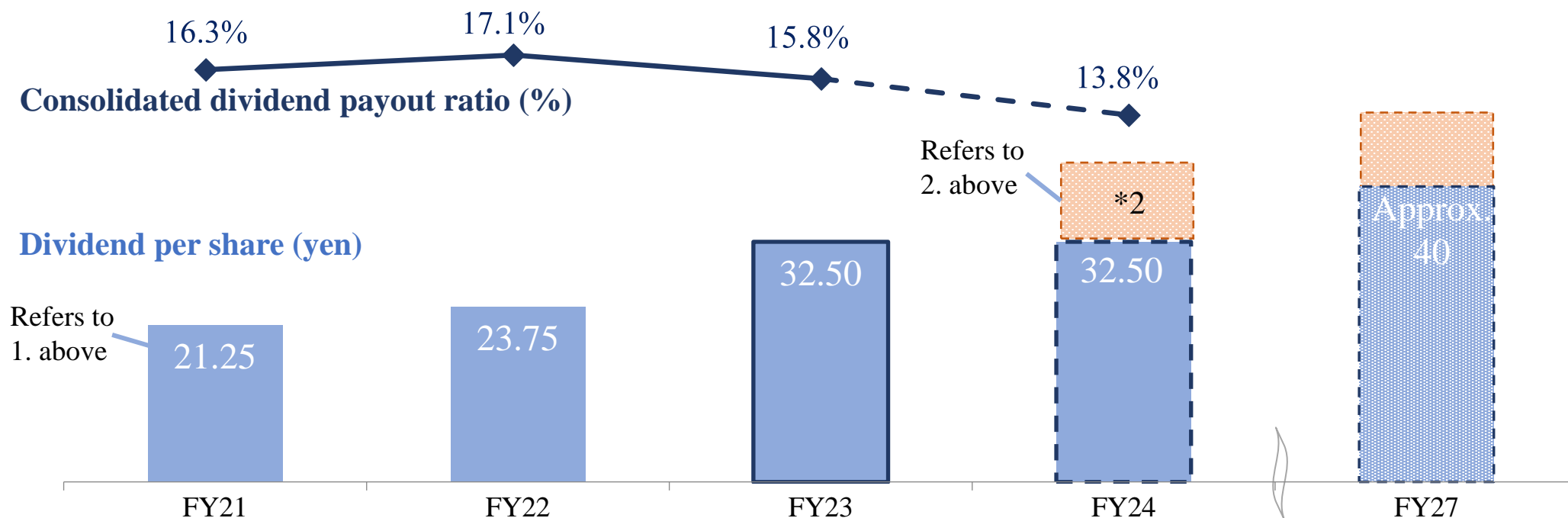
1. Net income excluding the effects on profits of making Cosmo Energy Holdings an equity method affiliate

-Progressive dividend with a target payout ratio of at least 20% in FY2027

2. Effects on profits of making Cosmo Energy Holdings an equity method affiliate

-20% of net income excluding the impact of inventory valuation of Cosmo Energy HD multiplied by the equity ratio. (The dividend amount will change annually in line with changes in net income excluding the impact of inventory valuation of Cosmo Energy HD.)

▶ FY24, plans to pay a dividend of 32.5 yen per share*1.



*1 On October 1, 2024, the Company conducted a four-for-one stock split of its common stock to shareholders of record as of September 30, 2024. The dividends shown are after the stock split.

*2 For the FY24, profit impact of accounting for Cosmo Energy HD using the equity method is not included in the dividend.

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Progress of Medium-Term Management Plan: “PLAN27”

Theme Establishing a hydrogen energy-based society

Basic Policy Business expansion to achieve “solutions to social issues” and “sustained growth”

► Priority Measures

1. Hydrogen Strategies
2. Carbon-free Strategies
3. Domestic Energy & Service Strategies
4. Overseas Strategies
5. Non-financial Strategies

► Financial Targets

	FY2027
ROE	10% or higher
ROIC	6% or higher
Operating profit	¥65.0 billion

► Capital Policies

	FY2027
5-year cumulative investment	¥470.0 billion*1
Returns to shareholders	Payout ratio of 20% or higher Progressive dividend*2

*1 Excluding the acquisition of shares of Cosmo Energy Holdings.

*2 Based on net income (excluding impact of LPG import price fluctuation) FY2027 target.

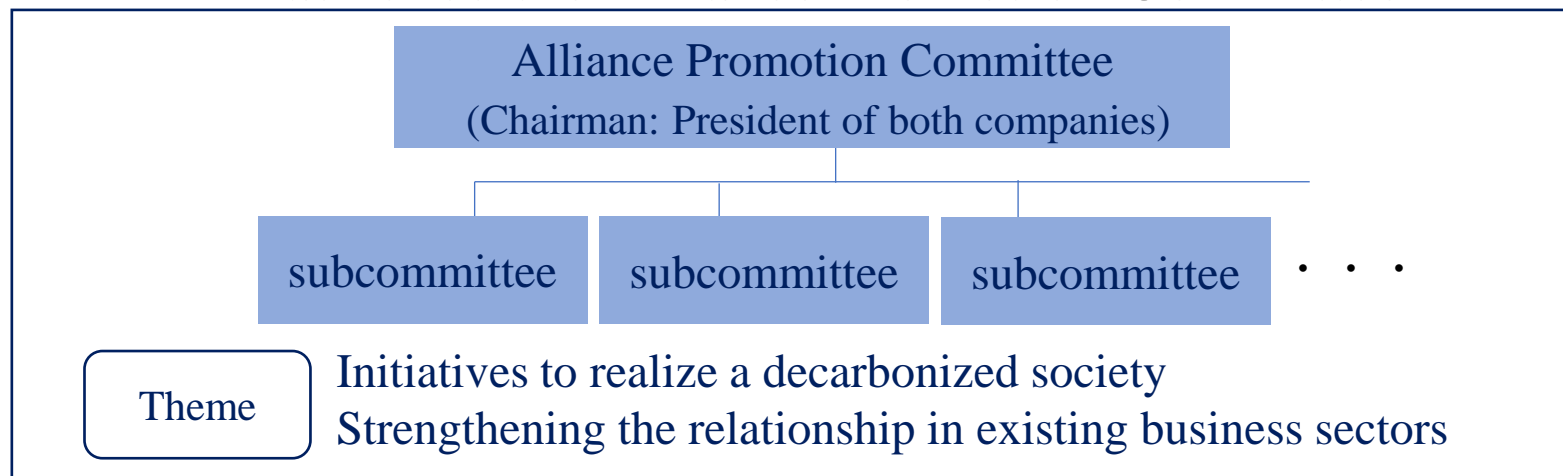
Progress of Priority Measures

Hydrogen Strategies	<ul style="list-style-type: none">- Investment in the “Japan Hydrogen Fund,” which specializes in investments in the hydrogen-related sector- Construction of the hydrogen fuel cell ship <i>Mahoroba</i> has been completed. Plan to conduct a demonstration operation in preparation for passenger service.- Commencement of cargo handling operations using a hydrogen-powered “rubber-tired gantry crane”
Carbon-free Strategies	<ul style="list-style-type: none">- Considering a recycled PET business, which is selected for the Ministry of Economy, Trade and Industry’s “Global South Future-Oriented Co-Creation Project”, with the world’s largest PET resin manufacturer, Indorama Ventures (Thailand)- Diversifying procurement to ensure a stable supply of titanium ore
Domestic Energy & Service Strategies	<ul style="list-style-type: none">-An increase of 20,000 households in the number of LPG direct customers (from 1.11 million in FY2023 to 1.13 million in FY2024 1H)- Streamlining logistics in the Kanto metropolitan area (by integrating delivery companies)
Overseas Strategies	<ul style="list-style-type: none">- Established a supply base for various industrial gases in Singapore- Expanding the Air Separation Unit at existing industrial gas plant in Indonesia

Capital and Business Alliance with Cosmo Energy Holdings Co., Ltd.

March 28, 2024 purchased additional shares and became affiliate accounted for using the equity method

April 23, 2024 Concluded a Capital and Business Alliance agreement and launched the Alliance Promotion Committee



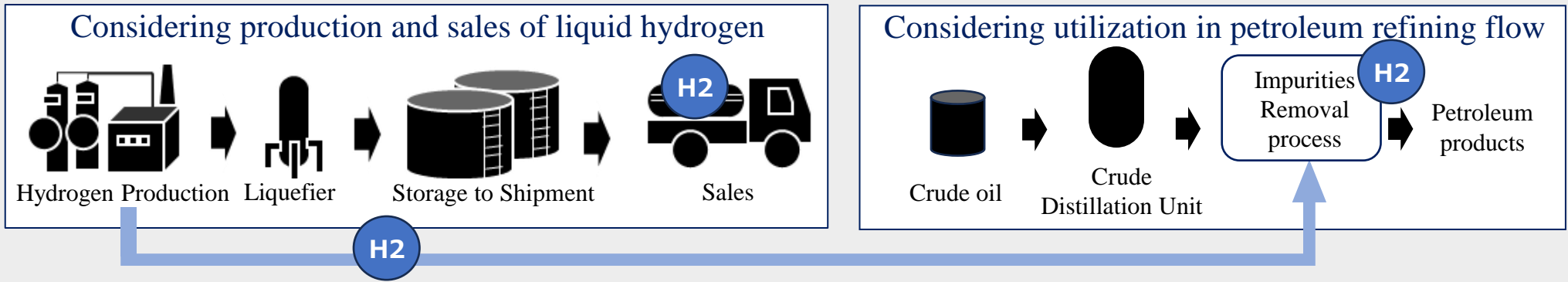
April 30, 2024 first Alliance Promotion Committee meeting

Established subcommittees for projects expected to generate synergies by promoting discussions

September 26, 2024 second Alliance Promotion Committee meeting

1. Domestic Hydrogen Production utilizing refinery assets at Cosmo's Chiba Refinery

Chiba Refinery of Cosmo Oil Co., LTD.



2. Expanding hydrogen stations of Iwatani Cosmo Hydrogen Station LLC

April 2024
scheduled to open in 2025
Yet to be determined

Iwatani Cosmo Hydrogen Station Heiwajima opened
Under construction at Ariake, Tokyo
Scheduled to construct at Shinsuna, Tokyo



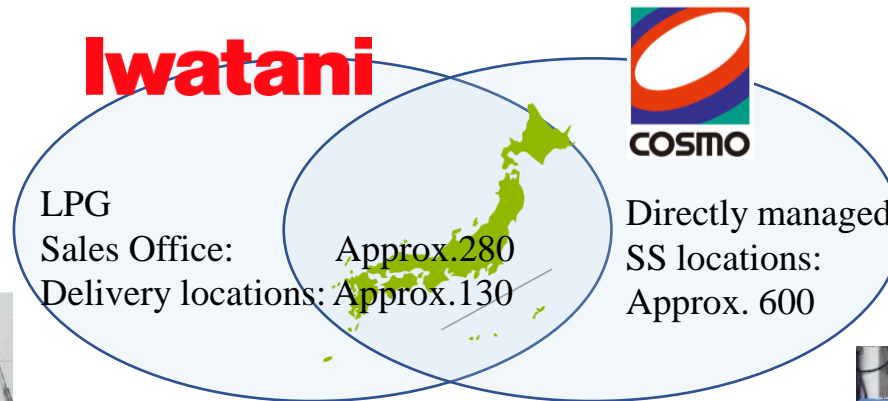
3. Expansion of customer services and collaboration in disaster response utilizing the business foundations of both companies



LPG Center



MaruiGas Disaster Relief Corps



Service Stations(SS)



services

4. Expansion of carbon dioxide trading

Considering expanding transactions of carbon dioxide gas at refineries from Cosmo Oil Co., LTD.

Iwatani