Iwatani

FY2025 1st Half Financial Results
(Results for the Six Months Ended September 30, 2025)

November 20, 2025

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

FY2025 1st Half Overview

Highlights

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

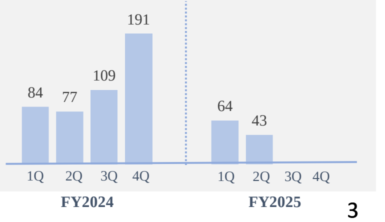
Summary of Financial Results for the 1st Half of FY2025

- Net sales increased, driven by strong sales of products for the industrial field, mainly in the Materials business, despite the decrease in LPG sales price due to lower import prices.
- Operating profit declined due to lower profitability in helium and the negative impact of LPG import price fluctuation
- Full-year financial forecasts: no change

Due to the finalization of the amount of "negative goodwill" related to the additional acquisition of Cosmo Energy Holdings, the ordinary profit and profit attributable to owners of parent for the 1st Half of FY2024 have decreased by 1.645 billion yen each from the amounts announced last year.
All data for 1st Half of FY2024 presented in this document reflect the above-mentioned information.

Net sales	**409.1** billion yen	YoY	+9.1 billion yen	+2.3%
Operating profit	**10.7** billion yen	YoY	(5.3) billion yen	(33.3)%
Ordinary profit	**18.0** billion yen	YoY	(2.6) billion yen	(12.8)%
Profit attributable to owners of parent	**20.3** billion yen	YoY	+6.8 billion yen	+51.1%

■ Operating profit quarterly trends (100 million yen)



Due to the finalization of the amount of negative goodwill related to the additional acquisition of Cosmo Energy Holdings (hereinafter Cosmo Energy HD), the ordinary profit and profit attributable to owners of parent for H1 of FY2024 have decreased by JPY1.645 billion each from the amounts announced last year.

In this interim financial result, sales increased YoY, while operating profit and ordinary profit decreased YoY.

However, profit attributable to owner of parent increased.

Consolidated Operating Results

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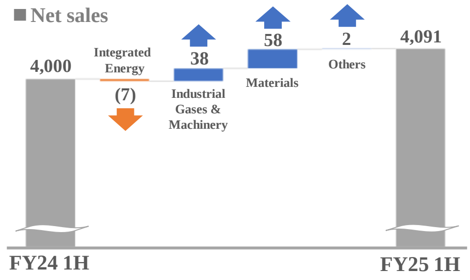
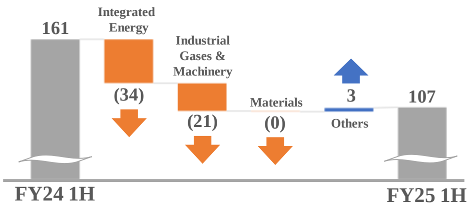
(100 million yen)

	FY25 1H Results (A)	FY24 1H Results (B)	YoY (A) - (B) (A) / (B)	FY25 Forecasts	Progress
Net sales	4,091	4,000	+91 +2.3%	9,364	43.7%
Gross profit	1,065	1,066	(0) (0.1)%	-	-
Operating profit	107	161	(53) (33.3)%	491	21.9%
Operating profit excluding impact of LPG import price fluctuation	138	171	(33) (19.3)%	491	28.3%
Non-operating profit	72	44	+27 +61.0%	-	-
Equity gains of affiliated companies related to Cosmo Energy HD	47	19	+28 +146.3%	106	-
Ordinary profit	180	206	(26) (12.8)%	631	28.5%
Profit attributable to owners of parent	203	134	+68 +51.1%	488	41.6%

■ Net sales



■ Operating profit



Driven by strong performance of industrial products primarily in the Materials business and the impact of newly consolidated subsidiaries, net sales increased by JPY9.1 billion, or 2.3%, to JPY409.1 billion.

Gross profit decreased by JPY78 million or 0.1% YoY to JPY106.5 billion due to lower profitability of helium and a decline of JPY2.066 billion YoY caused by impact of LPG import price fluctuations.

SG&A expenses increased by JPY5.3 billion due to an increase in depreciation and personnel expenses, resulting in a decrease of JPY5.3 billion, or 33.3% in operating profit to JPY10.7 billion.

Non-operating income/expense improved by JPY2.7 billion YoY due to equity in earnings of Cosmo Energy HD of JPY4.7 billion.

As a result, ordinary profit decreased by JPY2.6 billion, or 12.8%, to JPY18 billion.

Profit attributable to owners of parent increased JPY6.8 billion, or 51.1%, to JPY20.3 billion partly due to a gain on sales of fixed assets from the sale of the former Tokyo headquarters.

Consolidated Operating Results (Segment Analysis)

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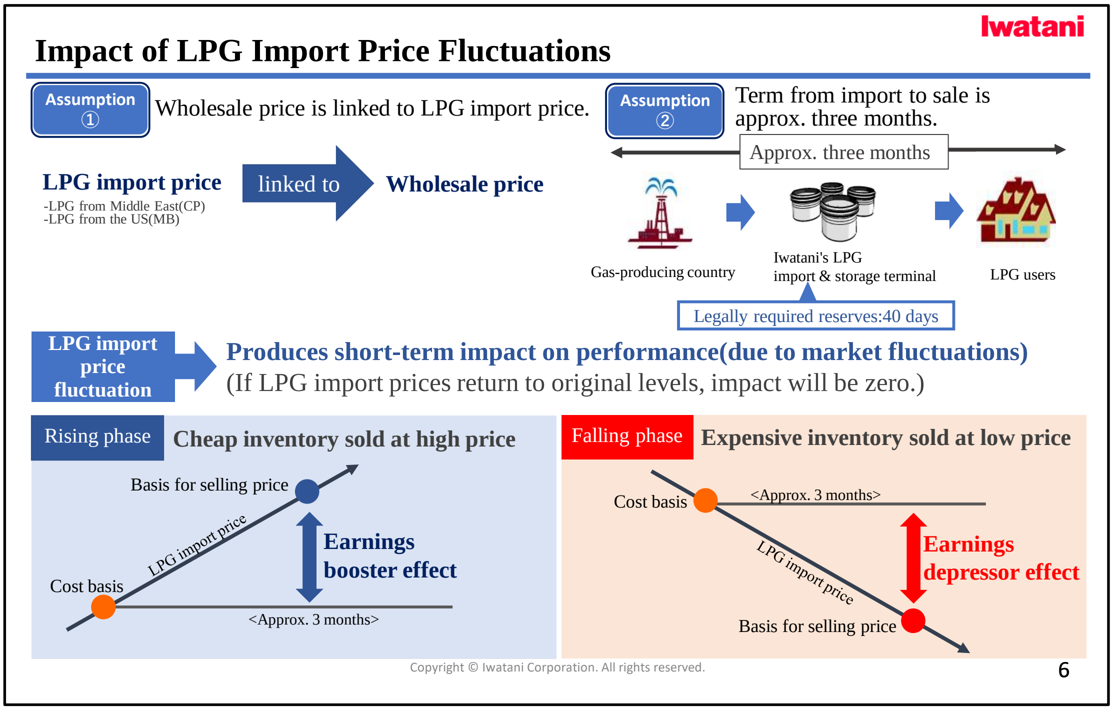
(100 million yen)

	FY25 1H Results (A)	FY24 1H Results (B)	YoY (A) - (B)	YoY (A) / (B)	FY25 Forecasts	Progress
Net sales	4,091	4,000	+91	+2.3%	9,364	43.7%
■ Integrated Energy	1,564	1,572	(7)	(0.5)%	4,060	38.5%
■ Industrial Gases & Machinery	1,324	1,285	+38	+3.0%	2,759	48.0%
■ Materials	1,049	991	+58	+5.8%	2,235	47.0%
■ Others	152	150	+2	+1.5%	310	49.1%
Operating profit	107	161	(53)	(33.3)%	491	21.9%
■ Integrated Energy	(2)	32	(34)	-	219	-
■ Industrial Gases & Machinery	58	79	(21)	(27.1)%	188	31.0%
■ Materials	60	61	(0)	(1.0)%	129	47.1%
■ Others, Adjustments	(9)	(12)	+3	-	(45)	-
Operating profit excluding impact of LPG import price fluctuation	138	171	(33)	(19.3)%	491	28.3%
Equity gains of affiliated companies related to Cosmo Energy HD	47	19	+28	+146.3%	106	-
Ordinary profit	180	206	(26)	(12.8)%	631	28.5%
Profit attributable to owners of parent	203	134	+68	+51.1%	488	41.6%



Let me explain the impact of LPG import price fluctuations on our business performance.

We import LPG from the Middle East and the US, and in order to level the impact of import price fluctuations on our earnings, we have the price structure with many of wholesalers that the selling price is linked to the current 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 importation of LPG to sale, including the legal stockpiling period of 40 days, at the time of sale, the inventory, which was purchased approximately three months ago, will be sold.

This results in selling low-cost inventory at a higher price when LP gas import prices rise. On the other hand, during a decline, the higher cost inventory is sold at a lower price.

These effects are referred to as impact of LPG import price fluctuations.

Operating Profit Analysis of Integrated Energy

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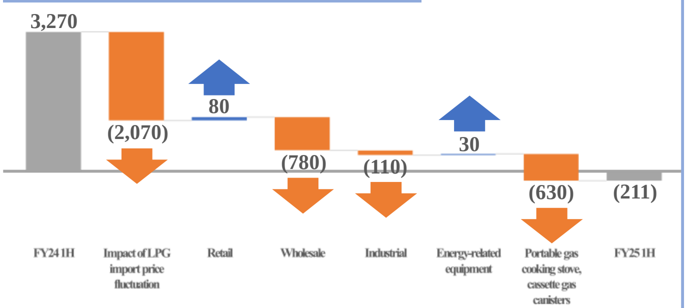
(million yen)

Results

	FY25 1H Results (A)	FY24 1H Results (B)	YoY (A) - (B)	YoY (A) / (B)	FY25 Forecasts (C)	Progress (A) / (C)
Net sales	156,492	157,263	(770)	(0.5)%	406,000	38.5%
Operating profit	(211)	3,270	(3,482)	-	21,900	-
Operating profit excluding impact of LPG import price fluctuation	2,911	4,327	(1,416)	(32.7)%	21,900	13.3%

Analysis of changes in operating profit



Main factors

■ **Impact of LPG import price fluctuation** (2,070)

(100 million yen)	1Q	2Q	1H	3Q	4Q	Full year
FY25 1Q	(11.8)	(19.4)	(31.2)	-	-	-
FY24 1Q	(0.7)	(9.8)	(10.5)	+3.6	+9.1	+2.1
Changes	(11.1)	(9.6)	(20.7)	-	-	-

■ **Retail** +80

-increase in sales volume, partly due to the impact of new consolidation

■ **Wholesale** (780)

-decrease in sales volume of LPG

■ **Industrial** (110)

-increase in sales volume due to new customer acquisitions, whereas costs rose

■ **Energy-related equipment** +30

-solid sales of water heaters, installation works, etc.

■ **Portable gas cooking stove, cassette gas canister** (630)

-decrease in sales in Japan and China

In the integrated energy business, sales of energy-related equipment and other products remained strong.

However, LPG import prices were lower than the previous year, resulting in lower sales prices.

As a result, net sales decreased by JPY700 million to JPY156.4 billion.

On the profit side, the LPG wholesale division saw a decline in sales volume, and the impact of LPG import price fluctuations was a decline of JPY2.066 billion YoY.

In addition, sales of portable gas cooking stoves and cassette gas canisters were weak due to the economic slowdown in China. As a result, operating profit decreased by JPY3.4 billion to a loss of JPY200 million.

Operating profit excluding market fluctuations was JPY2.9 billion, a decrease of JPY1.4 billion.

Operating Profit Analysis of Industrial Gases & Machinery

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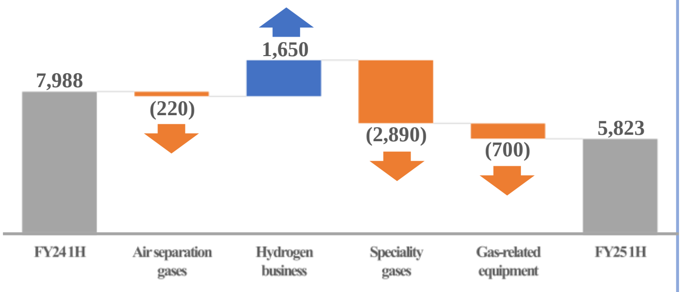
(million yen)

Results

	FY25 1H Results (A)	FY24 1H Results (B)	YoY (A) - (B)	YoY (A) / (B)	FY25 Forecasts (C)	Progress (A) / (C)
Net sales	132,447	128,583	+3,864	+3.0%	275,900	48.0%
Operating profit	5,823	7,988	(2,165)	(27.1)%	18,800	31.0%

Analysis of changes in operating profit



Main factors

■ **Air separation gases** (220)
-decrease in the profitability due to sluggish demand in China

■ **Hydrogen business** +1,650
-increase in sales of hydrogen and hydrogen-related equipment

■ **Specialty gases** (2,890)
-decline in the profitability due to weakening in helium markets

■ **Gas-related equipment** (700)
-decrease in sales of equipment for the automotive and semiconductor industries

In the industrial gases and machinery business, sales of hydrogen gas and related equipment increased, while in China, profitability declined due to sluggish demand for air separation gases.

As for specialty gases, the oversupply of helium has continued since last year.

Profitability declined as the deteriorating Chinese economy led to softening market conditions that spread to neighboring countries.

As for gas-related equipment, shipments of equipment for the automobile and semiconductor industries declined.

As a result, net sales increased JPY3.8 billion to JPY132.4 billion, and operating profit decreased JPY2.1 billion, or 27.1%, to JPY5.8 billion.

Operating Profit Analysis of Materials

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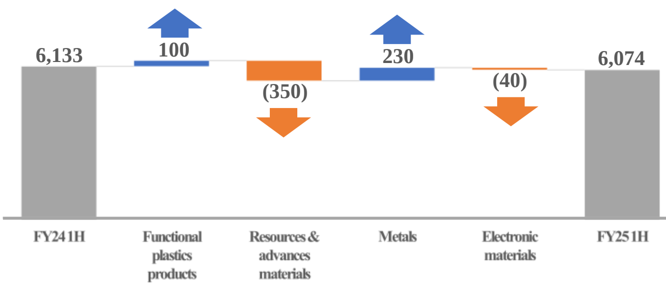
(million yen)

Results

	FY25 1H Results (A)	FY24 1H Results (B)	YoY (A) - (B)	YoY (A) / (B)	FY25 Forecasts (C)	Progress (A) / (C)
Net sales	104,955	99,155	+5,800	+5.8%	223,500	47.0%
Operating profit	6,074	6,133	(59)	(1.0)%	12,900	47.1%

Analysis of changes in operating profit



Main factors

■ **Functional plastics products** +100
-increase in sales volume of eco-friendly PET resins
-solid sales of resin products

■ **Resources & advanced materials** (350)
-increase in sales of rare earths and other items due to the efforts to ensure stable supply
-decline in the profitability of our own mining sites of mineral sands in Australia

■ **Metals** + 230
-increase in sales of stainless steel due to the impact of new consolidation

■ **Electronic materials** (40)
-sluggish sales of high-performance film materials

In the materials business, sales of rare earths increased as a result of our efforts to ensure a stable supply amid ongoing export restrictions in China.

In addition, sales volume of eco-friendly PET resin increased and sales of stainless steel remain strong due to the impact of the new consolidation.

On the other hand, in the mineral sands business, profitability of company's own mining operations in Australia deteriorated, and sales of high-performance film materials were weak, especially for smartphones.

As a result, net sales increased JPY5.8 billion to JPY104.9 billion, and operating profit decreased JPY59 million, or 1%, to JPY6 billion.

Consolidated Balance Sheets

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(100 million yen)

	Sept. 30, 2025 (A)	Mar. 31, 2025* (B)	Change (A) - (B)	Major factors for changes
Current assets	**2,977**	**3,284**	**(307)**	decrease in notes and accounts receivable
Property, plant and equipment	**2,388**	**2,402**	**(13)**	
Intangible assets	**498**	**486**	**+12**	
Investments and other assets	**2,640**	**2,557**	**+82**	increase in investment securities
Fixed assets	**5,526**	**5,445**	**+80**	
Total assets	**8,504**	**8,730**	**(226)**	
Current liabilities	**2,269**	**2,549**	**(280)**	decrease in notes and accounts payable
Non-Current liabilities	**2,133**	**2,208**	**(75)**	repayment of long-term debt
Total liabilities	**4,402**	**4,758**	**(356)**	interest-bearing debt 253.3 billion yen((11.0) billion yen) ratio of interest-bearing debt to total assets 29.8%
Equity	**3,985**	**3,860**	**+125**	equity ratio 46.9%
Non-controlling interests	**115**	**111**	**+4**	
Net Assets	**4,101**	**3,972**	**+129**	
Total liabilities and net assets	**8,504**	**8,730**	**(226)**	

*During the interim consolidated accounting period of FY2025, the provisional accounting treatment related to the acquisition of all shares of ISG, Inc. was finalized. Figures for the fiscal year ended Mar. 31, 2025, reflect the finalized content of this provisional accounting treatment.

The amount of goodwill related to the acquisition of all shares of ISG Co., Ltd. was finalized.

As a result, total assets and other items at the end of the previous fiscal year have been revised from the amounts announced in May of this year.

As for the main financial position, total assets at the end of September decreased by JPY22.6 billion YoY to JPY850.4 billion.

Shareholders' equity increased JPY12.5 billion from the end of the previous period to JPY398.5 billion, and the equity ratio increased 2.7 percentage points to 46.9%.

Interest-bearing debt decreased by JPY11 billion from the end of the previous fiscal year to JPY253.3 billion partly due to proceeds from the sale of the former Tokyo headquarters, and debt-to-equity ratio improved by 0.5 percentage points to 29.8%.

Consolidated Statements of Cash Flows

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(100 million yen)

Operating cash flows were an inflow of 23.0 billion yen. Investing cash flows were an outflow of 2.7 billion yen due to capacity expansion of industrial gas manufacturing plants and LPG centers, despite the proceeds from the sale of fixed assets. As a result, free cash flows were an inflow of 20.3 billion yen.

	FY25 1H (A)	FY24 1H (B)	YoY (A) - (B)
Cash flows from operating activities	**230**	**132**	**+97**
Cash flows from investing activities	**(27)**	**(308)**	**+281**
Free cash flows	**203**	**(176)**	**+379**
Cash flows from financing activities	**(219)**	**101**	**(321)**
Effect of exchange rate changes, etc. *1	**(1)**	**20**	**(22)**
Net increase (decrease) in cash and cash equivalents *2	**(17)**	**(53)**	**+36**
Cash and cash equivalents at beginning of period	**275**	**336**	**(60)**
Cash and cash equivalents at end of period	**258**	**282**	**(23)**

*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 flow from operating activities was an inflow of JPY23 billion as a result of the income from profit and depreciation as well as income taxes payment.

Cash flow from investment was outflow of JPY2.7 billion due to capital investment despite the proceeds from the sale of fixed assets at the former Tokyo Headquarters. As a result, free cash flow was an inflow of JPY20.3 billion.

Cash flow from financing activities was an outflow of JPY21.9 billion, mainly due to dividend payments.

FY2025 Forecasts

Forecasts for the Year Ending March 31, 2026

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(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 earnings 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%

No change from original forecasts (May 14, 2025)

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 per share

Fiscal Year Ending Mar. 31, 2026
-interim dividend : 23.5 JPY
-year-end dividend: 23.5 JPY (forecast)
-annual dividend : 47.0 JPY (forecast)

As for the consolidated earnings forecast for the fiscal year ending March 2026, earnings forecast remain unchanged from the beginning of the fiscal year, which is as follows:

Net sales to increase 6% to JPY936.4 billion, operating profit to increase 6.2% to JPY49.1 billion, ordinary profit to increase 2.6% to JPY63.1 billion, net profit to increase 20.6% to JPY48.8 billion.

FY2025 Forecasts of Integrated Energy

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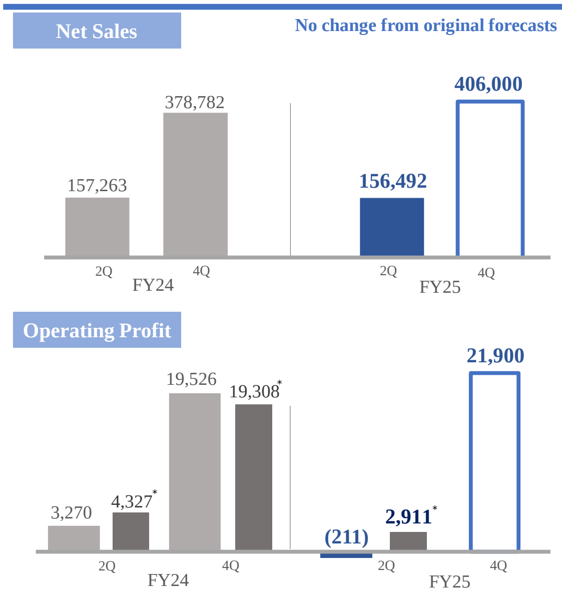
(million yen)



*excluding impact of LPG import price fluctuation

Measures toward achievement of FY2025 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
- improve profitability by streamlining logistics

-Increasing sales of energy-related equipment

- expand sales of carbon neutral products (high-efficiency water heater, 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 demands through developing new products
- expand our international business in seeking to develop new products tailored to local market needs primarily in Southeast Asia

Main factors causing changes in business performance

-Trends in LPG import price, exchange rate fluctuations

-Effect of LPG sales volume due to higher temperature

In the integrated energy business, sales is expected to increase 7.2% to JPY406 billion, and operating profit to increase 12.2% to JPY21.9 billion.

In the LPG business, we will work to expand direct sales customers, mainly through M&A, and to improve the profitability of the LPG business as a whole, including reductions in distribution costs.

In energy-related equipment, we will focus on expanding sales of carbon-neutral products to continue to strengthen our growth areas.

In the cartridge gas business, in addition to strengthening sales in Japan for the winter demand season, we will work to create new demand through the development of new products.

Overseas, we will expand our sales channels in Southeast Asia, starting with our plant in Thailand.

FY2025 Forecasts of Industrial Gases & Machinery

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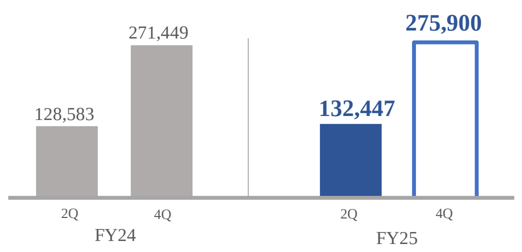
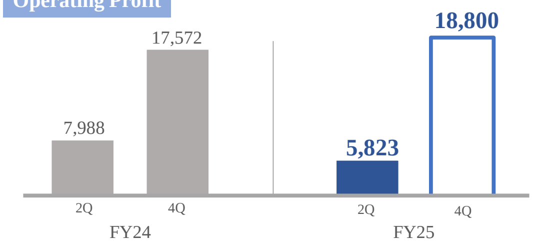
(million yen)

Net Sales

No change from original forecasts



Operating Profit



Measures toward achievement of FY2025 forecasts

-Reasonable sales price adjustment and expanding sales of air separation gases
- focus on expanding sales to semiconductor (data center and AI markets) 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 carbon dioxide and semiconductor gas

-Expanding sales of machinery and equipment
- enhance 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

-Changes in product prices

In the industrial gases and machinery business, sales is expected to increase 1.6% to JPY275.9 billion and operating profit to increase 7% to JPY18.8 billion.

First, we expect the helium market to continue to soften in H2 and beyond.

In the air separation gases business, we will work to expand sales to the semiconductor industry, where demand is strong, as well as to secure appropriate earnings in response to rising logistics and other costs.

In the hydrogen business, to respond to demand associated with the expansion of decarbonization applications, we will work to strengthen sales of liquid hydrogen and related equipment.

In specialty gases, we will work to expand sales of gases for the semiconductor industry.

In the gas-related equipment , we will promote sales expansion of decarbonization-related commercial products such as hydrogen boilers, hydrogen cutting machines, hydrogen burners, etc., to expand growth areas.

FY2025 Forecasts of Materials

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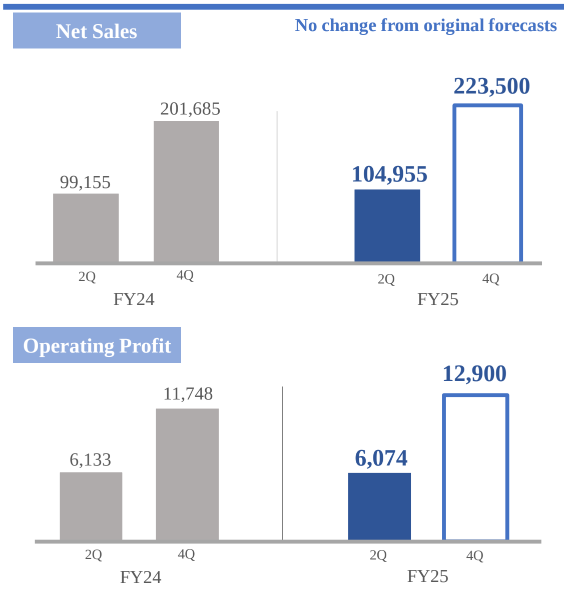
(million yen)



Measures toward achievement of FY2025 forecasts

-Strengthening the resources business
- strengthen sales of mineral sands and rare earths
- strengthen efforts to secure critical mineral resources

-Expanding metal business
- expand sales of stainless steel by leveraging domestic processing locations
- expand overseas metal processing business

-Promoting circulation-based businesses
- promote resource recycling business and other initiatives

Main factors causing changes in business performance

-Price fluctuations in resource markets

-Exchange rate fluctuations

In the materials business, sales is expected to increase 10.8% to JPY223.5 billion and operating profit to increase 9.8% to JPY12.9 billion.

We expect conditions to remain difficult for some products such as deterioration in profitability of the Company's own mining operations in Australia and sluggish sales of high-performance film materials.

On the other hand, we will work to secure profitability by expanding sales of stainless steel as well as expanding sales of eco-friendly PET resins, which has been strong, and ensuring stable procurement of mineral resources such as rare earths, etc.

We will also work on the environmental solutions business, such as resource recycling, and the development of advanced materials.

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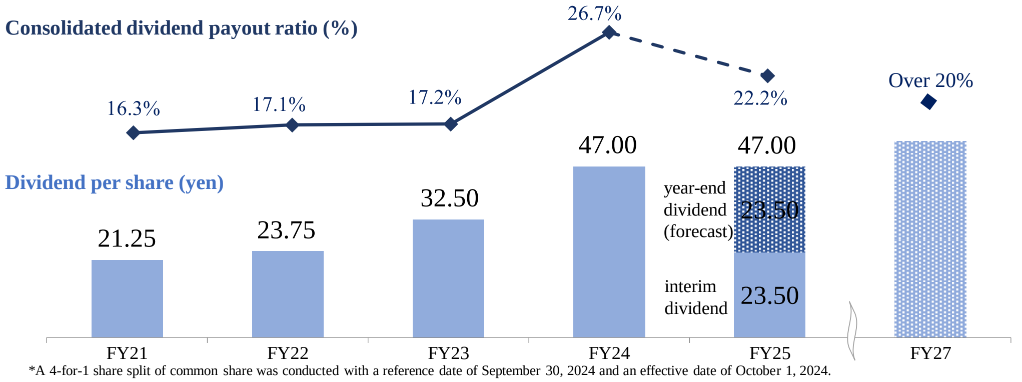
Returns to Shareholder

【Return policy to shareholders】

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

⇒ the annual dividend for the fiscal year ending March 31, 2026 is expected 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.

Regarding shareholder returns, the Company will pay an interim dividend from the fiscal year ending March 2026, which was set at JPY23.5 per share.

The year-end dividend is expected to be the same amount, resulting in an annual dividend of JPY47 per share, as announced at the beginning of the fiscal year.

PLAN27's capital policy states a progressive dividend with no reduction in dividends.

We will continue to provide appropriate profit returns, taking into consideration our business performance and the business environment.

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Progress of Medium-Term Management Plan: “PLAN27”

Progress of Priority Measures

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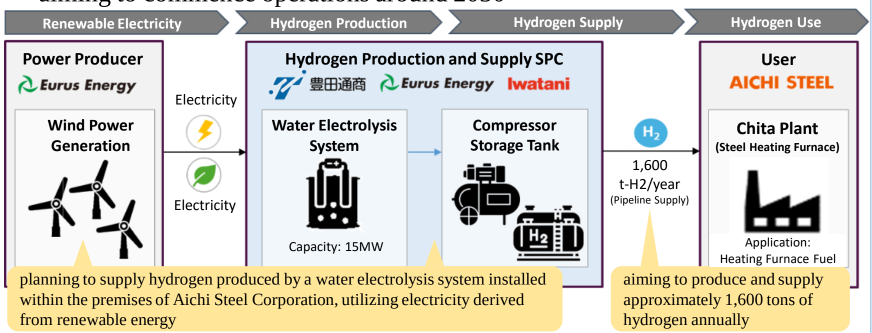
Hydrogen Strategies

Onsite Low-Carbon Hydrogen Production and Supply Project certified for price gap support under the Hydrogen Society Promotion Act

- began discussion for the onsite low-carbon hydrogen production and supply project with Toyota Tsusho Corporation and Eurus Energy Corporation
  - planning to establish a joint company in March 2027 and aiming to commence operations around 2030



Regarding the progress of the medium-term management plan, PLAN27, onsite low-carbon hydrogen production and supply project, which we are working with Toyota Tsusho Corporation and Eurus Energy Corporation, was certified for price gap support under the Hydrogen Society Promotion Act by the Ministry of Economy, Trade and Industry.

This initiative involves producing and supplying low-carbon hydrogen on the premises of Aichi Steel Co., Ltd.(hereinafter, Aichi Steel), utilizing electricity derived from renewable energy sources.

Aichi Steel is currently using city gas in some of its heating furnaces but plans to switch to hydrogen to utilize it as an energy source.

Three companies, including our company, will establish a joint venture in March 2027, and after designing and installing the equipment, we will establish a system capable of producing approximately 1,600 tons of hydrogen per year to start operations by 2030.

Progress of Priority Measures

Hydrogen Strategies

Concluded an agreement with the Tokyo Metropolitan Government regarding the hydrogen fuel cell ship Mahoroba

- concluded an agreement with the Tokyo Metropolitan Government to implement a project utilizing Mahoroba, which carried approximately 15,000 passengers during its operations at the Expo 2025 Osaka, Kansai, Japan.
- scheduled to operate in Tokyo Port within FY2026
- promote the advantages of hydrogen and the appeal of hydrogen energy


Hydrogen fuel cell ship Mahoroba


Signing ceremony with the Tokyo Metropolitan Government

"Iwatani Cosmo Hydrogen Station LLC" Promote hydrogen-refueling station construction

- hydrogen stations at Heiwajima and at the Ariake bus depot in Tokyo are operating successfully
- the hydrogen station under construction in Shinsuna, Tokyo is scheduled to open around 2027

Construction of liquid hydrogen plant utilizing Chiba refinery of Cosmo Oil Co., Ltd.

- scheduling to determine business scheme and production scale within FY2025
- planning to start the operation in the latter half of the 2020s
- considering to use the manufactured hydrogen within the refinery as well as for external sales

We signed on a collaboration agreement with the Tokyo Metropolitan Government regarding the future use of the liquefied hydrogen marine carrier, Mahoroba, which was used for passenger operations at the 2025 Osaka-Kansai Expo.

During the Expo, the ship had operated as an access between Osaka City and the venue, and approximately 15,000 people boarded the ship.
We were able to have visitors experience hydrogen energy in a familiar way.

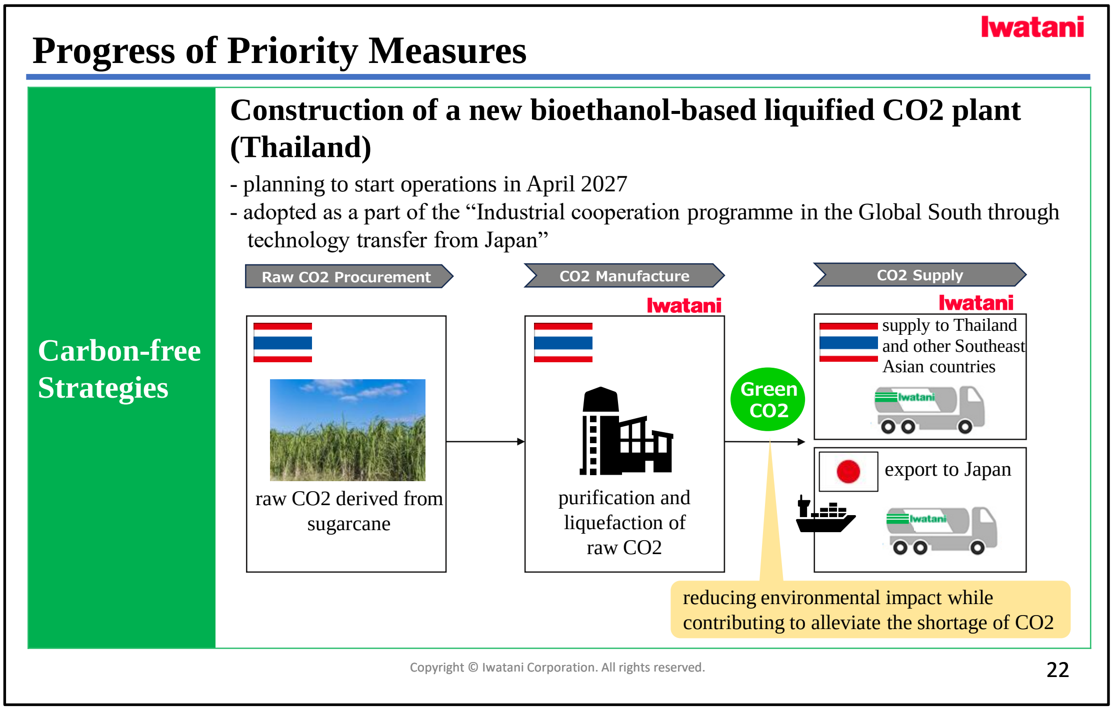
In FY2026, the Mahoroba is scheduled to begin operations at the Port of Tokyo.

Through the boarding by the wide range of general customers, we will continue to disseminate the attractiveness of hydrogen energy.

Next, regarding the construction of hydrogen stations for commercial vehicles, for which demand is increasing, Heiwajima and Ariake bus depot, which are operated as a joint venture with Cosmo Oil Marketing Co., Ltd. , are operating successfully.

In addition, as a third station, the one for FC trucks is being constructed in Shinsuna, Tokyo, which is scheduled to open in FY2027.

In addition, regarding one of the projects under consideration for collaboration with Cosmo Energy HD, which is the construction of a liquefied hydrogen production plant at the Chiba Refinery of Cosmo Oil Co., Ltd., discussions are ongoing, including studies, with the aim of starting operations in the late 2020s.



Let me explain the green CO2 production plant which is to be constructed in cooperation with a local company in Thailand.

CO2 has a chronic shortage of supply sources, and this project will produce high-purity, green CO2 by refining the feedstock gas generated in the bioethanol production process based on the use of sugarcane as a raw material.

In the scheme of "industrial cooperation program in the global south through technology transfer from Japan" of the Ministry of Economy, Trade and Industry, the project has been approved for a grant and is scheduled to begin production in April 2027.

In addition to Thailand, we will aim to supply to Southeast Asian countries and Japan.

Progress of Priority Measures

Iwatani

Overseas Strategies

Expansion of refrigerant business in Southeast Asia

- demand for refrigerant for air conditioners and automobiles is growing in Southeast Asia
- acquired a refrigerant business company in Malaysia and expanded refrigerant filling plants in Thailand and Indonesia
- started a business for recovery and regeneration of used CFCs
- sales are growing mainly among Japanese air conditioning manufacturers

CFCs plant in Malaysia

Acquisition of shares in Bangkok Sanyo Spring Co., Ltd. (Thailand)

- acquired 100% of shares of Bangkok Sanyo Spring Co., Ltd.
- manufactures metal press parts for automobiles as well as precision components for multifunction printers and digital cameras, along with resin-molded products
- entering the metal press processing business for automotive and precision parts in Thailand by leveraging the company's processing technology
- aiming to further expand the sales of metal products starting from Thailand

Bangkok Sanyo Spring factory interior

Amid growing demand for refrigerants for air conditioners and automobiles, to expand refrigerant business in Southeast Asia, we acquired a manufacturing company in Malaysia in 2023, and in the following year, we expanded filling plants in Thailand and Indonesia.

In the midst of tightening international regulations, the initiatives of handling of natural refrigerants, which have a smaller impact on global warming, and recovering and recycling used CFCs were recognized, and sales are growing, especially among Japanese air conditioning manufacturers.

We will continue to expand our business while responding to customer requests.

Iwatani