Iwatani

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

November 20, 2024

Iwatani Corporation

[Securities code 8088]

(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.

Contents

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FY2024 1st Half Overview

Highlights

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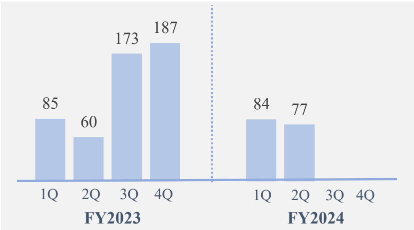
▶ Increase in net sales and operating profit. Achieved record-high in all profit categories.

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)



In the interim financial results for the fiscal year ending March 2025, net sales, as well as operating profit, ordinary profit, and interim net income increased YoY, reaching record highs in all profit categories.

Consolidated Operating Results

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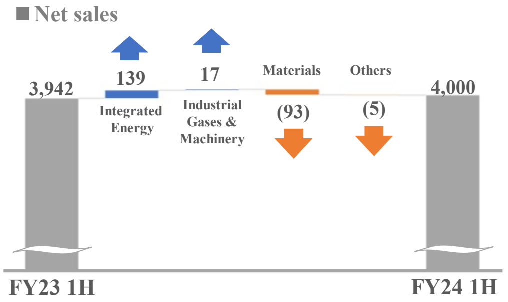
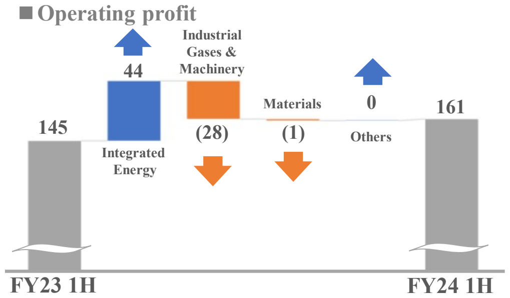
(100 million yen)

	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%





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Net sales increased JPY5.7 billion, or 1.5%, YoY to JPY400 billion as a result of high LPG import prices, despite weak sales of EV-related battery materials for next-generation vehicles.

Gross profit increased 5.7%, or JPY5.7 billion, to JPY106.6 billion, reflecting the positive impact of LPG import price fluctuations and growth in sales of portable gas cooking stove and cassette gas canisters.

Although SG&A expenses increased by JPY4.1 billion due to higher personnel and distribution costs, operating profit increased by JPY1.5 billion, or 10.6%, to JPY16.1 billion.

Non-operating profit improved by JPY2.5 billion YoY, mainly due to JPY3.5 billion of equity gains of Cosmo Energy HD, despite an increase in interest expenses.

As a result, ordinary profit increased by JPY4 billion or 22.5% to JPY22.2 billion, and interim net profit increased by JPY3 billion or 25.1% to JPY15 billion.

Consolidated Operating Results (Segment Analysis)

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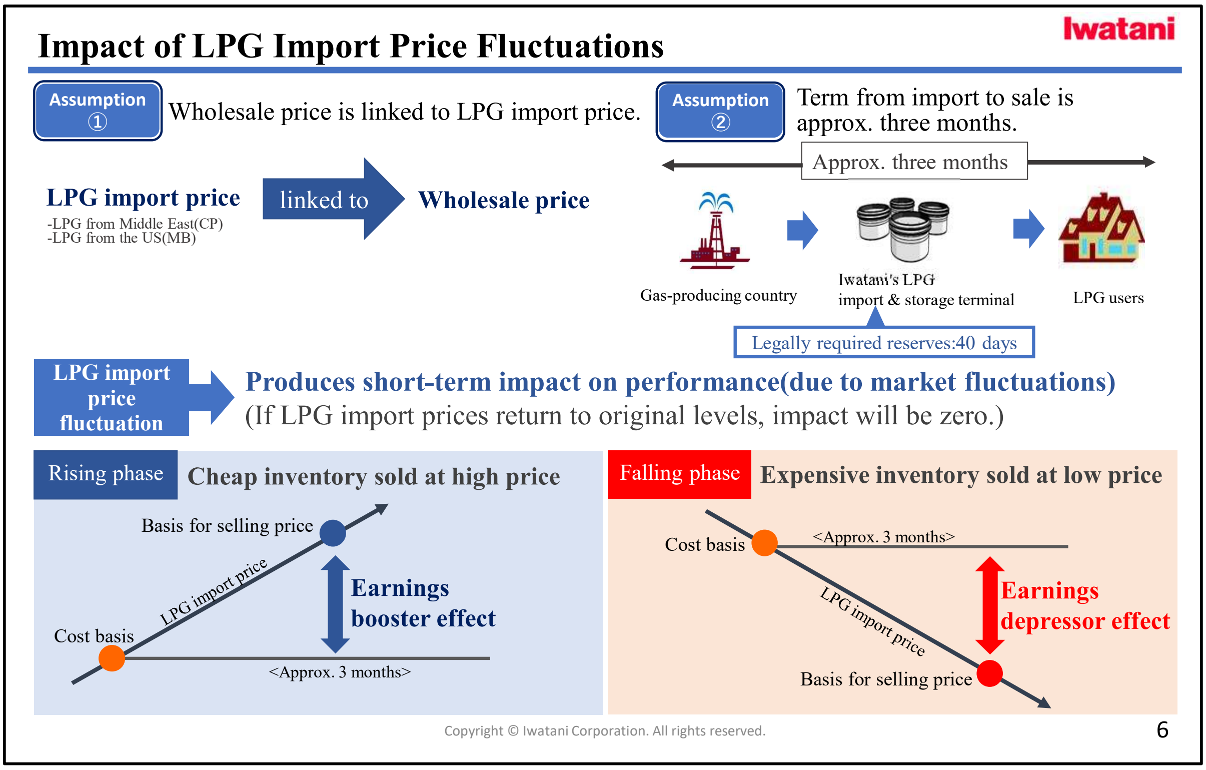
(100 million yen)

	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%



First, I will briefly explain the impact of LPG import price fluctuations on our business performance.

The Company imports LPG from the Middle East and the US, and in order to smooth out import price fluctuations, with many of our wholesale partners, we have a pricing structure that links the selling price to the import price.

On the other hand, the "first-in, first-out" method is used for inventory valuation. However, since it takes approximately three months from the importation of LPG to its sale, including the 40-day legal stockpiling period, at the time of sale, the inventory purchased approximately three months earlier is sold.

While this results in selling low cost inventory at a higher price when LPG import prices rise, in the event of a decline, high cost inventory will be sold at a lower price. These effects are referred to as the impact of LPG import price fluctuations.

Operating Profit Analysis of Integrated Energy

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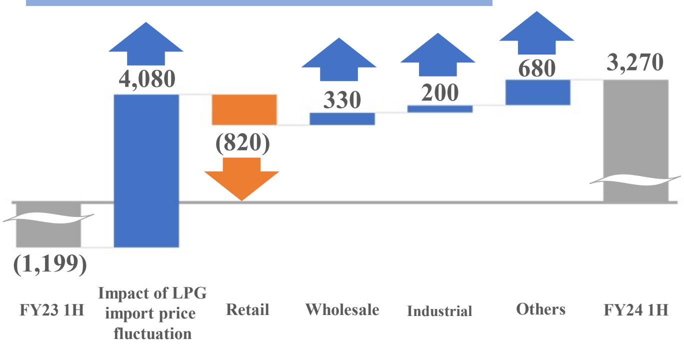
Results

(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

In the Integrated Energy Business, net sales increased JPY13.9 billion to JPY157.2 billion due to high LPG import prices and strong sales of LPG for industrial use.

On the profit side, profitability of LPG declined in the retail sector, but remained strong in the wholesale sector, and impact of LPG import price fluctuations contributed JPY4 billion to the YoY increase.

In addition, sales of portable gas cooking stove, cassette gas canisters and energy-related equipment grew, resulting in an increase in profit of JPY4.4 billion to JPY3.2 billion.

Operating profit excluding impact of LPG import price fluctuations was JPY4.3 billion, an increase of JPY0.3 billion.

Operating Profit Analysis of Industrial Gases & Machinery

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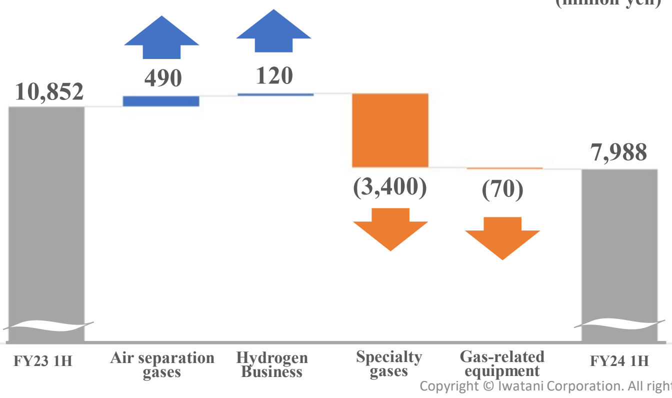
Results

(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

In the Industrial Gases & Machinery Business, sales volume of air separation gases mainly to the electronic components industry grew, and in the hydrogen business, sales of liquid hydrogen remained strong, mainly to the space development industry.

In specialty gases, although the refrigerant business expanded with the acquisition of a "industrial company" in Malaysia, profitability of helium declined due to weakening market conditions, especially in China, and increased procurement costs for carbon dioxide gas.

For gas-related equipment, sales of gas-related equipment increased, but sales of equipment for the vehicles industry decreased.

As a result, net sales increased JPY1.7 billion to JPY128.5 billion, and operating profit decreased by 26.4% to JPY7.9 billion.

Operating Profit Analysis of Materials

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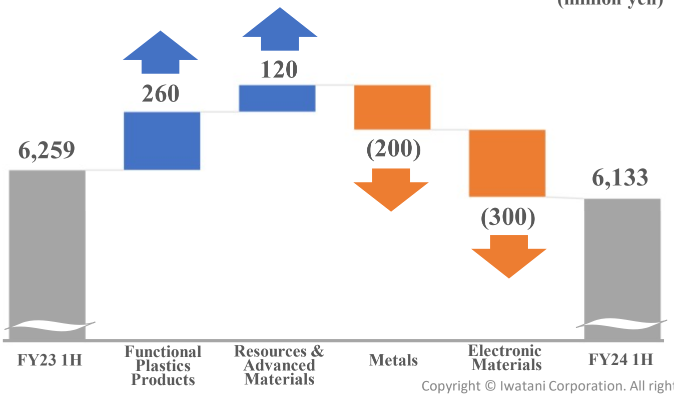
Results

(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

In the Materials Business, sales of molded products for air conditioners and consumer plastic products "I-WRAP" grew, and sales volume of mineral sands increased both in Japan and overseas due to steady production at the Company's own mining operations in Australia.

On the other hand, sales of stainless steel and EV-related battery materials for next-generation vehicles were weak due to falling market prices and inventory adjustments by customers.

As a result, net sales decreased JPY9.3 billion to JPY99.1 billion, and operating profit decreased by 2% to JPY6.1 billion.

Consolidated Balance Sheets

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■ 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**	

Total assets at the end of March increased by JPY1.6 billion from the end of the previous fiscal year to JPY836 billion.

Equity Capital increased by JPY11.3 billion from the end of the previous period to JPY373.6 billion, and as a result, the equity ratio improved by 1.3 percentage points to 44.7%.

On the other hand, interest-bearing debt increased by JPY20.8 billion from the end of the previous fiscal year to JPY275.3 billion due to an increase in working capital, and ratio of interest-bearing debt to total assets increased by 2.4 percentage points to 32.9%.

Consolidated Statements of Cash Flows

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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.

Cash flows from operating activities was a net inflow of JPY13.2 billion due to an income of profit and depreciation and amortization and payment of corporate taxes.

Cash flows from investing activities resulted in a net outflow of JPY30.8 billion due to aggressive investments, etc.

As a result, free cash flows recorded a negative JPY17.6 billion.

As for cash flows from financing activities, the Company received JPY10.1 billion, due to the issuance of bonds.

FY2024 Forecasts

Forecasts for the year ending March 31, 2025

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(100 million yen)

	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%

NO change from original forecasts

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

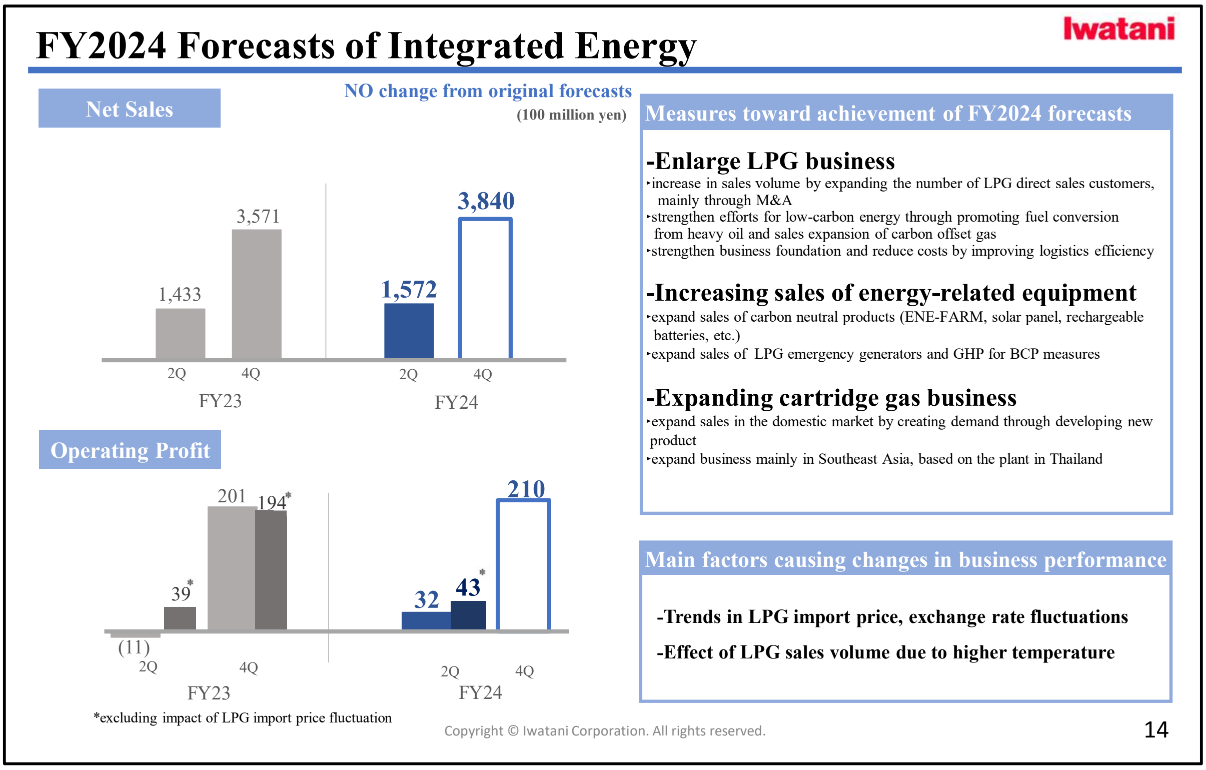
FY24 32.5 yen per share

*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.

For consolidated earnings forecast for the fiscal year ending March 2025, we forecast net sales of JPY902 billion, up 6.4%, operating profit of JPY52.7 billion, up 4.1%, ordinary profit of JPY72.8 billion, up 10%, and net income of JPY54 billion, up 14%.

At this time we have not changed the forecasts announced at the beginning of the fiscal year.



In the Integrated Energy Business, sales are expected to be JPY384 billion, up 7.5%, and operating profit is expected to increase by 4.1% to JPY21 billion.

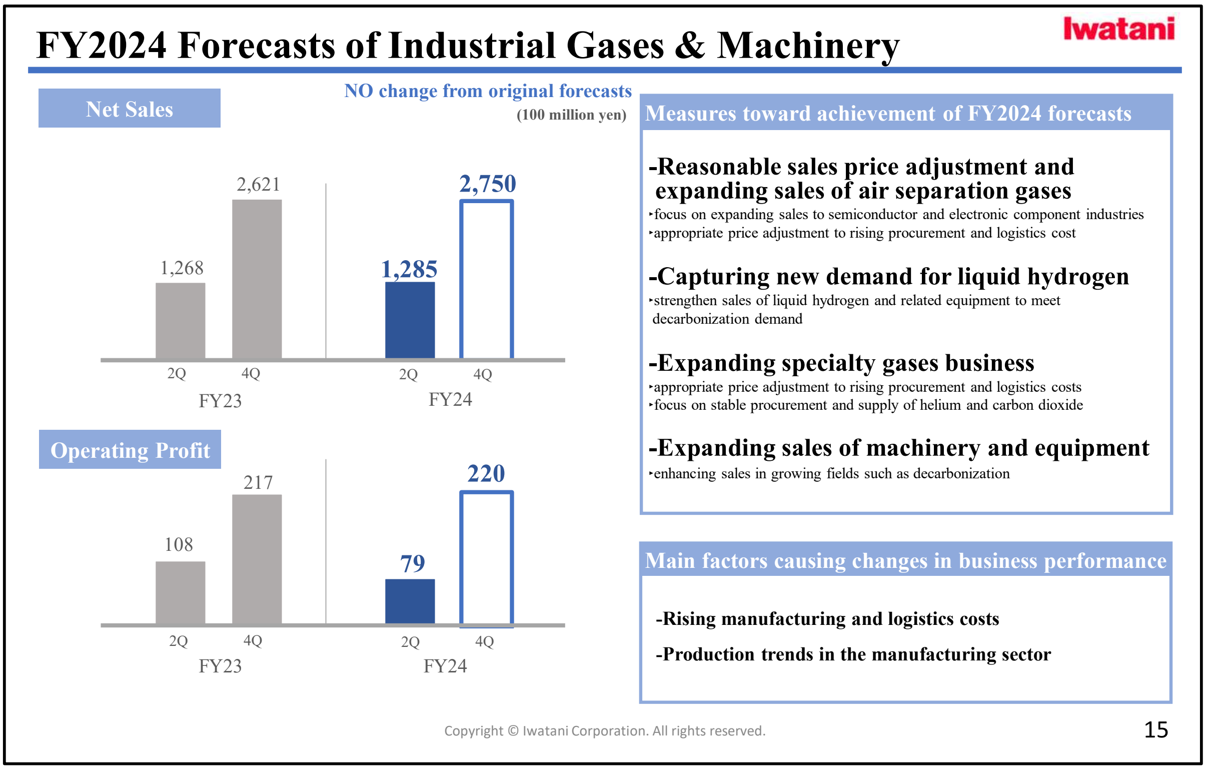
The impact of LPG import price fluctuations was a negative JPY1 billion in H1, but since LPG import prices are on an upward trend, we expect a positive impact in H2 and do not anticipate any impact for the full year.

The impact of LPG import price fluctuations in the last fiscal year added JPY758 million, and in the comparison of operating profit excluding the impact of LPG import price fluctuations the forecast for the current fiscal year is an increase of JPY1.5 billion, or 8.2%.

In the LPG business, we will work to increase the number of direct sales customers mainly through M&A.

In energy-related equipment, we will focus on expanding sales of carbon-neutral products.

In the cartridge gas business, in Japan, we will create demand through new product development, and overseas, we will expand the business in Southeast Asia, starting with the new plant in Thailand.



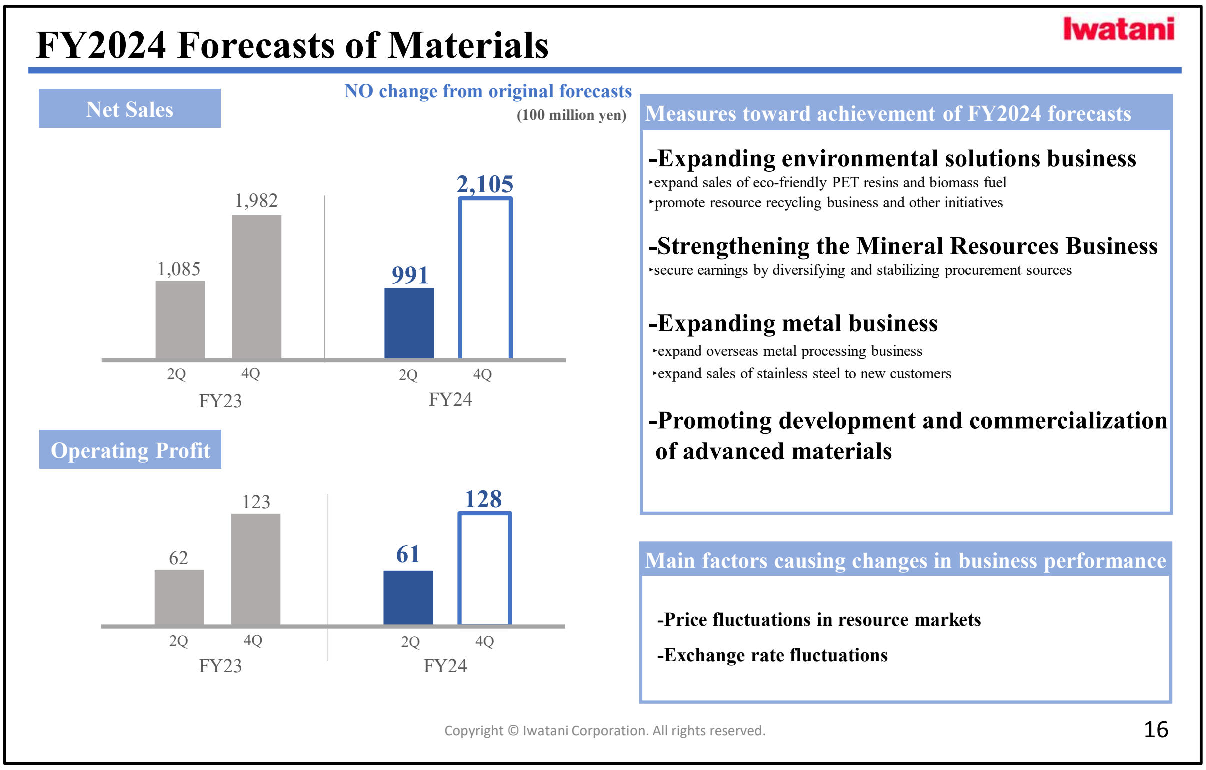
For the Industrial Gases & Machinery Business, we expect sales to be JPY275 billion, up 4.9%, and operating profit to be JPY22 billion, up 1.4%.

In the air separation gas business, we will work to expand sales to the electronic components industry, which is on the road to recovery, while continuing to deal with rising procurement and logistics costs to secure appropriate profits.

In the hydrogen business, we will strengthen sales expansion of liquid hydrogen and related equipment to meet the growing demand for decarbonization applications.

In the specialty gases business, the helium business continues to face an uncertain outlook due to the sluggish Chinese market, but we will work to secure earnings by increasing sales volume through efforts to expand sales in the robust Japanese market and overseas, mainly in Southeast Asia.

As for machinery and equipment, we will promote sales expansion of decarbonization-related commercial products such as hydrogen boiler, hydrogen cutting machine, and hydrogen burner.



In the Materials Business, we forecast sales of JPY210.5 billion, up 6.2%, and operating profit of JPY12.8 billion, up 4%.

Although we expect that sales of EV-related battery materials for next-generation vehicles will continue to face difficult conditions, we will strive to expand sales of resin raw materials and stainless steel, in addition to solid sales of resin products.

We will also work on environmental solution businesses such as resource recycling and the development of advanced materials.

Returns to Shareholder

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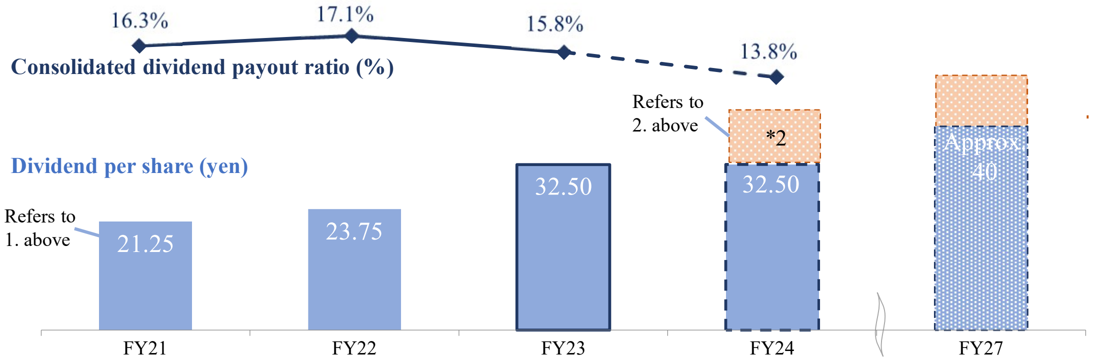
1. Net income excluding the effects on profits of making Cosmo Energy Holdings an equity method affiliate
-Progressive dividend with a target payout ratio of at least 20% in FY2027

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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The dividend for the fiscal year ending March 2025 will be JPY32.50 per share, unchanged from the amount announced at the beginning of the fiscal year, due to a four-for-one stock split of the Company's shares beginning in October.

The capital policy of PLAN27 calls for a progressive dividend with no reduction in dividend payments, and the Company will continue to provide appropriate returns to shareholders in consideration of business performance and the business environment.

The distribution of profit by Cosmo Energy HD is not included because it has not yet been determined at this time, and will be disclosed when Cosmo Energy HD's profit is determined.

Progress of Medium-Term Management Plan: "PLAN27"

Overview(FY2023-FY2027)

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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.

The theme is "Establishing a hydrogen energy-based society" and the basic policy is "Business expansion to achieve solutions to social issues and sustained growth."

We are working to achieve the management numerical targets listed in the document.

Progress of Priority Measures

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Hydrogen Strategies	- Investment in the "Japan Hydrogen Fund," which specializes in investments in the hydrogen-related sector - Construction of the hydrogen fuel cell ship *Mahoroba* 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	- 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	-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	- Established a supply base for various industrial gases in Singapore - Expanding the Air Separation Unit at existing industrial gas plant in Indonesia

Hydrogen Strategies is involved in three initiatives that are the first of their kind in Japan.

The first is an investment in the Japan Hydrogen Fund. This is Japan's first fund specializing in the hydrogen-related field, established by the Japan Hydrogen Association and financial companies aiming to realize a hydrogen society as early as possible. We expect that the fund will effectively finance domestic and foreign hydrogen-related businesses and increase their business value, thereby further promoting the social implementation of hydrogen in the future.

The second is the hydrogen fuel cell ship, Mahoroba, which is scheduled to operate passenger service at EXPO 2025, Osaka, Kansai, Japan. The construction has now been completed in Onomichi, Hiroshima, and arrived at the Nakanoshima Gate, Osaka, last month. We will continue to demonstrate the operation, and operate the ship as a moving pavilion at EXPO 2025, Osaka, Kansai, Japan, which opens next April, so that visitors can experience the coming of the hydrogen society.

The third is participation in Japan's first project to use hydrogen-fueled cranes to perform cargo handling operations at the Oi Container Wharf.

We will play a role in providing a stable supply of hydrogen, and through this project will promote the decarbonization of port operations and promote the use of hydrogen.

Regarding our Carbon-free Strategies, we are working on our recycled PET business to realize a cyclical society.

This project is being studied jointly with Indorama of Thailand, the world's largest PET resin manufacturer, and has been selected as a subsidized project under the "Global South Future-oriented Co-creation Project" of the Ministry of Economy, Trade and Industry. We will continue our efforts to promote the use of environmentally friendly recycled PET.

With regard to titanium ore, a rare resource, construction of a mining plant by Nordic Mining, a Norwegian resource company in which we have invested, is progressing smoothly with the aim of starting sales in H1 of 2025.

Since renewable energy accounts for a high percentage of Norway's power supply, this ore is highly valued by customers who are conscious of low-carbon and decarbonization issues as more green titanium ore.

From the perspective of economic security, we will diversify procurement for stable supply and develop businesses that meet the needs of our customers.

With respect to our Domestic Energy & Service Strategies, the number of LPG direct sales customers increased by 20,000 households to 1.13 million households from the end of March 2024.

As announced on November 6, we have reached an agreement with ISG, Inc., an LPG operator mainly in Chiba and Ibaraki prefectures, for the acquisition of shares. We expect that the addition of this company to our group will greatly contribute to the expansion of our business scale in the Kanto region.

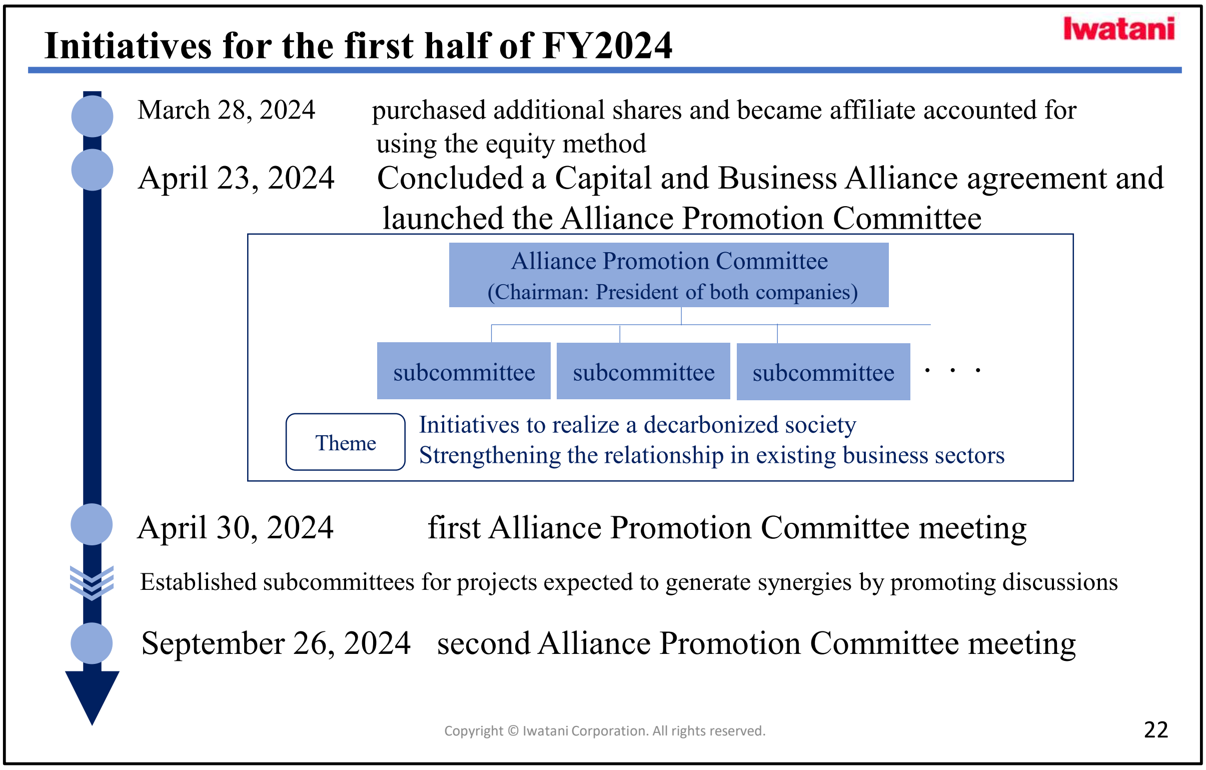
To strengthen the profitability of the LPG business, we worked to streamline logistics by consolidating and eliminating delivery bases in the Kanto metropolitan area, and we also strengthened our supply system by utilizing the Negishi Liquefied Gas Terminal, where a cylinder filling station was installed.

Our Overseas Strategies is to expand our industrial gas business in the fast-growing Southeast Asia. In June of this year, we opened a new gas center in Singapore with expanded production capacity for helium, semiconductor material gases, air separation gases, and other gases.

In Indonesia, construction work to increase the production capacity of an existing air-separated gas plant was carried out.

We are working to meet strong demand.

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



Cosmo Energy HD became our equity-method affiliate in March of this year, and we concluded a capital and business alliance agreement with Cosmo Energy HD on April 23.

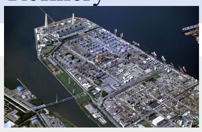
At the same time, the "Alliance Promotion Committee," chaired by the Representative Member of the Board of both companies, was established as an organization to promote the business alliance.

In order to create synergies, both companies are discussing specific collaboration projects within the Alliance Promotion Committee.

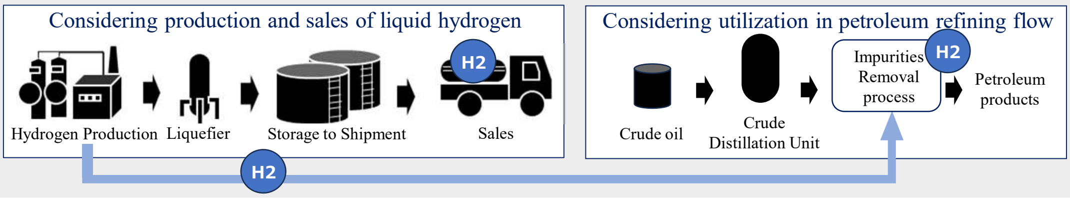
Progress ～initiatives to realize a decarbonized society～

Iwatani

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	Iwatani Cosmo Hydrogen Station Heiwajima opened
scheduled to open in 2025	Under construction at Ariake, Tokyo
Yet to be determined	Scheduled to construct at Shinsuna, Tokyo

With regard to "Initiatives to realize a decarbonized society," we are studying the production of hydrogen in Japan.

Specifically, Cosmo Oil plans to install hydrogen production Field and liquefaction equipment at its Chiba Refinery to produce liquid hydrogen, for which demand is growing.

Hydrogen is required in the refinery for the refining flow from crude oil, and hydrogen production equipment has been installed in the refinery.

We are considering upgrading the existing equipment so that it can be used in Cosmo Oil's refinery as well as sold to outside customers.

In addition, Iwatani Cosmo Hydrogen Stations LLC will promote the construction of hydrogen-refueling stations.

On April 8 of this year, the Company's first hydrogen-refueling station opened on Heiwajima, Tokyo.

We expect that FC trucks, buses, and other commercial vehicles will continue to be introduced in the future, and we plan to open a hydrogen-refueling stations for FC buses in Ariake, Tokyo, in April next year, followed by the construction of a hydrogen-refueling stations for FC trucks in Shinsuna, Koto-ku, Tokyo.

We intend to select and develop suitable land according to the production plans of FC trucks and FC buses and the plans of each prefecture.

Progress ~strengthening the relationship in existing business sectors~

Iwatani

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.

With respect to “Strengthening the relationship in existing business sectors," we are considering expanding customer services and disaster response collaboration by leveraging the business foundations of both companies.

Both companies have a solid business foundation on a nationwide scale, with our company having LPG sales offices and distribution centers and Cosmo Energy HD having directly operated service stations.

For example, we are considering expanding "My Car Lease" and "Cosmo Denki", which are handled by Cosmo Energy HD to LPG direct sales customers.

By leveraging each other's networks, we will work to expand our products and services, as well as create new services through the alliance.

In addition, we procure carbon dioxide gas from Cosmo Oil, which is produced when refining oil at their refineries, and are considering expanding this feedstock trade.

Currently, we procure carbon dioxide gas as a raw material from refineries and chemical manufacturers, refine it, and sell it, but domestic sources are scarce and stable procurement is a major issue.

We are in discussions with Cosmo Energy HD to explore the possibility of expanding procurement.

The above is the progress of the business alliance with Cosmo Energy HD.

We will further deepen our collaboration, create new synergies, and enhance the corporate value of both companies.

Iwatani