

Iwatani

**Financial Results for FY2025
(Results for the Fiscal Year Ended March 31, 2026)**

**May 22, 2026
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.

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- Response to the situation in the Middle East
- Progress of Medium-Term Management Plan: “PLAN27”

FY2025 Overview

Highlights

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

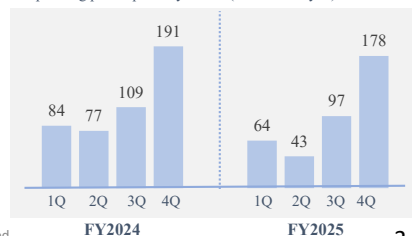
Summary of Financial Results for FY2025

- Net sales increased, driven by strong sales of products for the industrial field, mainly in the Materials business and the Industrial gases & machinery business.
- Operating profit declined due to lower profitability in helium and the negative impact of LPG import price fluctuations.
- Profit attributable to owners of parent increased partly due to a gain on the sale of fixed assets.

Due to the finalization of the provisional accounting treatment for the business combination with ISG, Inc., operating profit, ordinary profit, and profit attributable to owners of parent for FY2024 have been revised from the amounts previously announced. All data presented in this material reflect the above revision.

Net sales	908.5 billion yen	YoY +25.5 billion yen	+2.9%
Operating profit	38.3 billion yen	YoY (7.9) billion yen	(17.1)%
Ordinary profit	55.2 billion yen	YoY (6.2) billion yen	(10.2)%
Profit attributable to owners of parent	47.6 billion yen	YoY +7.2 billion yen	+17.8%

■ Operating profit quarterly trends (100 million yen)



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Net sales increased YoY.

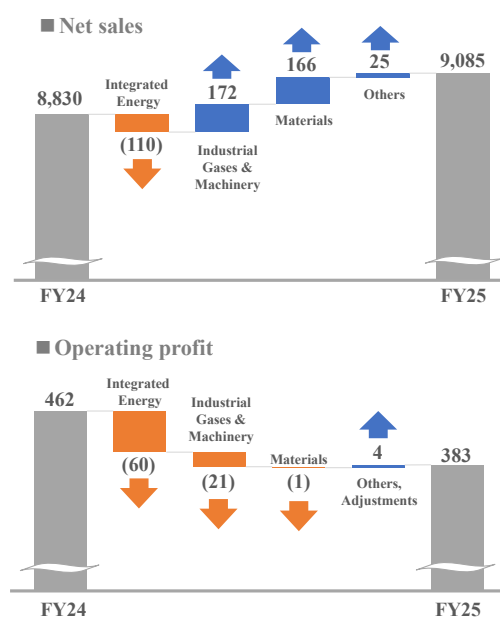
On the other hand, operating profit and ordinary profit decreased.

Profit attributable to owners of parent increased, reaching a record high since the Company's founding.

Consolidated Operating Results

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(100 million yen)

	FY25 Results (A)	FY24 Results (B)	YoY (A) - (B) (A) / (B)	FY25 Forecasts*
Net sales	9,085	8,830	+255 +2.9%	8,880
Gross profit	2,358	2,343	+15 +0.7%	-
Operating profit	383	462	(79) (17.1%)	358
Operating profit excluding impact of LPG import price fluctuation	440	460	(19) (4.3%)	417
Non-operating profit	169	152	+16 +10.8%	-
Equity gains of affiliated companies related to Cosmo Energy HD	109	91	+18 +20.2%	79
Ordinary profit	552	614	(62) (10.2%)	482
Profit attributable to owners of parent	476	404	+72 +17.8%	405



*Announced on Feb.10th 2026

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Net sales increased by JPY25.5 billion, or 2.9%, YoY to JPY908.5 billion, despite lower LPG import prices and a decline in selling prices, mainly due to strong sales of products for the industrial field in the Materials business and the Industrial Gases & Machinery business.

Gross profit increased by JPY1.5 billion, or 0.7%, YoY to JPY235.8 billion. On the other hand, although there was a significant negative impact from LPG import price fluctuations compared to the previous year, the impact of new consolidation, along with growth in sales of hydrogen and energy-related equipment, contributed to the increase.

SG&A expenses increased by JPY9.4 billion due to higher personnel expenses and depreciation. As a result, operating profit decreased by JPY7.9 billion, or 17.1%, YoY to JPY38.3 billion.

Non-operating profit improved by JPY1.6 billion YoY, mainly due to an increase of JPY1.8 billion in equity gains of affiliated companies related to Cosmo Energy HD. However, ordinary profit decreased by JPY6.2 billion, or 10.2%, YoY to JPY55.2 billion.

Profit attributable to owners of parent increased by JPY7.2 billion, or 17.8%, YoY to JPY47.6 billion, partly due to the recording of a gain on sale of fixed assets associated with the sale of the former Tokyo head office building.

As a result, net sales, gross profit, and profit attributable to owners of parent each reached record highs since the Company's founding.

Consolidated Operating Results (Segment Analysis)

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(100 million yen)

	FY25 Results (A)	FY24 Results (B)	YoY (A) - (B)	YoY (A) / (B)
Net sales	9,085	8,830	+255	+2.9%
■ Integrated Energy	3,677	3,787	(110)	(2.9)%
■ Industrial Gases & Machinery	2,887	2,714	+172	+6.4%
■ Materials	2,183	2,016	+166	+8.3%
■ Others	336	310	+25	+8.3%
Operating profit	383	462	(79)	(17.1)%
■ Integrated Energy	134	195	(60)	(30.8)%
■ Industrial Gases & Machinery	154	175	(21)	(12.3)%
■ Materials	116	117	(1)	(1.1)%
■ Others, Adjustments	(22)	(26)	+4	-
Operating profit excluding impact of LPG import price fluctuation	440	460	(19)	(4.3)%
Equity gains of affiliated companies related to Cosmo Energy HD	109	91	+18	+20.2%
Ordinary profit	552	614	(62)	(10.2)%
Profit attributable to owners of parent	476	404	+72	+17.8%

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Impact of LPG Import Price Fluctuations

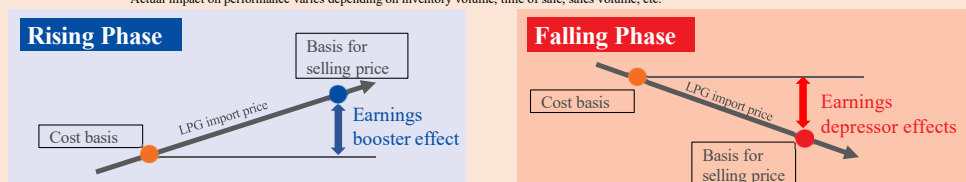
Assumption ① Wholesale price is linked to LPG import price.
[LPG from Middle East(CP), LPG from the US(MB)]

Assumption ② Term from import to sale is approx. three months.
(Legally required reserves:40 days)

Produces short-term impact on performance (due to market fluctuations)

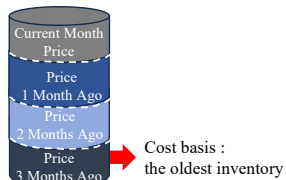
⇒If LPG import prices return to original levels, the impact will be zero.

*Actual impact on performance varies depending on inventory volume, time of sale, sales volume, etc.

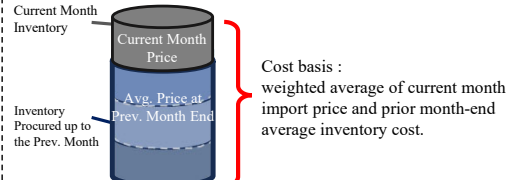


Change in inventory valuation method

First-In, First-Out method (until FY2025 2Q)



Weighted Average method (from FY2025 3Q)



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Let me briefly explain the impact of fluctuations in LPG import prices on our business performance.

The Company imports LPG from the Middle East and the U.S., and in order to appropriately pass through fluctuations in import prices, we have adopted a pricing structure under which selling prices are linked to current import prices with many of our wholesale partners.

On the other hand, it takes approximately three months from import to sale, including the legally required reserves of 40 days, and inventory consists of units procured at different price levels over multiple months. As a result, while selling prices reflect current import prices, costs reflect inventory prices, creating a time lag.

Accordingly, during periods of rising import prices, this results in a temporary positive impact on earnings, while during periods of declining prices, the opposite effect occurs.

We refer to these effects as LPG import price fluctuations, and distinguish them from profits generated through our business activities.

In addition, while we had previously used the first-in, first-out method for inventory valuation, we have changed to the weighted average method from the third quarter of FY2025.

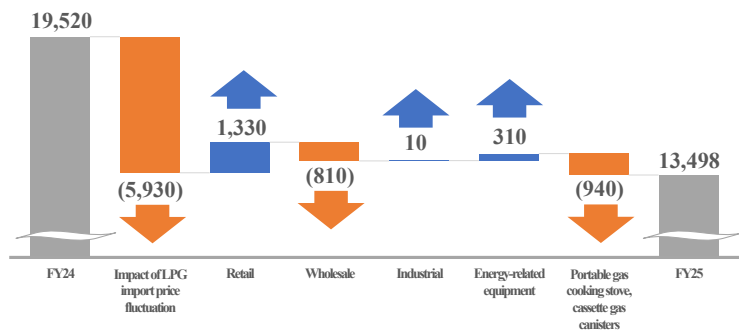
Operating Profit Analysis of Integrated Energy

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(million yen)

Results

	FY25 Results (A)	FY24 Results (B)	YoY (A) - (B)	YoY (A) / (B)	FY25 Forecasts (C)	Achievement rate (A) / (C)
Net sales	367,732	378,782	(11,050)	(2.9)%	370,000	99.4%
Operating profit	13,498	19,520	(6,021)	(30.8)%	13,000	103.8%
Operating profit excluding impact of LPG import price fluctuation	19,207	19,302	(94)	(0.5)%	18,930	101.5%

Analysis of changes in operating profit



* Announced on Feb.10th 2026

Main factors

■ Impact of LPG import price fluctuation (5,930)

(100 million yen)	1Q	2Q	1H	3Q	4Q	Full year
FY25 1Q	(11.8)	(19.4)	(31.2)	(24.4)	(1.4)	(57.1)
FY24 1Q	(0.7)	(9.8)	(10.5)	+3.6	+9.1	+2.1
Changes	(11.1)	(9.6)	(20.7)	(28.0)	(10.6)	(59.3)

■ Retail +1,330

-increase in sales volume and profitability of LPG

■ Wholesale (810)

-decrease in sales volume of LPG

■ Industrial +10

-increase in sales volume due to new customer acquisition

■ Energy-related equipment +310

-solid sales of LPG-powered emergency generators, house equipments, etc.

■ Portable gas cooking stove, cassette gas canister (940)

-decrease in sales in Japan and China

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In the Integrated Energy business, net sales decreased by JPY11.0 billion YoY to JPY367.7 billion, due to lower LPG import prices.

On the profit side, although profitability in the LPG retail segment improved, sales volume declined in the wholesale segment, and negative impact of JPY5.9 billion due to LPG import price fluctuations. The impact of the change to the weighted average method is estimated at a positive JPY0.2 billion.

Energy-related equipment remained strong. On the other hand, sales of portable gas cooking stoves and cassette gas canisters declined both in Japan and overseas.

As a result, operating profit decreased by JPY6.0 billion YoY to JPY13.4 billion.

Operating profit excluding the impact of LPG import price fluctuations was JPY19.2 billion, a decrease of JPY0.1 billion YoY.

Operating Profit Analysis of Industrial Gases & Machinery

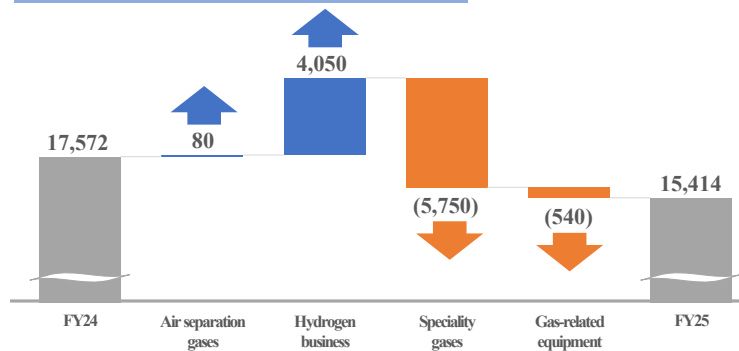
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(million yen)

Results

	FY25 Results (A)	FY24 Results (B)	YoY (A) - (B)	YoY (A) / (B)	FY25 Forecasts (C)	Achievement rate (A) / (C)
Net sales	288,730	271,449	+17,280	+6.4%	269,400	107.2%
Operating profit	15,414	17,572	(2,158)	(12.3)%	13,800	111.7%

Announced on Feb.10th 2026

Analysis of changes in operating profit



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Main factors

- Air separation gases +80**
 -solid sales of air separation gases mainly for the electronic component and optical fiber industries
- Hydrogen business +4,050**
 -increase in sales of hydrogen and hydrogen-related equipment
- Specialty gases (5,750)**
 -decline in the profitability due to weakening in helium markets
- Gas-related equipment (540)**
 -decrease in sales of equipment for the automotive industries

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In the Industrial Gases & Machinery business, sales volume of air separation gases remained strong, mainly for the electronic components and optical fiber industries.

In addition, sales of hydrogen and hydrogen-related equipment increased.

On the other hand, in specialty gases, profitability declined due to the weakening helium market.

In the gas-related equipment, shipments of equipment for the automotive industry decreased.

As a result, net sales increased by JPY17.2 billion, or 17.2%, YoY to JPY288.7 billion, while operating profit decreased by 12.3% YoY to JPY15.4 billion.

Operating Profit Analysis of Materials

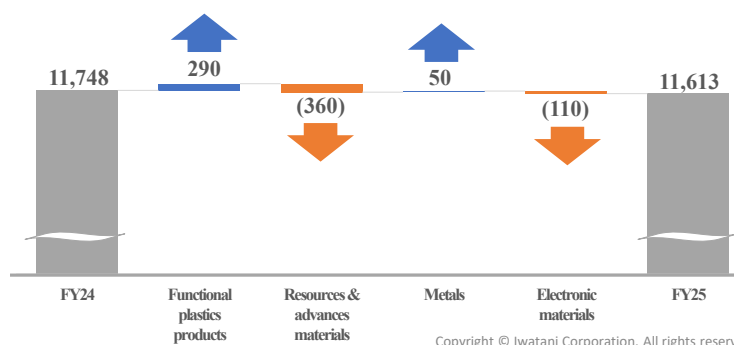
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(million yen)

Results

	FY25 Results (A)	FY24 Results (B)	YoY (A) - (B)	YoY (A) / (B)	FY25 Forecasts (C)	Achievement rate (A) / (C)
Net sales	218,377	201,685	+16,691	+8.3%	217,000	100.6%
Operating profit	11,613	11,748	(134)	(1.1)%	11,800	98.4%

*Announced on Feb.10th 2026

Analysis of changes in operating profit



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Main factors

- **Functional plastics products +290**
-solid sales of resin products for food packaging
-increase in sales volume of eco-friendly PET resins
- **Resources & advanced materials (360)**
-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 +50**
-increase in sales of stainless steel due to the impact of new consolidation
- **Electronic materials (110)**
-sluggish sales of high-performance film materials

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In the Materials business, sales increased for eco-friendly PET resins and plastic products for food packaging.

In addition, sales grew for biomass fuel, and for rare earths and other materials, sales increased as we worked to ensure a stable supply amid ongoing export restrictions in China.

On the other hand, in the mineral sands business, profitability declined at our own mining sites in Australia.

For stainless steel, sales increased due to the impact of new consolidation, and EV-related battery materials also remained solid. However, sales volume of high-performance films decreased.

As a result, net sales increased by JPY16.6 billion YoY to JPY218.3 billion, while operating profit decreased by 1.1% YoY to JPY11.6 billion.

Balance Sheets (Consolidated)

Total assets increased due to trade receivables and capital investment.
Interest-bearing debt decreased due to gains from the sale of the former Tokyo head office and other factors.

(100 million yen)

	FY25 (A)	FY24 (B)	Change (A)-(B)	Major factors for changes
Current assets	3,179	3,284	(105)	decrease in trade receivables
Property, plant and equipment	2,477	2,402	+75	
Intangible assets	355	486	(130)	
Investments and other assets	2,984	2,557	+427	increase in investment securities
Fixed assets	5,818	5,445	+372	
Total assets	8,997	8,730	+267	
Current liabilities	2,111	2,549	(438)	decrease in commercial paper
Non-Current liabilities	2,396	2,208	+187	
Total liabilities	4,507	4,758	(250)	interest-bearing debt 247.3 billion yen ((17.0) billion yen) ratio of interest-bearing debt to total assets 27.5%
Equity capital	4,370	3,860	+510	capital ratio 48.6%
Non-controlling interests	118	111	+7	
Net Assets	4,489	3,972	+517	
Total liabilities and net assets	8,997	8,730	+267	

*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.
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Next, let me explain the main financial positions.

Total assets as of the end of March increased by JPY26.7 billion from the end of the previous fiscal year to JPY899.7 billion.

Equity capital increased by JPY51.0 billion to JPY437.0 billion, and the capital ratio improved by 4.4 percentage points to 48.6%.

Interest-bearing debt decreased by JPY17.0 billion to JPY247.3 billion, partly due to proceeds from the sale of the former Tokyo head office building. As a result, the ratio of interest-bearing debt to total assets improved by 2.8 percentage points to 27.5%.

FY2026 Forecasts

Forecasts for the Year Ending March 31, 2027

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(100 million yen)

	FY26 Forecasts	FY25 Results*	Change	Rate
Net sales	9,600	9,085	+514	+5.7%
■ Integrated Energy	4,047	3,964	+82	+2.1%
■ Industrial Gases & Machinery	2,927	2,887	+39	+1.4%
■ Materials	2,573	2,183	+389	+17.8%
■ Others	53	49	+3	+7.4%
Operating profit	488	383	+104	+27.4%
■ Integrated Energy	231	150	+80	+53.2%
■ Industrial Gases & Machinery	185	154	+30	+20.0%
■ Materials	130	116	+13	+11.9%
■ Others, Adjustments	(58)	(37)	(20)	-
Operating profit excluding impact of LPG import price fluctuation	488	440	+47	+10.8%
Equity earnings of affiliated companies related to Cosmo Energy HD	88	109	(21)	(19.6)%
Ordinary profit	590	552	+37	+6.8%
Profit attributable to owners of parent	455	476	(21)	(4.5)%

Estimated exchange rate

Exchange rate **150 JPY/\$**

LPG import price **550 \$/t**

(FY25 results)

Exchange rate **151.14 JPY/\$**

LPG import price **549 \$/t**

Dividend forecast

Fiscal Year Ending Mar. 31, 2027

-interim dividend : 23.5 JPY (forecast)

-year-end dividend: 23.5 JPY (forecast)

-annual dividend : 47.0 JPY (forecast)

*Due to the reclassification of two consolidated subsidiaries from "Others" to the Integrated Energy business starting from FY2026, the results for FY2025 have been restated.

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For the next fiscal year, we forecast net sales of JPY960.0 billion, up 5.7% YoY; operating profit of JPY48.8 billion, up 27.4%; ordinary profit of JPY59.0 billion, up 6.8%; and profit attributable to owners of parent of JPY45.5 billion, down 4.5%.

In the fiscal year ended March 2026, LPG import price fluctuations had a negative impact of JPY5.7 billion. However, no such impact is assumed in the forecast for the next fiscal year.

On a comparable basis excluding the impact of LPG import price fluctuations, operating profit is expected to increase by 10.8% YoY.

Ordinary profit includes equity gains of affiliated companies related to Cosmo Energy HD of JPY8.8 billion, which represents a negative impact of JPY2.1 billion compared to the previous year.

The assumed exchange rate for the forecast is JPY 150 to the USD, and the assumed LPG import price (CP) is USD550 per ton.

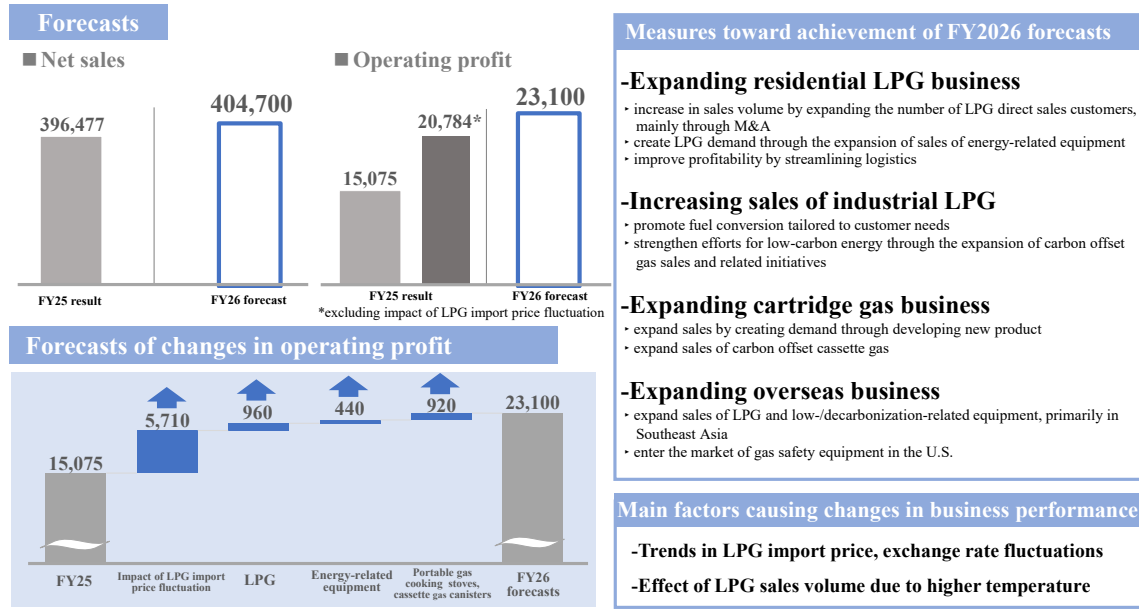
In addition, with respect to segment forecasts, we have made partial changes to segment classifications.

Two consolidated subsidiaries previously included in the "Others" segment have been reclassified into the Integrated Energy business from the fiscal year ending March 2027.

Accordingly, figures for the fiscal year ended March 2026 have also been restated.

FY2026 Forecasts of Integrated Energy

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(million yen)



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In the Integrated Energy business, we forecast net sales of JPY404.7 billion, up 2.1% YoY, and operating profit of JPY23.1 billion, up 53.2%. Excluding the impact of LPG import price fluctuations, operating profit is expected to increase by 11.1% YoY.

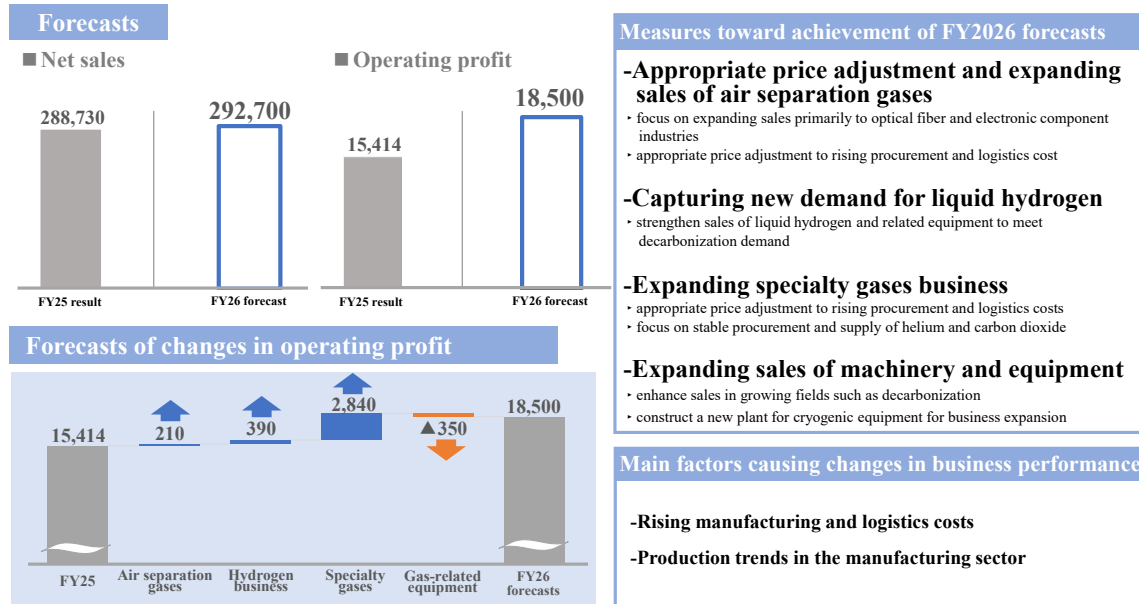
In the LPG business, we will work to expand the number of direct sales customers, mainly through M&A, as well as create demand through the expansion of sales of energy-related equipment.

In the industrial sector, against the backdrop of geopolitical tensions in the Middle East and concerns over shortages in crude oil and heavy oil supply, fuel conversion demands to LPG and LNG are increasing. We will continue to promote fuel conversion in line with customer needs, while also advancing initiatives for low-carbon energy through the expansion of carbon offset gas.

In the cartridge gas business, we will expand sales by creating demand through new product development both in Japan and overseas. We will also work to expand sales of carbon offset cassette gas launched last March.

In the overseas business, we will strengthen sales of LPG for industrial use in Southeast Asia, and in the United States, we will work to enter the market for gas safety equipment.

FY2026 Forecasts of Industrial Gases & Machinery



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In the Industrial Gases & Machinery business, we forecast net sales of JPY292.7 billion, up 1.4% YoY, and operating profit of JPY18.5 billion, up 20.0%.

For air separation gases, we will expand sales mainly in the optical fiber and electronic components industries, while ensuring appropriate price adjustments to address rising procurement and logistics costs.

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

For specialty gases, we will work to ensure stable procurement of helium and CO₂, while continuing to implement appropriate price adjustments in response to rising procurement and logistics costs.

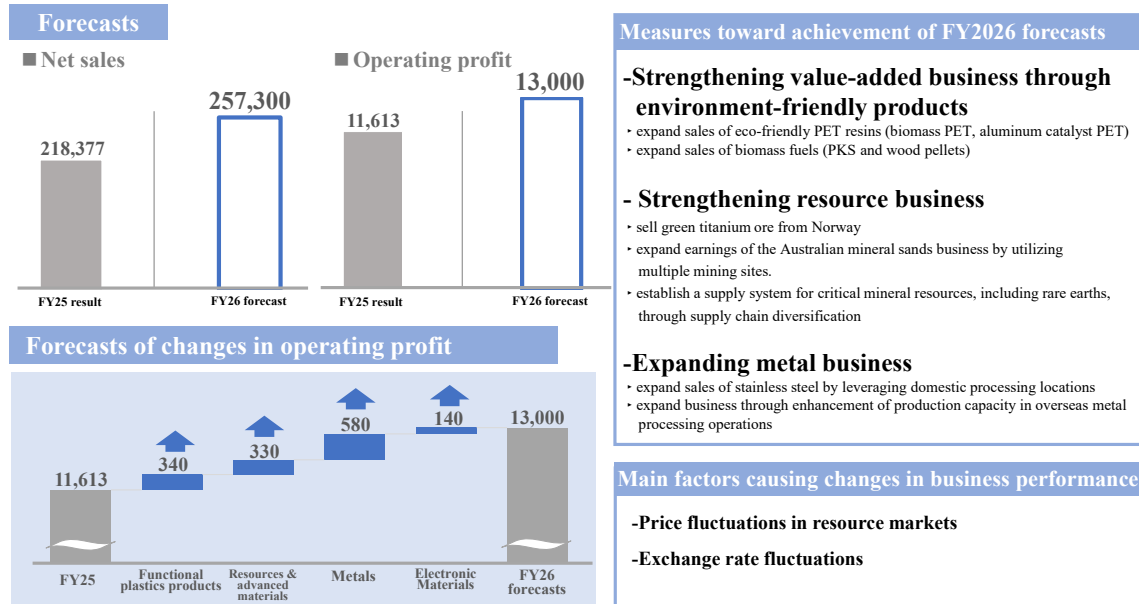
For gas-related equipment, we will promote sales expansion in growth fields, particularly for decarbonization-related products such as ammonia equipment.

In addition, we are proceeding with the construction of a new plant for cryogenic equipment related to hydrogen and LNG, with operations scheduled to begin in October.

Although the relocation will have a temporary negative impact on earnings, it is expected to support future business expansion.

FY2026 Forecasts of Materials

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(million yen)



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In the Materials business, we forecast net sales of JPY257.3 billion, up 17.8% YoY, and operating profit of JPY13.0 billion, up 11.9%.

We will strengthen our added-value business through the expansion of environmentally friendly products, including eco-friendly PET resins and biomass fuel.

In the resources field, we plan to commence sales of green titanium ore from Norway this fiscal year, and will work to expand earnings in the mineral sands business in Australia by leveraging multiple mining sites.

We will also promote the establishment of a supply framework for critical mineral resources, including rare earths, through the diversification of our supply chain.

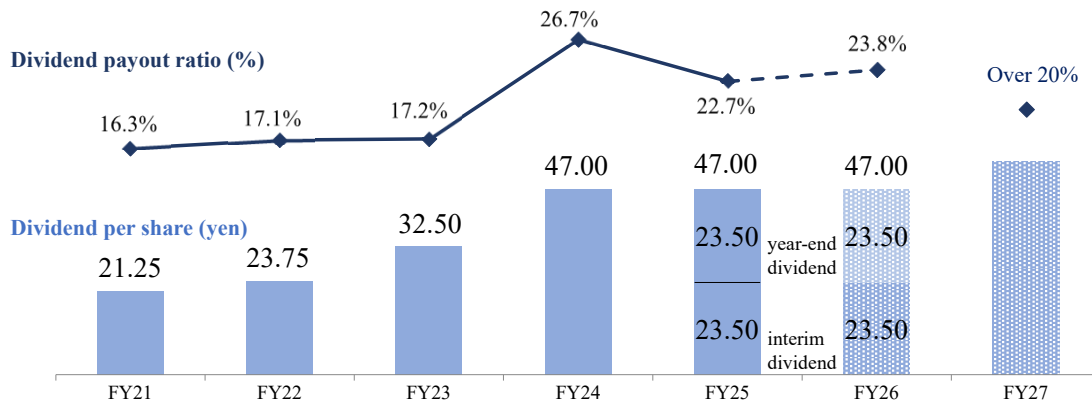
In the metals field, we will expand sales of stainless steel by leveraging domestic processing facilities, and pursue business expansion by enhancing production capacity in our overseas metal processing business.

Returns to Shareholder

【Return policy to shareholders】

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, 2027 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.

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I would like to explain shareholder returns.

For the fiscal year ended March 2026, we have paid an interim dividend of 23.5 yen per share, and plan to pay a year-end dividend of 23.5 yen, for an annual dividend of 47.0 yen.

As a result, the dividend payout ratio is expected to be 22.7%.

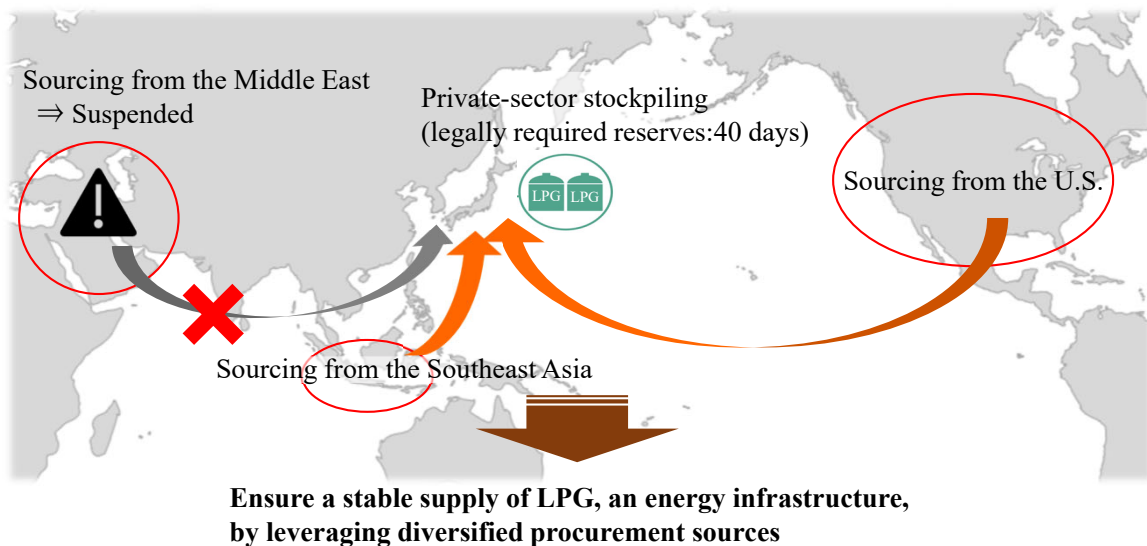
For the next fiscal year, we plan to maintain the same level of dividends for both interim and year-end, resulting in an annual dividend of 47.0 yen.

The dividend payout ratio is expected to be 23.8%.

Topics

Response to the situation in the Middle East (LPG)

Procurement from multiple sources, primarily in the Middle East and the United States



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Since the U.S. began its attacks on Iran at the end of February this year, tensions in the Middle East have remained high, and the Strait of Hormuz continues to be effectively blockaded.

The Company procures LPG, helium, and other products from the Middle East, and this section explains the current situation and our response. For LPG, while our procurement contracts are mainly with suppliers in the Middle East, we have entered into import agreements with multiple distributors in order to efficiently operate our own procurement volumes and chartered vessels.

As procurement diversification among distributors has progressed, the majority of LPG imported into Japan is currently sourced from North America. As a result, we have been able to maintain a stable supply despite the suspension of procurement from the Middle East. In addition, as an LPG importer, we are required to maintain a private stockpile of 40 days' worth of LPG. Through industry associations, we are requesting the government to allow flexible measures, including the use of these reserves in emergency situations.

Through these measures, we have secured a stable supply system for LPG, which is a key energy infrastructure.

Response to the situation in the Middle East (Helium)

Procurement from Qatar and the United States



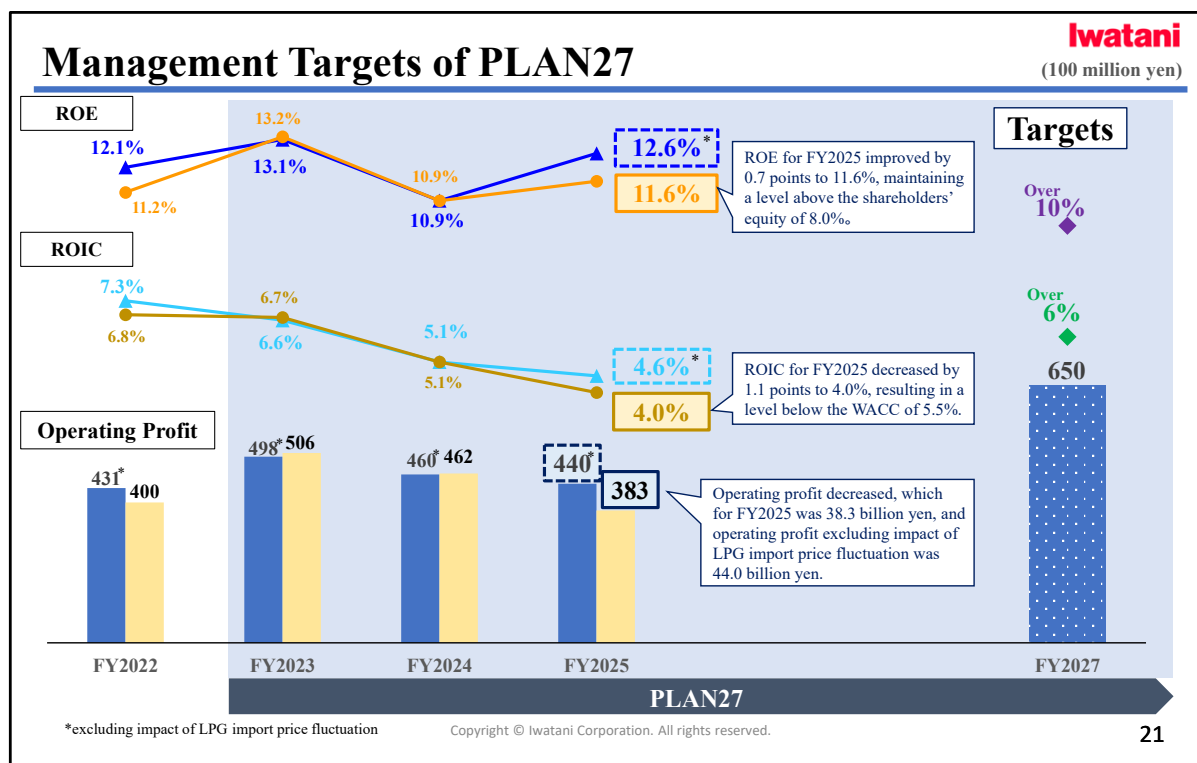
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For helium, we have traditionally supplied to both domestic and overseas markets from two procurement sources: Qatar and North America.

Due to the blockade of the Strait of Hormuz, procurement from Qatar has been suspended, and we are currently sourcing only from the United States.

Amid reduced procurement volumes, we are prioritizing stable supply for customers with long-term sales contracts both in Japan and overseas. In addition, if supply-demand conditions become tighter going forward, we will utilize our storage capabilities in Japan and overseas to maintain a stable supply.

If the blockade is prolonged, concerns may arise not only for LPG and helium but also for shortages of raw materials required for production. We will continue to closely monitor developments and work to ensure a stable supply



With respect to management targets, we have set a target of JPY65.0 billion in operating profit for the fiscal year ending March 2028.

For the current fiscal year, operating profit was JPY44.0 billion excluding the impact of LPG import price fluctuations, representing a decrease from the previous year.

For the next fiscal year, we expect operating profit to increase to JPY48.8 billion.

For ROE, against our target of 10% or higher for the fiscal year ending March 2028, ROE for the current fiscal year was 11.6%, or 12.6% excluding the impact of LPG import price fluctuations, exceeding both our target and cost of capital, and improving from the previous year.

On the other hand, for ROIC, against our target of 6% or higher, ROIC for the current fiscal year was 4.0%, or 4.6% excluding the impact of LPG import price fluctuations, representing a decline from the previous year and falling short of both our target and cost of capital.

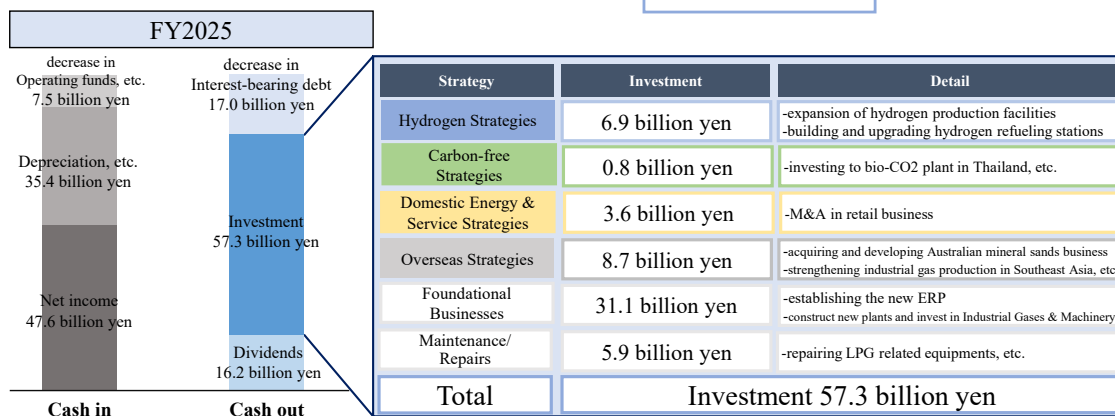
To improve ROIC, we will steadily execute the initiatives set out for the fiscal year ending March 2027, achieve our operating profit targets, and enhance capital efficiency through measures such as reducing strategic shareholdings and optimizing assets.

Capital Policies of PLAN27

	FY2022	PLAN27			
		FY2023	FY2024	FY2025	FY2027
net DER	0.35	0.61	0.61	0.50	Approx. 0.6
Interest-bearing debt	139.4 billion yen	254.5 billion yen	264.4 billion yen	247.3 billion yen	Approx. 290.0 billion yen
Investment amount	70.0 billion yen	172.8 billion yen*1	68.7 billion yen	57.3 billion yen	5 years total 470.0 billion yen

*1 includes the acquisition of Cosmo Energy Holdings shares

3 years total 298.9 billion yen



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Next is about our capital policies.

Total investment was JPY57.3 billion.

We invested mainly in overseas projects, including the acquisition of Coburn Resources, an Australian mineral sands company, and the development of existing mining sites, as well as in our core businesses and in hydrogen-related facilities, such as production equipment and hydrogen refueling stations.

In addition, the introduction of interim dividends from the fiscal year ended March 2026 increased total dividends paid. However, cash inflows, including profit attributable to owners of parent and depreciation, exceeded these outflows, resulting in a reduction of interest-bearing debt by JPY17.0 billion and an improvement in net DER to 0.5x.

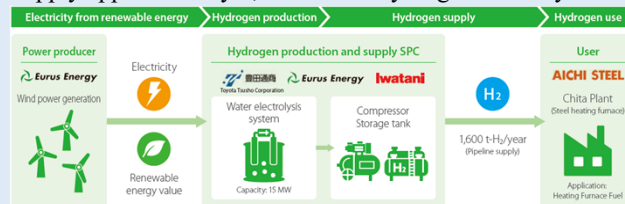
Going forward, we will prioritize investments to achieve sustainable growth, while maintaining stable operating cash flow and utilizing interest-bearing debt.

Progress of Priority Measures

Hydrogen Strategies

Obtained certification for the support focusing on the price gap under the Hydrogen Society Promotion Act

- planning to supply hydrogen produced by a water electrolysis system installed within the premises of Aichi Steel Corporation, utilizing electricity derived from renewable energy
- aiming to produce and supply approximately 1,600 tons of hydrogen annually



Demonstration test of a hydrogen fuel cell-powered hydraulic excavator

- conducted a demonstration at a construction site of Japan's first medium-sized hydraulic excavator powered by a hydrogen fuel cell

⇒ contribute to expanding the use of hydrogen in construction sites



MAKE BEYOND POSSIBLE
大林組

Iwatani KOMATSU

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Next is about the progress of our Priority Measures.

First, with regard to our hydrogen strategies, our onsite low-carbon hydrogen production and supply project, which has been selected for the support focusing on the price gap under the Hydrogen Society Promotion Act, is being jointly pursued with Toyota Tsusho and Eurus Energy Holdings.

We are preparing to establish a joint venture among the three companies in March 2027, with the aim of commencing operations in 2030 and achieving annual production of approximately 1,600 tons of hydrogen.

Next, with respect to a mid-sized hydraulic excavator equipped with a fuel cell, we conducted Japan's first demonstration test at a construction site in collaboration with OBAYASHI and Komatsu.

We provided technical support for hydrogen supply and refueling, and worked to verify practical applicability at construction sites, as well as to identify areas for improvement in hydrogen supply and refueling methods. Going forward, we will continue preparations for commercialization, including the development of a mobile hydrogen refueling system capable of large-capacity and high-speed refueling.

Progress of Priority Measures

Hydrogen Strategies

Promoted hydrogen refueling stations for commercial vehicles in Japan



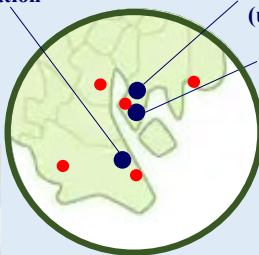
Operating two hydrogen refueling stations for commercial vehicles in Tokyo and concurrently constructing an additional station in Tokyo

- stations at Heiwajima and at the Ariake bus depot in Tokyo are operating successfully
- the station for heavy-duty trucks currently under construction in Shinsuna is scheduled to open around 2027

Hydrogen refueling stations in the Tokyo Bay area

Iwatani Cosmo Hydrogen Refueling Station Heiwajima

- Start of operation: 2024
- Supply capacity: 60 kg/h
- Capable of fast refueling for FC heavy-duty trucks



● Hydrogen refueling stations of Iwatani

Iwatani Cosmo Hydrogen Refueling Station Shinsuna (under construction)

- Start of operation: 2025
- Supply capacity: 120 kg/h
- First station to use Japan-made liquid hydrogen pump, simultaneous refueling of two vehicles



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For hydrogen refueling stations for commercial vehicles operated through a joint venture with Cosmo Oil Marketing, the two stations that are already in operation have been performing steadily, with sales volume increasing.

The third station is currently under construction in Shinsuna, Tokyo, for fuel cell trucks, and is scheduled to begin operations in the fiscal year ending March 2028.

Going forward, based on the “Hydrogen Aorta” project proposed by the Japan Hydrogen Association, which aims to develop a network of hydrogen refueling stations for commercial vehicles along major routes from Fukushima to Fukuoka, we will collaborate with the Japan Automobile Manufacturers Association.

While closely monitoring the adoption of fuel cell trucks, we will select candidate locations for future station development.

Progress of Priority Measures

Iwatani

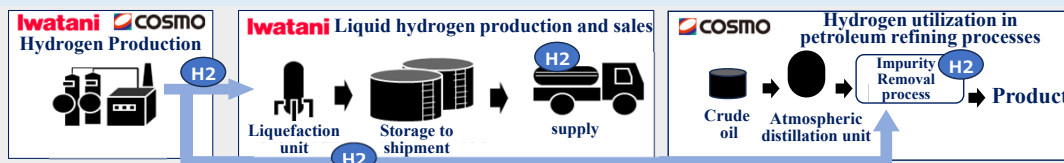
Hydrogen Strategies

Construction of liquid hydrogen plant at the Chiba Refinery of Cosmo Oil Co., Ltd.

Iwatani × COSMO

Under discussion toward making an investment decision within the current fiscal year

- Location: the Chiba Refinery of Cosmo Oil Co., Ltd.
- Start of operation: FY2029 (planned)



Enhancing hydrogen engineering capabilities (Cosmo Iwatani Hydrogen Engineering LLC)

(Case Studies)

- 1.Liquid hydrogen plant at the Chiba Refinery of Cosmo Oil Co., Ltd.
- 2.On-site low-carbon hydrogen production and supply project at Aichi Steel Corporation, certified under the price gap support scheme

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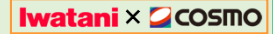
With regard to the construction of a liquid hydrogen production plant at Cosmo Oil's Chiba refinery to expand liquid hydrogen supply capacity, both companies are currently studying the business scheme and production scale, with the aim of commencing operations in the fiscal year ending March 2030.

In addition, Cosmo Iwatani Hydrogen Engineering is involved in hydrogen supply chain projects in which we participates.

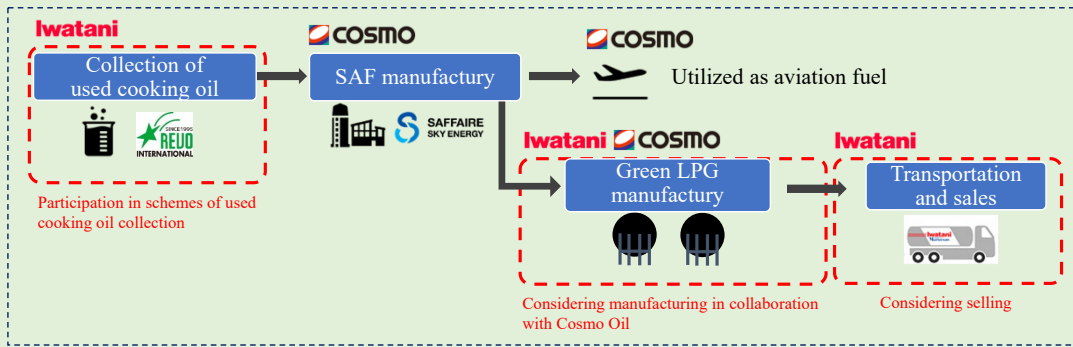
Through our involvement in projects such as the construction of the hydrogen plant at Cosmo Oil's Chiba refinery and initiatives under the price gap support scheme, we will strengthen our engineering capabilities by undertaking equipment design and construction.

Carbon-Free Strategies

Green LPG business derived from SAF (sustainable aviation fuel)



-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 manufacture



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Now, let me explain our green LPG business derived from SAF.

We are participating in a domestic SAF production project led by Cosmo Energy HD, which uses waste cooking oil as a feedstock.

We are supporting the procurement of waste cooking oil by leveraging our Group’s extensive customer network.

In addition, we are advancing studies on the production of green LPG generated in the SAF manufacturing process.

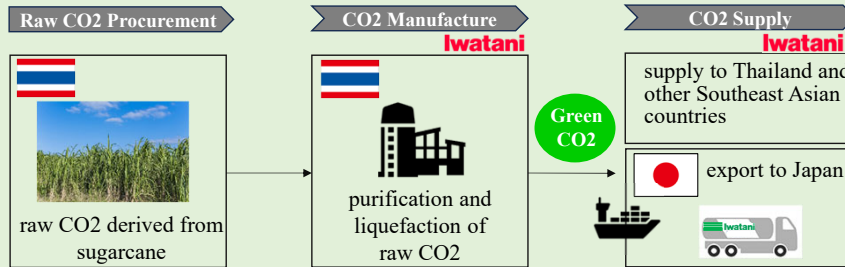
Through the sale of this green LPG, we will contribute to the decarbonization of energy.

Progress of Priority Measures

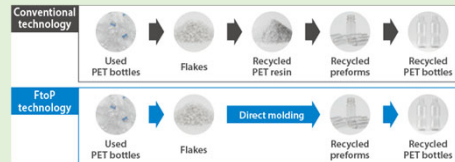
Carbon-Free Strategies

Projects adopted as part of the “Industrial cooperation programme in the Global South through technology transfer from Japan”

- construction of a new bioethanol-based liquified CO2 plant (planning to start operations in April 2027)



- considering a business for supplying recycled PET bottles made from used PET bottles with one of the world’s largest PET resin manufacturers



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Under the Ministry of Economy, Trade and Industry’s “Industrial cooperation programme in the Global South through technology transfer from Japan,” two of our projects have been selected for government subsidies.

The first project involves the production of “green CO2” in collaboration with a local partner in Thailand.

We are currently constructing a plant to capture and purify CO2 generated in the process of producing bioethanol from sugarcane. Operations are scheduled to begin in April 2027, and we aim to provide a stable supply not only within Thailand but also across Southeast Asia and Japan.

The second project focuses on our recycling PET business.

We are advancing discussions in collaboration with Indorama Ventures, a leading global PET resin manufacturer based in Thailand.

Through this initiative, we aim to promote the use of environmentally friendly recycled PET and contribute to the realization of a circular economy.

Progress of Priority Measures

Carbon-Free Strategies

Manufacturing of "Hydrocut" utilizing low-carbon hydrogen produced at the Fukushima Hydrogen Energy Research Field

- "Hydrocut" is a mixed gas of hydrogen and ethylene gas
- supplied "Hydrocut", which used hydrogen derived from renewable energy, for the dismantling of welded tanks within the Fukushima Daiichi Nuclear Power Plant
- ⇒ promote the use of hydrogen through local production and local consumption
- ⇒ contribute to decarbonization of the manufacturing process

* advantages of "Hydrocut"

(compared with acetylene and LPG)

- reducing CO2 emissions by 84%
- improving the work environment and efficiency
- enhancing quality



"Hydrocut"



Fukushima Hydrogen Energy Research Field

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Next is about "Hydrocut," an environmentally friendly cutting gas.

Compared with conventional gases such as acetylene, which have been used for on-site dismantling work, "Hydrocut" is a mixed gas of hydrogen and ethylene.

It contributes not only to reducing environmental impact but also to improving work efficiency.

Recently, we supplied "Hydrocut" made from hydrogen derived from renewable energy produced at the Fukushima Hydrogen Energy Research Field for the dismantling of welded tanks at the Fukushima Daiichi Nuclear Power Plant.

Through this initiative, we will promote the local production and consumption of hydrogen and contribute to the decarbonization of manufacturing sites.

Progress of Priority Measures

Domestic Energy & Service Strategies

Steady increase in the number of LPG direct sales customers

FY2022 : 1,100,000
 FY2023 : 1,110,000 (+10 thousand)
 FY2024 : 1,200,000 (+90 thousand)
 FY2025 : 1,210,000 (+10 thousand)

⇒ increased by 110 thousand households
 over the past 3 years



Reduction of business cost through promoting logistics efficiency

- consolidated and renovated delivery and filling centers
- added filling capabilities to import base



Negishi Liquefied Gas Terminal

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In our domestic energy & services strategies, the number of direct sale customers increased by 10,000 households from the end of the previous fiscal year end to 1.21 million households.

Over the past three years, the total increase has reached 110,000 households, and we will continue our efforts toward achieving the PLAN27 target of 1.3 million households.

To reduce business costs, we are consolidating and upgrading our delivery and filling facilities.

Through these integrations, we are enhancing the capacity of our filling plants to improve scalability, while also upgrading them to be more resilient to disasters.

In addition, by adding cylinder filling functions to our own import terminals, we are improving efficiency by enabling direct filling and distribution of cylinders from these terminals.

Progress of Priority Measures

Overseas Strategies

Acquisition of an Australian mineral sands company

- secured new mining sites through the acquisition of Coburn Resources Pty Ltd
- supply capacity will be expanded to more than double



Mining sites of
Coburn Resources Pty Ltd



Securing offtake rights to high-purity titanium ore

- invested in Nordic Mining ASA (Norway)
- using renewable energy to produce titanium ore, having less environmental impact
- completed the factory in Dec. 2024, and conducted a test run in 2025
sales in the Japanese market are scheduled to start in FY2026



Nordic Mining ASA

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In our overseas strategies, we acquired Coburn Resources, an Australian mineral sands company, and have expanded our supply capacity to more than double previous levels.

Coburn Resources' mining sites have long operational lives of over 10 years, and by leveraging the mining operation expertise we have cultivated over many years, we will strengthen our stable supply system and expand our business foundation.

In addition, we have made progress in preparations for the production and shipment of high-purity titanium ore by Nordic Mining ASA, in which we have invested.

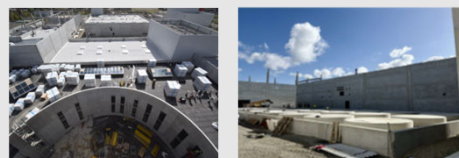
Norway has a high share of renewable energy in its power generation, and its titanium ore is highly regarded in the market as a green product. The plant has already been completed and is in the final stage before production, with shipments to the Japanese market scheduled to begin in Dec. 2026.

Progress of Priority Measures

Overseas Strategies

Developing new procurement resources of rare earths

- building the rare earths refining plant of Caremag SAS, in which we have invested in France, planning to begin production in 2027
- producing specific minerals, considered to be the important resources among rare earths, and selling them in the Japanese market



Rare earths refining plant of Caremag SAS
(under construction)

Enhancing overseas metal processing business

- 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
- expanding business scale and strengthening profitability through processing technologies of Bangkok Sanyo Spring Co., Ltd. and sales network of our group companies



Bangkok Sanyo Spring Co., Ltd.
Factory interior

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In addition, through Japan France Rare Earths, which we established jointly with JOGMEC, we have invested in Caremag, a rare earths refining company in France.

Construction of Caremag's refining plant in southwestern France is progressing steadily, with commercial production scheduled to begin in January 2027.

By strengthening our procurement capabilities for strategically important rare earth elements and expanding sales in the Japanese market, we aim to drive business growth.

In Thailand, to strengthen our metal processing business, we acquired all shares of Bangkok Sanyo Spring, which is engaged in metal press processing for automotive and precision components, as well as resin molding.

The company has strong capabilities in precision press processing, and by leveraging our Group's sales network, we aim to expand business scale and enhance profitability.

Progress of Priority Measures

Non-financial Strategies

Achieved the target for percentage of childcare leave taken by male employees earlier than planned

- set three goals in the Human Resource Strategy
- reached the target of the percentage of childcare leave taken by male employees ahead of schedule in FY2025

	FY2022	FY2023	FY2024	FY2025	PLAN27 (Targets)
Ratio of female managers	6.0%	6.9%	7.8%	7.7%	10% or more
Annual training costs per employee	86 thousand yen	118 thousand yen	138 thousand yen	148 thousand yen	150 thousand yen
Percentage of childcare leave taken by male employees	30.6%	55.9%	73.5%	100%	100%

I will explain our non-financial strategies.

The ratio of female managers was 7.7%, a slight decrease of 0.1% from the previous year.

On the other hand, annual training costs per employee continued to increase, and the percentage of childcare taken by male employees reached 100%, achieving our target.

We will continue to strive to build an organization where each employee can further develop and fully demonstrate their capabilities.

For Reference: Consolidated Statements of Cash Flows

Operating cash flow provided 59.1 billion yen. Investing cash flow was an outflow of 23.7 billion yen due to expansion of LPG centers and industrial gas production plants in Japan and overseas, etc. As a result, free cash flow was an inflow of 35.3 billion yen.

(100 million yen)

	FY2025 (A)	FY2024 (B)	YoY (A)-(B)
Cash flows from operating activities	591	524	+67
Cash flows from investing activities	(237)	(584)	+346
Free cash flows	353	(59)	+413
Cash flows from financing activities	(370)	(20)	(350)
Effect of exchange rate changes, etc.*1	17	19	(1)
Net increase (decrease) in cash and cash equivalents*2	0	(60)	+60
Cash and cash equivalents at beginning of period	275	336	(60)
Cash and cash equivalents at end of period	276	275	+0

*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", "Increase in cash and cash equivalents resulting from merger with nonconsolidated subsidiaries", and "Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation".

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

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For Reference: PLAN27 Progress by Business Segments

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		PLAN27					
(Unit: 100 million yen)		FY2022	FY2023	FY2024	FY2025	FY2026 Forecast*	FY2027 Forecast
Integrated Energy	Net Sales	3,932	3,571	3,787	3,677	4,047	4,840
	Operating Profit	143	201	195	134	231	255
Industrial Gases & Machinery	Net Sales	2,404	2,621	2,714	2,887	2,927	3,400
	Operating Profit	165	217	175	154	185	255
Materials	Net Sales	2,424	1,982	2,016	2,183	2,573	3,060
	Operating Profit	126	123	117	116	130	175
Others	Net Sales	302	303	310	336	53	400
	Operating Profit	(34)	(35)	(26)	(22)	(58)	(35)
Total	Net Sales	9,062	8,478	8,830	9,085	9,600	11,700
	Operating Profit	400	506	462	383	488	650

*Starting from FY2026, we have changed the classification of two of our consolidated subsidiaries from "Others" to "Integrated Energy".

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