Financial Results for FY2024
(Results for the Fiscal Year Ended March 31, 2025)

May 21, 2025

Iwatani Corporation

〔Security 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

Iwatani

FY2024 Overview

Highlights

Iwatani

▶ Net sales increased. Operating profit, ordinary profit, and profit attributable to owners of parent decreased.

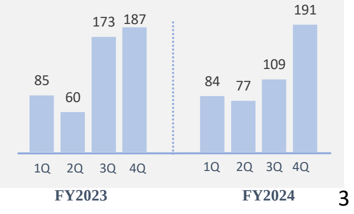
Summary of Financial Results for FY2024

- High import prices compared to the previous year and higher selling prices of LPG, as well as strong sales of industry fields led to increase in net sales for all segments.
  (FY2024 average CP in yen: 93,749 yen/t (CP: $612/t USD Exchange rate: ¥153.36/$)
  (FY2023 average CP in yen: 81,774 yen/t (CP: $569/t USD Exchange rate: ¥143.50/$)
- Operating income in the Industrial Gases & Machinery business decreased primarily due to weakening of helium market mainly in China.

Due to the finalization of the amount of "negative goodwill" related to the additional acquisition of Cosmo Energy Holdings shares made in FY2023, the ordinary profit and profit attributable to owners of parent for FY2023 have decreased by 3.895 billion yen each from the amounts announced last year.
All data for FY2023 presented in this document reflect the above-mentioned information.

Net sales	**883.0** billion yen	YoY	+35.1	billion yen	+4.1%
Operating profit	**46.2** billion yen	YoY	(4.4)	billion yen	(8.7)%
Ordinary profit	**61.4** billion yen	YoY	(0.8)	billion yen	(1.3)%
Profit attributable to owners of parent	**40.4** billion yen	YoY	(3.0)	billion yen	(6.9)%

■ Operating profit quarterly trends (100 million yen)



First, we have revised some of our financial results for the fiscal year ended March 2024, which is the previous fiscal year, and I will explain about it.

"Negative goodwill" was generated upon the acquisition of additional shares of Cosmo Energy HD conducted in the previous fiscal year, and a provisional amount was recorded, but the amount has been finalized.

Therefore, ordinary income and net income for the previous fiscal year announced last year decreased by JPY3.895 billion, respectively.

Although the financial summary for the fiscal year ending March 31, 2025, showed an increase in net sales compared to the previous year, operating profit, ordinary profit, and net income all declined.

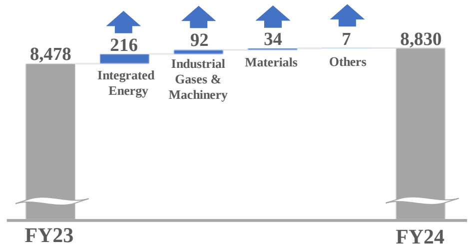
Consolidated Operating Results

Iwatani

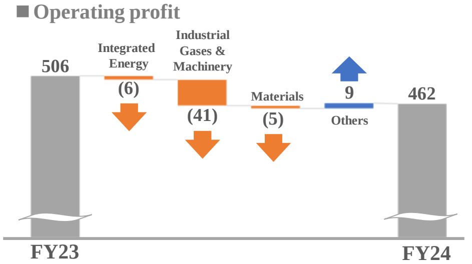
(100 million yen)

	FY24 Results (A)	FY23 Results (B)	YoY (A)-(B) (A)/(B)	FY24 Forecasts
Net sales	8,830	8,478	+351 +4.1%	9,020
Gross profit	2,343	2,294	+48 +2.1%	-
Operating profit	462	506	(44) (8.7)%	527
Operating profit excluding impact of LPG import price fluctuation	460	498	(38) (7.8)%	527
Non-operating profit	152	116	+35 +30.7%	-
Equity gains of affiliated companies related to Cosmo Energy HD	91	54	+36 +66.2%	159
Ordinary profit	614	623	(8) (1.3)%	728
Profit attributable to owners of parent	404	434	(30) (6.9)%	540

■ Net sales



■ Operating profit



Net sales increased JPY35.1 billion, or 4.1%, from the previous year to JPY883 billion, mainly due to the result of LPG import prices, which were higher than the previous year, higher sales prices of LPG, and solid performance of the product for the industrial sectors.

Gross operating profit increased JPY4.8 billion, or 2.1%, to JPY234.3 billion due to solid sales of air-separated gas and hydrogen as well as the impact of new consolidation and the growth in sales of energy-related equipment.

SG&A expenses increased JPY9.2 billion due to labor costs and depreciation as well as an increase in logistics expenses, etc. As a result, operating profit decreased by JPY4.4 billion, or 8.7%, to JPY46.2 billion.

Non-operating income increased JPY3.5 billion from the previous year due to an increase of JPY3.6 billion in equity in earnings of Cosmo Energy HD from the previous year.

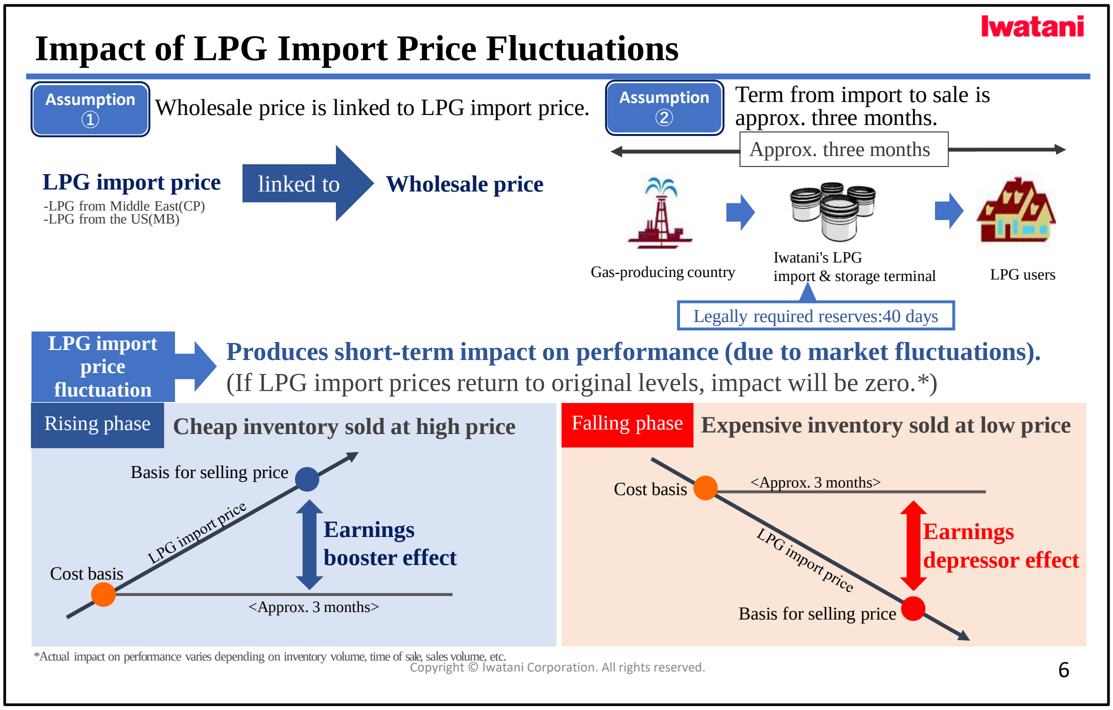
Ordinary profit decreased by JPY0.8 billion, or 1.3%, to JPY61.4 billion. In addition, extraordinary losses include a loss on withdrawal from a hydrogen-related project in Australia and an impairment loss on hydrogen-refueling stations-related facilities in the US.
As a result, net income decreased by JPY3 billion, or 6.9%, to JPY40.4 billion.

Consolidated Operating Results (Segment Analysis)

Iwatani

(100 million yen)

	FY24 Results(A)	FY23 Results(B)	YoY (A)-(B)	YoY (A)/(B)
Net sales	8,830	8,478	+351	+4.1%
■ Integrated Energy	3,787	3,571	+216	+6.1%
■ Industrial Gases & Machinery	2,714	2,621	+92	+3.5%
■ Materials	2,016	1,982	+34	+1.7%
■ Others	310	303	+7	+2.5%
Operating profit	462	506	(44)	(8.7)%
■ Integrated Energy	195	201	(6)	(3.2)%
■ Industrial Gases & Machinery	175	217	(41)	(19.0)%
■ Materials	117	123	(5)	(4.5)%
■ Others, Adjustments	(26)	(35)	+9	-
Operating profit excluding impact of LPG import price fluctuation	460	498	(38)	(7.8)%
Equity gains of affiliated companies related to Cosmo Energy HD	91	54	+36	+66.2%
Ordinary profit	614	623	(8)	(1.3)%
Profit attributable to owners of parent	404	434	(30)	(6.9)%



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, plus 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

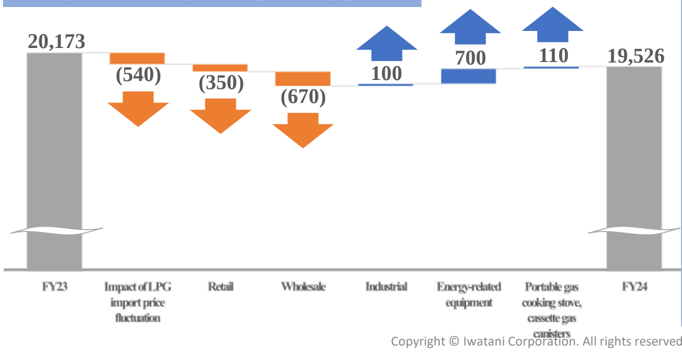
Iwatani

(million yen)

Results

	FY24 Results (A)	FY23 Results (B)	YoY (A)-(B)	YoY (A)/(B)	FY24 Forecasts (C)	Achievement rate (A)/(C)
Net sales	378,782	357,133	+21,649	+6.1%	384,000	98.6%
Operating profit	19,526	20,173	(646)	(3.2)%	21,000	93.0%
Operating profit excluding impact of LPG import price fluctuation	19,308	19,415	(106)	(0.5)%	21,000	91.9%

Analysis of changes in operating profit



Main factors

■ **Impact of LPG import price fluctuation (540)**

(100 million yen)	1Q	2Q	1H	3Q	4Q	Full year
FY24	(0.7)	(9.8)	(10.5)	+3.6	+9.1	+2.1
FY23	(17.3)	(34.0)	(51.3)	+32.6	+26.3	+7.5
Changes	+16.6	+24.2	+40.8	(29.0)	(17.2)	(5.4)

■ **Retail (350)**
-increase in sales volume due to new consolidation
-decline in the profitability due to rising costs

■ **Wholesale (670)**
-decrease in sales volume of LPG

■ **Industrial +100**
-increase in sales by promoting fuel conversion
-increase in LPG demand for calorific adjustment for city gas

■ **Energy-related equipment +700**
-solid sales of housing equipment, air conditioning, water heater, etc.

■ **Portable gas cooking stove, cassette gas canister +110**
-increase in sales in Japan and overseas

In the integrated energy business, in addition to high LPG import prices, sales of LPG for industrial use increased. As a result, sales increased by JPY21.6 billion to JPY378.7 billion.

In terms of profits, sales of energy-related equipment and other products remained solid. On the other hand, LPG sales volume decreased in the wholesale division while sales volume increased in the retail division due to new consolidation, but due to the cost increase by one-time costs associated with group restructuring and M&A, profitability declined.

Also, as a result of the reduction of the impact of LPG import price fluctuations, operating profit decreased by JPY0.6 billion to JPY19.5 billion. Operating profit excluding the impact of LPG import price fluctuations was JPY19.3 billion, a decrease of JPY0.1 billion.

Operating Profit Analysis of Industrial Gases & Machinery

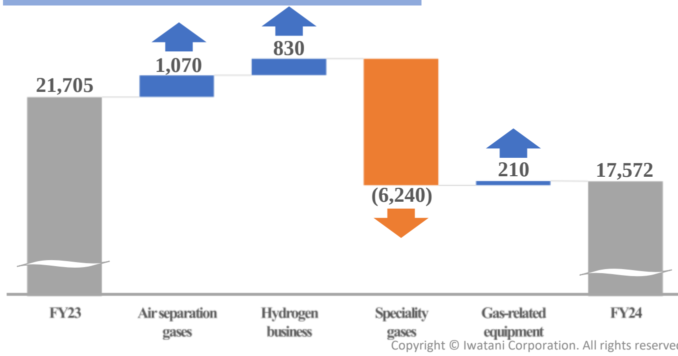
Iwatani

(million yen)

Results

	FY24 Results (A)	FY23 Results (B)	YoY (A)-(B)	YoY (A)/(B)	FY24 Forecasts (C)	Achievement rate (A)/(C)
Net sales	271,449	262,169	+9,279	+3.5%	275,000	98.7%
Operating profit	17,572	21,705	(4,133)	(19.0)%	22,000	79.9%

Analysis of changes in operating profit



Main factors

■ **Air separation gases** +1,070
-solid sales of air separation gases mainly for the electronic components industries

■ **Hydrogen business** +830
-increase in sales volume of liquid hydrogen for space development and decarbonization

■ **Specialty gases** (6,240)
-refrigerant business expanded in Japan and overseas
-weakening in helium markets mainly in China

■ **Gas-related equipment** +210
-increase in sales of ammonia supply facilities for decarbonization and denitration
-increase in sales of electronic components

In the industrial gases and machinery business, sales volume of air separation gases were solid, especially to the electronic components industry.

In hydrogen business, sales volumes of liquid hydrogen increased for space development and decarbonization.
In terms of machinery and equipment, sales of ammonia supply facilities for decarbonization and denitration, as well as electronic components increased.

On the other hand, for specialty gases, etc., although the refrigerant business expanded both domestically and abroad, profitability declined due to weakening helium market conditions, mainly in China.
As a result, net sales increased JPY9.2 billion to JPY271.4 billion, and operating profit decreased by 19.0% to JPY17.5 billion.

Operating Profit Analysis of Materials

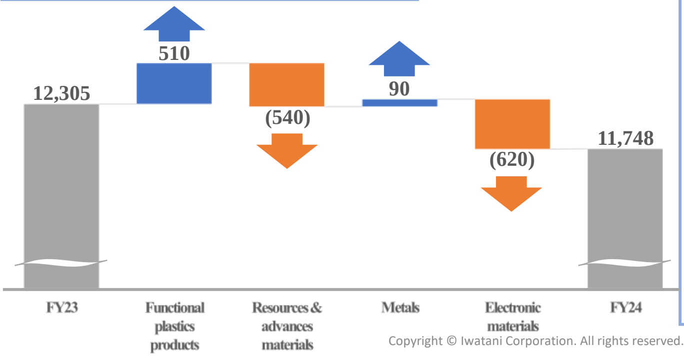
Iwatani

(million yen)

Results

	FY24 Results (A)	FY23 Results (B)	YoY (A)-(B)	YoY (A)/(B)	FY24 Forecasts (C)	Achievement rate (A)/(C)
Net sales	201,685	198,243	+3,442	+1.7%	210,500	95.8%
Operating profit	11,748	12,305	(557)	(4.5)%	12,800	91.8%

Analysis of changes in operating profit



Main factors

■ **Functional plastics products** +510
-strong sales of molded products for air conditioners and consumer resin products
-increase in sales of resin materials mainly for daily necessities

■ **Resources & advanced materials** (540)
-increase in sales of biomass fuel
-decline in the profitability of our own mining sites of mineral sands in Australia

■ **Metals** + 90
-increase in sales of aluminum foil for food packaging
-decline in sales price of stainless steel

■ **Electronic materials** (620)
-weak sales of rechargeable battery materials for next-generation automobiles

In the materials business, sales of molded products for air conditioners and "I-WRAP", plastic products for consumer use, increased. Sales of biomass fuels and aluminum foil for food packaging also increased.

On the other hand, along with a decline in the selling price of stainless steel, sales of EV-related battery materials for next-generation vehicles remained sluggish.

As for mineral sands, the profitability of the Company's own mining operations in Australia declined. As a result, net sales increased JPY3.4 billion to JPY201.6 billion, and operating profit decreased by 4.5% to JPY11.7 billion.

Balance Sheets (Consolidated)

Iwatani

Total assets increased due to trade receivables and capital investment.
Interest-bearing debt increased due to financing for investments in Japan and overseas, and an increase in operating funds.

(100 million yen)

	FY24 (A)	FY23 (B)	Change (A)-(B)	Major factors for changes
Current assets	3,284	3,095	+188	increase in trade receivables
Property, plant and equipment	2,402	2,254	+147	
Intangible assets	477	365	+112	
Investments and other assets	2,557	2,590	(32)	
Fixed assets	5,437	5,209	+228	increase due to capital investment
Total assets	8,721	8,304	+416	
Current liabilities	2,549	3,125	(575)	short-term debt decreased 104.7 billion yen
Non-Current liabilities	2,200	1,489	+710	bonds payable increased 30 billion yen long-term debt increased 41.5 billion yen
Total liabilities	4,750	4,614	+135	interest-bearing debt 264.4 billion yen (+9.9 billion yen) ratio of interest-bearing debt to total assets 30.3%
Equity capital	3,860	3,584	+276	capital ratio 44.3%
Non-controlling interests	111	106	+5	
Net Assets	3,971	3,690	+281	
Total liabilities and net assets	8,721	8,304	+416	

Next, I will explain the main financial conditions.

Total assets at the end of March 2025 increased by JPY41.6 billion from the end of the previous fiscal year to JPY872.1 billion.

Equity capital increased by JPY27.6 billion to JPY386 billion and the capital ratio improved by 1.1% from the end of the previous fiscal year to 44.3%.

In addition, interest-bearing debt increased by JPY9.9 billion to JPY264.4 billion due to an increase in working capital and capital investments.

However, since the total assets increased, the ratio of interest-bearing debt to total assets improved by 0.3 points to 30.3%.

FY2025 Forecasts

Forecasts for the Fiscal Year Ending March 31, 2026

Iwatani

(100 million yen)

	FY25 Forecasts	FY24 Results	Change	Rate
Net sales	9,364	8,830	+533	+6.0%
■ Integrated Energy	4,060	3,787	+272	+7.2%
■ Industrial Gases &Machinery	2,759	2,714	+44	+1.6%
■ Materials	2,235	2,016	+218	+10.8%
■ Others	310	310	(0)	(0.3)%
Operating profit	491	462	+28	+6.2%
■ Integrated Energy	219	195	+23	+12.2%
■ Industrial Gases &Machinery	188	175	+12	+7.0%
■ Materials	129	117	+11	+9.8%
■ Others, Adjustments	(45)	(26)	(18)	-
Operating profit excluding impact of LPG import price fluctuation	491	460	+30	+6.7%
Equity gains of affiliated companies related to Cosmo Energy HD	106	91	+14	+16.4%
Ordinary profit	631	614	+16	+2.6%
Profit attributable to owners of parent	488	404	+83	+20.6%

Estimated exchange rate

Exchange rate **145 JPY/$**

LPG import price **650 $/t**

(FY24 results)
Exchange rate 153.36 JPY/$
LPG import price 612 $/t

Dividend forecast

FY25 47.0 yen per share

Next, I will explain our outlook for the fiscal year ending March 2026.

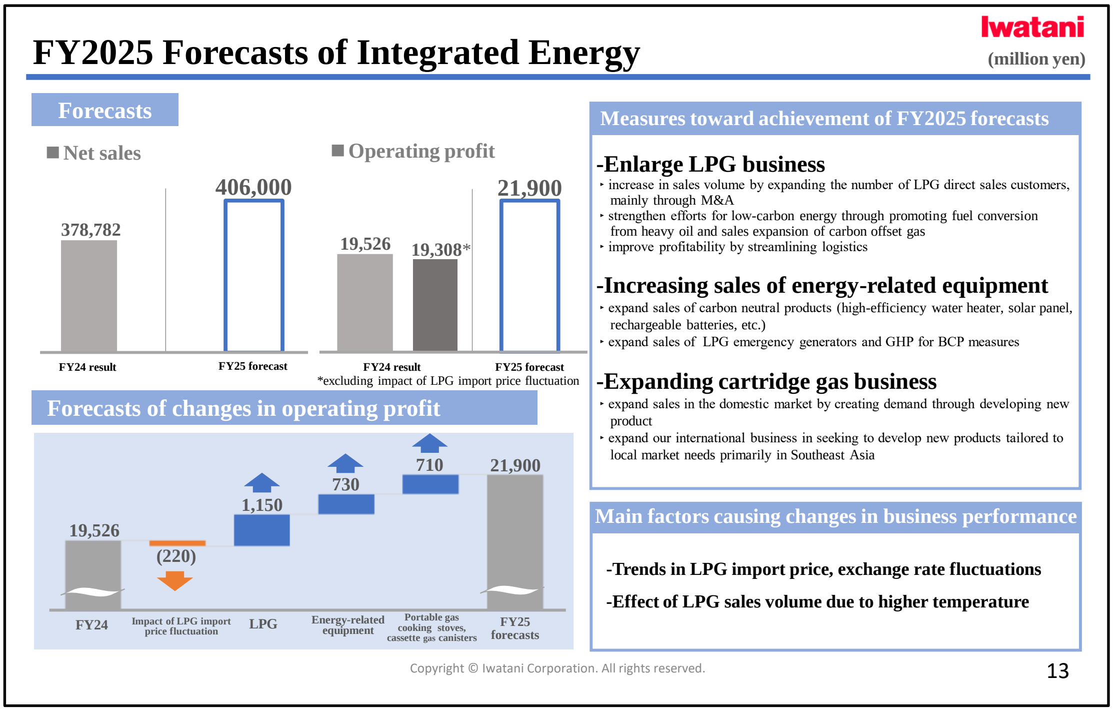
For the next fiscal year, we expect net sales to increase 6.0% to JPY936.4 billion, operating profit to increase 6.2% to JPY49.1 billion, ordinary profit to increase 2.6% to JPY63.1 billion, and net income to increase 20.6% to JPY48.8 billion.

The additional tariffs imposed by the Trump administration are expected to have an impact on the global economy in the future. However, for our business, we expect the direct impact of the tariffs on our export and import transactions with the U.S. to be limited, and at this point, we believe that the impact on the outlook for the next fiscal year will be minimal.

In the current period, LPG import price fluctuations had a positive impact of approximately JPY0.218 billion, but this is not expected in the forecast for the next period.

The estimate of ordinary profit includes the equity gains of affiliated companies related to Cosmo Energy HD of JPY10.6 billion.

The assumed exchange rate for the forecast is JPY145 to the USD, and the assumed LPG import price (CP) is USD650 per ton.



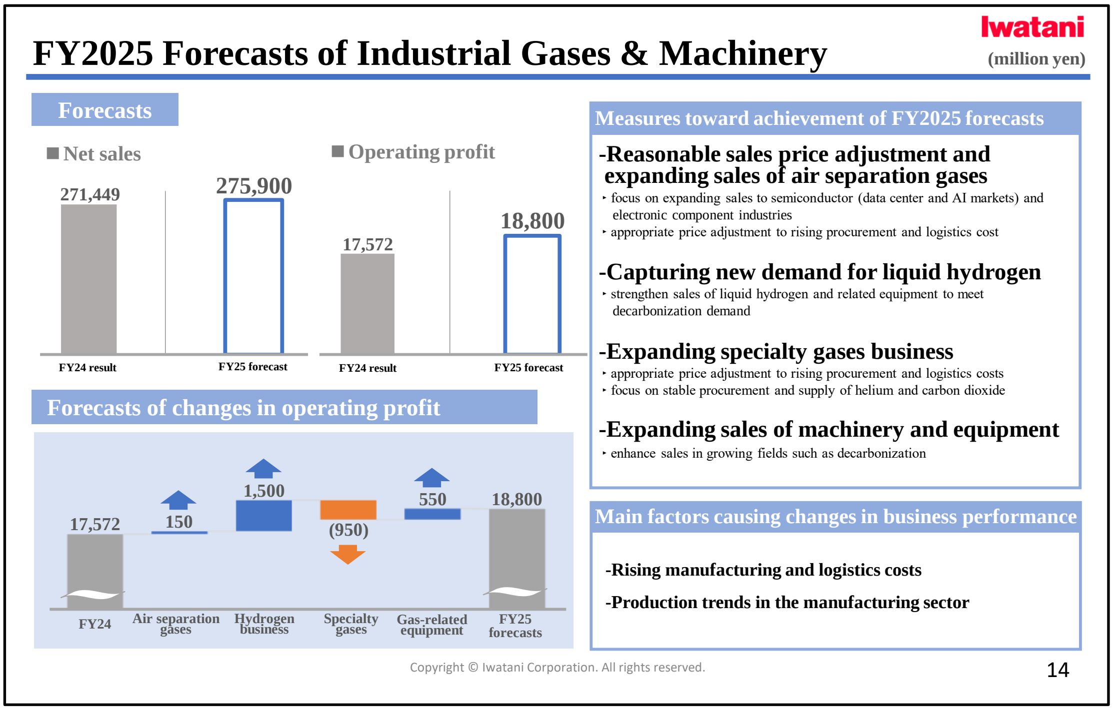
Next, I will explain forecasts for each segment.

In the integrated energy business, net sales are expected to be JPY406 billion, up 7.2%. Operating profit is expected to increase by 12.2% to JPY21.9 billion. Excluding the impact of LPG import price fluctuations, the increase in profit is 13.4%.

In the LPG business, we will work to expand the number of direct sales customers, mainly through M&A, and promote fuel conversion from heavy oil to industrial customers in order to meet their needs for low-carbon and decarbonization.

For energy-related equipment, we will strengthen sales of LPG-powered emergency generators and gas heat pumps that will respond to BCP demand in addition to expanding sales of high-efficiency water heaters and solar power generation equipment that help reduce household CO2 emissions,.

In the cartridge gas business, in Japan, we will expand sales by creating demand through the development of new products. In overseas, we will expand our business mainly in Southeast Asia by offering a product lineup tailored to local needs.



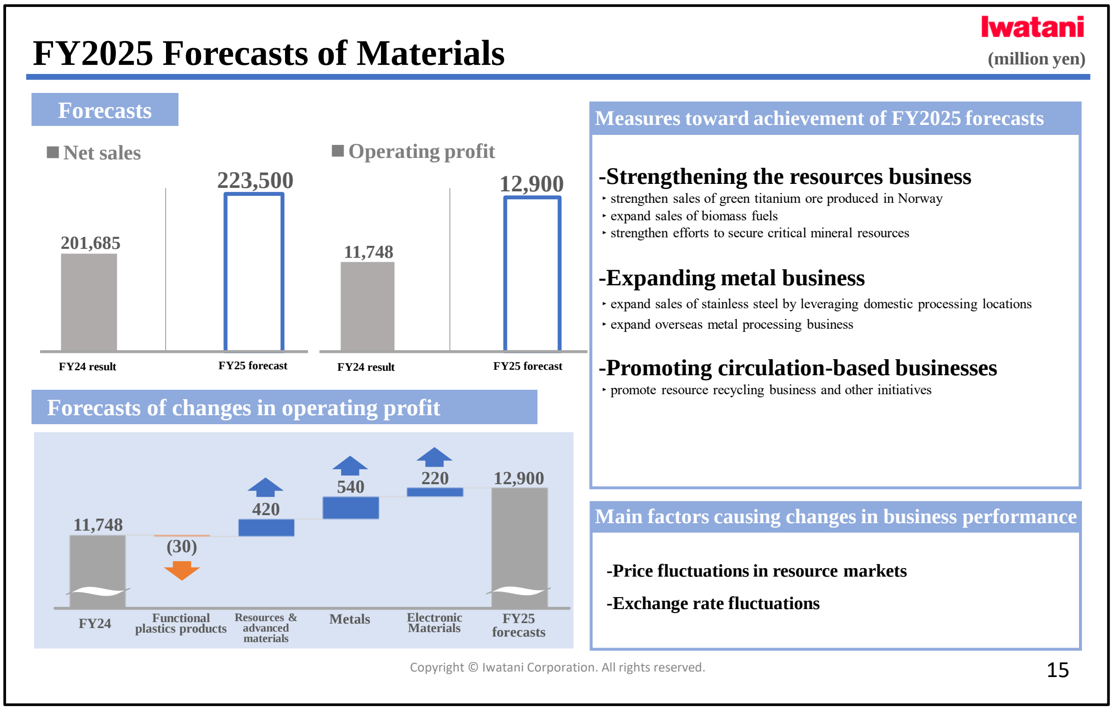
Sales in the industrial gases and machinery business is expected to be JPY275.9 billion, up 1.6%. Operating profit is expected to increase 7.0% to JPY18.8 billion.

For air separated gases, in anticipation of the market expansion of semiconductors for AI and data centers, as well as electronic components, we will focus on expanding sales to these industries. We will also continue to strive for appropriate price responses to rising procurement and logistics costs.

For the hydrogen business, for the growing demand for decarbonization, we will strengthen sales expansion of liquid hydrogen and related equipment.

In the specialty gases business, the helium business continued to be sluggish in the Chinese market, and we expect the outlook to remain uncertain. We will strive to expand sales, especially in the robust Japanese market and Southeast Asia, while at the same time responding to rising costs.

In addition, for machinery and equipment, we will promote sales expansion in growth areas, including ammonia and other decarbonization-related products.

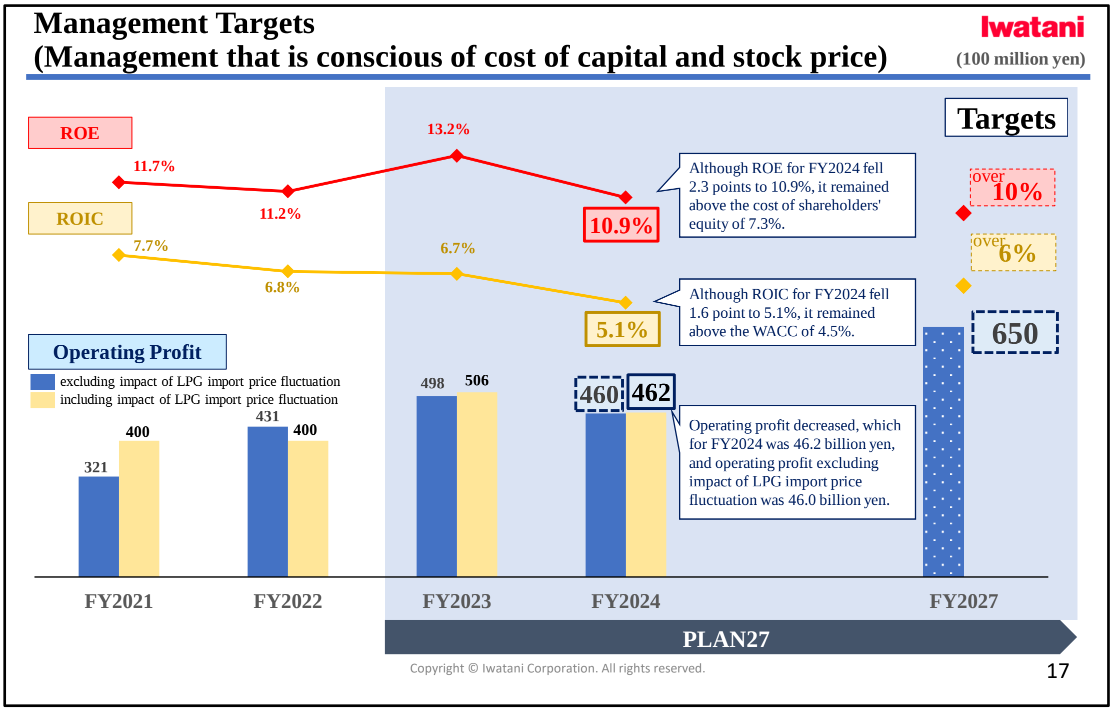


Sales in the materials business is expected to increase 10.8% to JPY223.5 billion. Operating profit is projected to increase 9.8% to JPY12.9 billion.

We will start sales of Norwegian green titanium ore and expand sales of biomass fuels.

For stainless steel, we will expand sales volume by utilizing its domestic processing bases and in the metal processing business, we will work to expand sales for air conditioners and automotive parts. Also, we will continue to promote resource recycling projects and efforts to secure critical mineral resources.

Progress of
Medium-Term Management Plan
"PLAN27"



Next, I will explain the progress of the medium-term management plan, “PLAN27”.

In the medium-term management plan “PLAN27”, the management numerical targets are JPY65 billion in operating income in FY2027, and the fiscal year under review was JPY46.2 billion, a decrease from the previous year.

ROE was 10.9% for the year under review, against the target of 10% or more in FY2027, exceeding the target and the cost of capital, but falling from the previous year.

ROIC was 5.1% for the year, above the cost of capital, but below the target and down from the previous year, compared to the target of over 6%.

Through the implementation of the priority measures set forth in “PLAN 27”, we will improve profitability and enhance capital efficiency.

Initiatives to the Management that is Conscious of Cost of Capital and Stock Price

Iwatani

1. Revision of Dividend Policy (From the year ending March 31, 2026, and thereafter)

-Change in dividend policy (Unifying the policies)

Before	After
1.Iwatani's portion of the business -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.	-Progressive dividend -Payout ratio of 20% or higher in FY2027

-Plan to pay interim dividends

2. Initiatives to Improve Capital Efficiency

-Reduction of strategic shareholdings

⇒including group companies, promoted the divest of shares in FY2024.
continue to take actions to reduce strategic shareholdings

-Divestment of assets held

3. Strengthen the Corporate Governance

-Planning to change the term of Member of the Board from 2 years to 1 year

I will explain our initiative toward "Management that is conscious of cost of capital and stock price," the target set forth by Tokyo Stock Exchange.

The first one is a review of the dividend policy. For the fiscal year ended March 31, 2025, the dividend policy was divided into the Company's portion of profits and Cosmo Energy HD's portion of profit impact, but these have been unified and will be referred to as "progressive dividends.

Under the previous policy, there was a possibility that dividends could be reduced depending on the performance of Cosmo Energy HD. However, we believe that by unifying our business portion and the profit impact of Cosmo Energy HD and making it a progressive dividend, we will be able to realize a more stable dividend for our shareholders.

In addition, from the fiscal year ending March 31, 2026, we plan to pay an interim dividend to enhance opportunities for profit distribution to shareholders.

The second is about strengthening efforts to improve capital efficiency. We are reducing strategic shareholdings, including those of Group companies. We will continue to take action to reduce the strategic shareholdings and promote the sale of assets we own to reduce interest-bearing debt.

The third is about strengthening corporate governance. The Company's term of Member of the Board is scheduled to be changed from two years to one year. We intend to increase opportunities for confidence from shareholders.

While continuing to accelerate efforts to achieve PLAN 27, we will strive to enhance our corporate value through dialogue with the capital market.

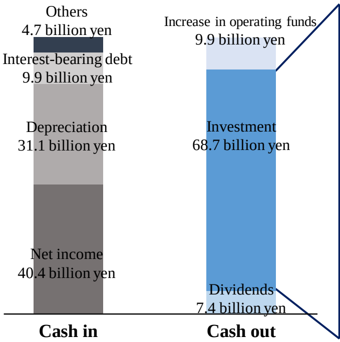
Capital Policies

Iwatani

		PLAN 27		
	FY2022	FY2023	FY2024	FY2027
net DER	0.35	0.61	0.61	Approx. 0.6
Interest-bearing debt	139.4 billion yen	254.5 billion yen	264.4 billion yen	Approx. 290.0 billion yen
Investment amount	70.0 billion yen	172.8 billion yen*[1]	68.7 billion yen	5 years total 470.0 billion yen

*[1] includes the acquisition of Cosmo Energy Holdings shares

FY2024



Strategy	Investment	Detail
Hydrogen Strategies	7.0 billion yen	-investing in Japan Hydrogen Fund -building hydrogen refueling station
Carbon-free Strategies	0.3 billion yen	-investing in biomass power plants, etc.
Domestic Energy & Service Strategies	14.3 billion yen	-M&A in retail business
Overseas Strategies	7.9 billion yen	-strengthening industrial gas production in areas of Southeast Asia, etc.
Foundational Businesses	30.8 billion yen	-establishing the new ERP -invest in Energy/ Industrial Gas related equipment
Maintenance/ Repairs	8.4 billion yen	-repairing LPG related equipment
Total	Investment 68.7 billion yen	

Next, I would like to explain our capital policy.

Total investment was JPY68.7 billion. We invested in our core businesses, including the expansion of supply facility capacity in the integrated energy business and the industrial gases and machinery business and the introduction of new ERP. We also acquired shares in ISG, Inc., a LPG retailer, and executed investments to expand industrial gases production capacity in Southeast Asia.

In addition, the interest-bearing debt increased by JPY9.9 billion due to an increase in working capital and dividends. Net DER was 0.61x, unchanged from the previous period.

We will continue to prioritize investments for sustainable growth by securing operating cash flow and utilizing interest-bearing debt.

Progress of Priority Measures

Hydrogen Strategies

-Conducted application to the support focusing on the price gap under the Hydrogen Society Promotion Act

-Opening Hydrogen refueling stations for commercial vehicles

1. opened Iwatani Cosmo Hydrogen Refueling Station Heiwajima, a hydrogen refueling station able to refuel fuel cell trucks
2. opened Iwatani Cosmo Hydrogen Station Ariake Bus Depot, a hydrogen refueling station able to refuel fuel cell buses, located on the premises of a bus depot of the Tokyo Metropolitan Bureau of Transportation


Hydrogen refueling station filling scenes for fuel cell truck and fuel cell bus
(left: Heiwajima, right: Ariake Bus Depot)

-Launching operation of the hydrogen fuel cell ship Mahoroba

started marine passenger ship transportation at Expo 2025 Osaka, Kansai, Japan

I will explain the progress of priority measures.

Regarding hydrogen strategies, we conducted application to the support focusing on the price gap under the Hydrogen Society Promotion Act. We will announce the number of cases and specific details of the applications after obtaining the results by METI that is planned to be announced during the fiscal year 2025.

Next, I would like to discuss the construction and opening of hydrogen-refueling stations for commercial vehicles. In April 2024, we opened a hydrogen-refueling station in Heiwajima, Tokyo, able to refuel fuel cell trucks. It has been operating smoothly and sales volume is growing.

In addition, hydrogen-refueling station for FC buses was completed in the Ariake Automobile Office of the Tokyo Metropolitan Bureau of Transportation in March 2025. We will select suitable land and proceed with the construction of hydrogen-refueling stations in accordance with the production plans of FC trucks and FC buses and the plans of each prefecture.

Progress of Priority Measures

Iwatani

-No change in policy to develop CO2-free hydrogen supply chain in FY2030
-However, some measures have been changed due to changes in the business environment.

Changes from the Original Plan

Implement Commercialization Feasibility Study Project with Green Innovation Fund

【Change】at demonstration：production in Australia ⇒ production in Japan
【 Cause 】due to the expectation that hydrogen production in the state of Victoria, Australia, will be delayed

➡ In the commercial phase, several potential overseas locations are being considered as manufacturing sites

Green hydrogen production in Australia

(Feasibility study conducted by Stanwell Corporation, Marubeni Corporation, Keppel Corporation, and Iwatani)

【Change】abandonment of commercialization
【 Cause 】due to the change of government in Queensland, Australia, additional investment in the project was withdrawn, leading to the conclusion that commercialization would no longer be feasible

➡ Considering hydrogen production in other areas as a source for domestic procurement

Commercialization of hydrogen production from waste plastics in Japan

【Change】commercialization is temporarily frozen
【 Cause 】due to a significant increase in project costs (plant prices and construction costs)

➡ Under review for commercialization

With regard to the hydrogen strategies, some of the content of the initiatives has been revised in accordance with changes in the business environment and other factors.

First, I will explain CO2-free hydrogen supply chain Commercialization Feasibility Study Project with Green Innovation Fund. The original plan was to import liquid hydrogen produced in Australia during the demonstration phase, but due to the expectation that hydrogen production will be delayed, we decided to utilize domestic hydrogen. In the commercial phase, several overseas locations are being considered as manufacturing sites.

Second, regarding green hydrogen production in Queensland, Australia, we have decided to abandon the commercialization of the project. Change of government in Queensland prevents additional funding for the project and we have decided that it will be difficult to commercialize the business. As a result, an extraordinary loss was recorded as a loss on withdrawal from the project in the current period.

Third, we have been considering the commercialization of hydrogen production from waste plastic in Japan. However, due to the significant increase in project costs, we have decided to freeze our consideration of commercialization. We plan to resume consideration of commercialization once the business environment is ready.

In light of these changes, we are carefully scrutinizing the business outlook for our hydrogen strategy. However, as I mentioned that we have applied to Commercialization Feasibility Study Project, there is no change in the policy of working toward the establishment of a CO2-free hydrogen supply chain in FY2030.

We will continue to work on realizing a hydrogen energy-based society by leveraging our accumulated strengths.

Progress of Priority Measures

Iwatani

Carbon-free Strategies

-Production of "Green CO2"

- Decided to construct a plant to produce high-purity CO2 derived from sugarcane in Thailand with a local company.
  Aiming for stable supply in Southeast Asian countries and Japan as "Green CO2"
  (Adopted as a part of the "Industrial cooperation programme in the Global South through technology transfer from Japan")

-Sales / Supply of Carbon offset gas

- sell carbon-offset cassette gas canisters, that offsets CO2 emissions using J－Credits
- started supplying carbon offset LP gas at Expo 2025 Osaka, Kansai, Japan

Domestic Energy & Service Strategies

-An increase of 90,000 households in the number of LPG direct customers

(from 1.11 million in FY2023 to 1.20 million in FY2024)

- increase due to acquisition of ISG Inc., which operates LPG retail business mainly in Chiba and Ibaraki prefecture, as a subsidiary

-Expand utilization of Iwatani GateWay

- signed "Collaboration Agreement on Monitoring and Prevention of Care for the Elderly" with city of Goto, Nagasaki Prefecture

For the carbon-free strategies, we will collaborate with a local company in Thailand to construct the manufacturing plant of "Green CO2." This project was adopted as a grant-funded project as a part of the "Industrial cooperation programme in the Global South through technology transfer from Japan" by the METI.

We produce high-purity, green carbon dioxide gas derived from sugarcane and aim to provide a stable supply to Southeast Asian countries and Japan in addition to Thailand market.

For the domestic energy and service strategies, the number of direct LPG customers increased by 90,000 households to 1.2 million households compared to the end of March 2024. The acquisition of ISG, Inc., LPG business mainly in Chiba and Ibaraki prefectures, in which we acquired shares last November, has made a significant contribution.

In the future, we will utilize this company's business foundation and develop its base of operations in the Kanto and Tokyo metropolitan areas to work to strengthen profitability by optimizing the functions of the entire group.

Progress of Priority Measures

Iwatani

Overseas Strategies	
	-Start the procurement of high-purity green titanium ‣ the plant of Nordic Mining ASA, Norway, was completed at the end of December 2024. first shipment to Japan is scheduled during FY2025 **-Explore new sources of rare earth, designated as critical mineral resources** ‣ established “Japan France Rare Earth Co., Ltd.” with “Japan Organization for Metals and Energy Society” (JOGMEC) and invested in a French rare earth refining company. strengthened the procurement of rare earths for Japan **-Established a supply base for various industrial gases in Singapore**

Non-financial Strategies

	FY2022	FY2023	FY2024	PLAN27 (targets)
Ratio of female managers	6.0%	6.9%	7.8%	10% or more
Annual training costs per employee	86 thousand yen	118 thousand yen	138 thousand yen	150 thousand yen
Percentage of childcare leave taken by male employees	30.6%	55.9%	73.5%	100%

For the overseas strategies, progress has been made in the initiative to ensure stable procurement of important mineral resources in the Materials Business.

The first is about sourcing green high-purity titanium ore from Nordic Mining ASA in Norway, in which we have a partial investment. The mine is expected to remain in production for approximately 40 years. In addition to that, CO2 emissions are lower than those of other companies in the industry. It is highly appreciated by the market. The plant was completed at the end of last year, and shipments to Japan are expected to begin this year.

Secondly, it has been decided to procure rare earth, a rare resource refined in France. We established “Japan France Rare Earth Co., Ltd.” with “Japan Organization for Metals and Energy Society” (“JOGMEC”) and an agreement was signed to invest in a French rare earth refining company, Caremag SAS.

In the rare earth refinery which this company is constructing in southwestern France, it is possible to utilize recycled raw materials in addition to ore-derived raw materials. Preparations are underway for the construction of a plant to begin commercial production in 2027. We will procure 50% of the rare earths produced by this company under a long-term contract. We have been importing and selling rare earths since the 1990s, and through this initiative, we will strengthen our procurement capabilities and expand our business.

For the non-financial strategies, we are working on the initiative with three indicators related to human resources. The ratio of female managers was 7.8%, up 1.1% from the previous year. Annual training costs per employee continued to increase to JPY138,000. The rate of male employees taking childcare leave increased to 73.5%.

All of the indicators are performing well, and we will strive to create an organization that each and every one of our employees continues to grow and develop more.

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

Iwatani

Overview of Business Alliance

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

-Discussions are underway regarding the construction of a liquid hydrogen plant
- business scheme and production scale to be decided within the fiscal year ending March 2026
- operation is scheduled to start in the latter half of 2020s

2. Expanding hydrogen stations of Iwatani Cosmo Hydrogen Station LLC

-April 2024	Iwatani Cosmo Hydrogen Station Heiwajima opened (for fuel cell trucks)
-March 2025	Iwatani Cosmo Hydrogen Station Ariake Bus Depot (for fuel cell buses)

Iwatani Cosmo Hydrogen Station Heiwajima

Iwatani Cosmo Hydrogen Station Ariake Bus Depot

-Scheduled in FY2026 Iwatani Cosmo Hydrogen Station Shinsuna to open (for fuel cell trucks)

Lastly, I will explain the progress on capital and business alliance with Cosmo Energy HD. As for hydrogen production in Japan, discussions are underway for the construction of a liquid hydrogen production plant in Cosmo Oil's Chiba Refinery.

Currently, both companies are discussing business schemes and production scale and a decision is expected by the end of this year.

In addition, regarding the construction and operation of hydrogen-refueling stations by Iwatani Cosmo Hydrogen Station LLC, as explained in the Progress of Hydrogen Strategy, two sites have been opened and a third site is under construction, and the collaboration is progressing smoothly.

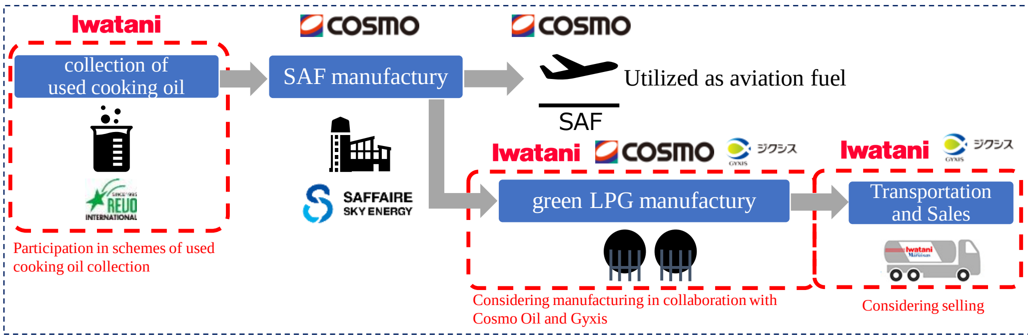
Overview of Business Alliance

Iwatani

3. SAF (Sustainable Aviation Fuels), Green LPG production and supply

-considering green LPG production and supply scheme associated with the SAF production
⇒considering to utilize our customer network for collection of used cooking oil for SAF manufactury

-participating in the Fry to Fly Project (from February 2025)



I will explain the consideration of green LPG production and supply scheme associated with the SAF production.

We are pleased to announce our participation in the domestic SAF production project using waste cooking oil as raw material that is being worked on by Cosmo Energy HD with JGC Holdings, REVO International, etc. We will utilize a wide range of customer network that is owned by our Group to develop sources of emissions in order to cooperate in the procurement of waste cooking oil as a raw material.

Also, regarding the production and sale of Green LP gas produced during SAF production, it was decided that we will consider together with GYXIS Corporation, an affiliate of Cosmo Energy HD. Through these efforts, we will contribute to building a stable supply chain of domestically produced SAF, the first of its kind in Japan, and will lead to the sale of Green LP gas to decarbonize energy.

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

Returns to Shareholder

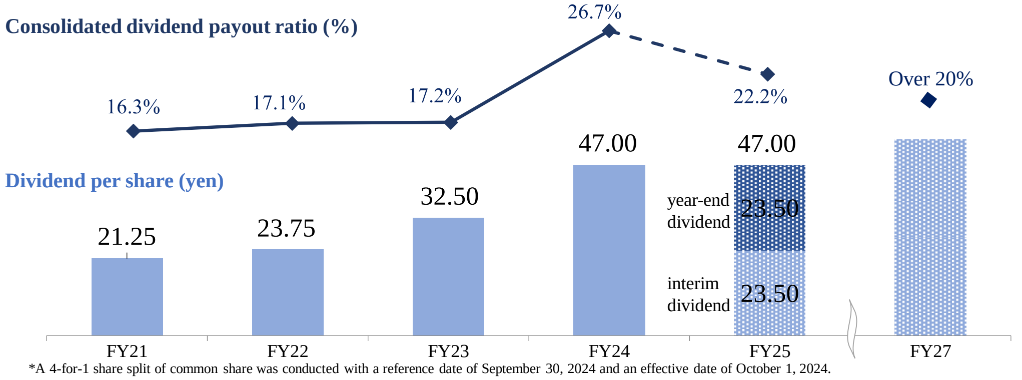
Iwatani

- Planning to pay dividend by of 47 yen per share, which is increase of 14.50 yen, for the fiscal year ending March 31, 2025

【Return policy to shareholders】（Subject: Fiscal year ending March 31, 2026 and thereafter）

Progressive dividend + Payout ratio of 20% or higher in the fiscal year ending March 31, 2028

⇒ Annual dividend for the fiscal year ending March 31, 2026 is planned to be 47.00 yen
(interim dividend: 23.50 yen, year-end dividend: 23.50 yen)



*A 4-for-1 share split of common share was conducted with a reference date of September 30, 2024 and an effective date of October 1, 2024. The amount shown is the amount after the stock split.

Finally, I will explain shareholder returns.

The dividend for the fiscal year ending March 2025, combining the portion of revenue of our company and Cosmo Energy HD, will be JPY47, an increase of JPY14.5 compared to the previous fiscal year. As a result, the dividend payout ratio will be 26.7%.

Regarding dividends for the next fiscal year, we will unify our dividend policy and also pay an interim dividend. We plan to pay an interim dividend of JPY23.50 and a year-end dividend of JPY23.50, for a total of JPY47 on annual basis. The dividend payout ratio will be 22.2%.

For Reference: Consolidated Statements of Cash Flows

Operating cash flow provided 52.4 billion yen. Investing cash flow was an outflow of 58.4 billion yen due to M&A of LP gas retailers and expansion of industrial gas production plants, etc. As a result, free cash flow was an outflow of 5.9 billion yen.

(100 million yen)

	FY2024 (A)	FY2023 (B)	YoY (A)-(B)
Cash flows from operating activities	**524**	**548**	**(24)**
Cash flows from investing activities	**(584)**	**(1,612)**	**+1,028**
Free cash flows	**(59)**	**(1,064)**	**+1,004**
Cash flows from financing activities	**(20)**	**1,054**	**(1,074)**
Effect of exchange rate changes, etc. *1	**19**	**13**	**+6**
Net increase (decrease) in cash and cash equivalents *2	**(60)**	**3**	**(63)**
Cash and cash equivalents at beginning of period	**336**	**332**	**+3**
Cash and cash equivalents at end of period	**275**	**336**	**(60)**

*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.

For Reference: PLAN27 Progress by Business Segments

Iwatani

PLAN27

(Unit:100 million yen)		FY2022	FY2023	FY2024	FY2025 Forecast	F2027 Target
Integrated Energy	Net Sales	3,932	3,571	3,787	4,060	4,840
	Operating Profit	143	201	195	219	255
Industrial Gases & Machinery	Net Sales	2,404	2,621	2,714	2,759	3,400
	Operating Profit	165	217	175	188	255
Materials	Net Sales	2,424	1,982	2,016	2,235	3,060
	Operating Profit	126	123	117	129	175
Others	Net Sales	302	303	310	310	400
	Operating Profit	(34)	(35)	(26)	(45)	(35)
Total	Net Sales	9,062	8,478	8,830	9,364	11,700
	Operating Profit	400	506	462	491	650

Iwatani