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## Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]

May 13, 2022

Company name: IWATANI CORPORATION

Stock exchange listing: Tokyo

Code number: 8088

URL: <https://www.iwatani.co.jp/>

Representative: Hiroshi Majima

Contact: Tetsuo Matsuo

Phone: 06-7637-3325

President

General Manager Accounting Dept.

Scheduled date of Annual General Meeting of Shareholders: June 22, 2022

Scheduled date of commencing dividend payments: June 23, 2022

Scheduled date of filing annual securities report: June 23, 2022

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	690,392	22.8	40,076	36.5	46,413	35.9	29,964	30.1
March 31, 2021	562,223	-	29,352	-	34,152	-	23,030	-

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥ 31,491 million [ (11.2)%]  
Fiscal year ended March 31, 2021: ¥ 35,450 million [ -%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended March 31, 2022	Yen 520.98	Yen -	% 11.7	% 8.7	% 5.8
March 31, 2021	428.36	-	10.8	7.0	5.2

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2022: ¥ 720 million  
Fiscal year ended March 31, 2021: ¥ 463 million

(Note) Due to the adoption of the Accounting Standard for Revenue Recognition from the beginning of the fiscal year ending March 2022, new accounting policy is retroactively applied in accordance with the basic treatment. The change rate from fiscal year ending March 2020 to the previous year is not listed due to the retroactive revision with the change of the accounting policy.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of March 31, 2022	Million yen 558,479	Million yen 280,307	% 48.4	Yen 4,696.56
March 31, 2021	512,015	253,586	47.7	4,245.33

(Reference) Equity: As of March 31, 2022: ¥ 270,128 million  
As of March 31, 2021: ¥ 244,160 million

(Note) Due to the adoption of the Accounting Standard for Revenue Recognition from the beginning of the fiscal year ending March 2022, new accounting policy is retroactively applied in accordance with the basic treatment.

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended March 31, 2022	Million yen 13,075	Million yen (31,939)	Million yen 8,038	Million yen 29,574
March 31, 2021	48,779	(28,831)	(7,052)	38,445

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2021	-	-	-	75.00	75.00	4,317	17.5	1.9
March 31, 2022	-	-	-	85.00	85.00	4,893	16.3	1.9
Fiscal year ending March 31, 2023 (Forecast)	-	-	-	85.00	85.00		18.4	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2022 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	803,000	16.3	35,000	(12.7)	41,000	(11.7)	26,500	(11.6)	460.74

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:	)
Exclusion:	-	(Company name:	)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2022:	58,561,649 shares
March 31, 2021:	58,561,649 shares

2) Total number of treasury shares at the end of the period:

March 31, 2022:	1,045,396 shares
March 31, 2021:	1,048,943 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2022:	57,516,915 shares
Fiscal Year ended March 31, 2021:	53,764,179 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	463,492	28.2	20,361	71.1	32,945	53.0	25,207	42.8
March 31, 2021	361,548	-	11,899	-	21,529	-	17,647	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	437.86	-
March 31, 2021	327.93	-

(Note) Due to the adoption of the Accounting Standard for Revenue Recognition from the beginning of the fiscal year ending March 2022, new accounting policy is retroactively applied in accordance with the basic treatment. The change rate from fiscal year ending March 2020 to the previous year is not listed due to the retroactive revision with the change of the accounting policy.

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2022	386,759	191,701	49.6	3,329.81
March 31, 2021	363,715	173,340	47.7	3,011.21

(Reference) Equity: As of March 31, 2022: ¥ 191,701 million  
As of March 31, 2021: ¥ 173,340 million

(Note) Due to the adoption of the Accounting Standard for Revenue Recognition from the beginning of the fiscal year ending March 2022, new accounting policy is retroactively applied in accordance with the basic treatment.

\*1. This document is unaudited by certified public accountants or audit firms.

\*2. Earnings forecasts in this release are based on currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts.

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Assets</b>		
Current assets		
Cash and deposits	38,782	29,975
Notes and accounts receivable - trade	113,374	131,094
Electronically recorded monetary claims - operating	15,680	20,781
Merchandise and finished goods	30,565	45,734
Work in process	3,239	4,022
Raw materials and supplies	4,784	6,381
Other	15,828	21,631
Allowance for doubtful accounts	(145)	(151)
Total current assets	222,110	259,471
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	40,356	41,655
Storage tanks and cylinders, net	6,724	7,019
Machinery, equipment and vehicles, net	40,162	40,133
Tools, furniture and fixtures, net	16,503	17,860
Land	66,869	68,115
Leased assets, net	2,753	2,267
Construction in progress	4,653	8,695
Total property, plant and equipment	178,023	185,747
Intangible assets		
Goodwill	13,791	12,229
Other	3,704	3,949
Total intangible assets	17,495	16,179
Investments and other assets		
Investment securities	78,913	79,791
Long-term loans receivable	116	632
Retirement benefit asset	2,051	2,197
Deferred tax assets	3,487	3,241
Other	10,409	11,779
Allowance for doubtful accounts	(591)	(559)
Total investments and other assets	94,385	97,081
Total non-current assets	289,905	299,008
<b>Total assets</b>	<b>512,015</b>	<b>558,479</b>

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	65,541	66,480
Electronically recorded obligations - operating	27,992	30,777
Short-term borrowings	24,208	32,343
Current portion of long-term borrowings	9,760	11,222
Lease liabilities	663	722
Income taxes payable	8,168	8,518
Provision for bonuses	5,268	5,389
Provision for product compensation	482	-
Other	28,895	30,845
Total current liabilities	170,981	186,300
Non-current liabilities		
Bonds payable	-	10,000
Long-term borrowings	59,447	55,093
Lease liabilities	2,081	1,595
Deferred tax liabilities	11,665	10,830
Provision for retirement benefits for directors (and other officers)	1,373	1,518
Retirement benefit liability	5,470	5,524
Other	7,408	7,309
Total non-current liabilities	87,447	91,872
Total liabilities	258,429	278,172
<b>Net assets</b>		
Shareholders' equity		
Share capital	35,096	35,096
Capital surplus	31,766	31,809
Retained earnings	151,025	176,672
Treasury shares	(1,514)	(1,528)
Total shareholders' equity	216,373	242,050
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25,501	22,450
Deferred gains or losses on hedges	2,373	2,635
Foreign currency translation adjustment	(683)	2,478
Remeasurements of defined benefit plans	595	513
Total accumulated other comprehensive income	27,786	28,078
Non-controlling interests	9,426	10,179
Total net assets	253,586	280,307
Total liabilities and net assets	512,015	558,479

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales	562,223	690,392
Cost of sales	385,978	498,630
Gross profit	176,244	191,762
Selling, general and administrative expenses		
Transportation costs	25,471	28,079
Provision of allowance for doubtful accounts	(32)	10
Salaries, allowances and bonuses	39,928	40,874
Provision for bonuses	4,654	4,722
Retirement benefit expenses	1,895	1,723
Provision for retirement benefits for directors (and other officers)	209	193
Depreciation	13,069	13,650
Rent expenses	9,857	9,927
Commission expenses	10,291	10,834
Amortization of goodwill	3,080	2,764
Other	38,466	38,904
Total selling, general and administrative expenses	146,892	151,685
Operating profit	29,352	40,076
Non-operating income		
Interest income	329	432
Dividend income	1,037	1,054
Foreign exchange gains	136	269
Share of profit of entities accounted for using equity method	463	720
Subsidy income	1,138	1,694
Outsourcing service income	610	888
Other	2,711	2,634
Total non-operating income	6,427	7,692
Non-operating expenses		
Interest expenses	911	833
Other	716	522
Total non-operating expenses	1,627	1,356
Ordinary profit	34,152	46,413

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Extraordinary income		
Gain on sale of non-current assets	212	189
Gain on sale of investment securities	1,359	688
Subsidy income	771	77
Total extraordinary income	2,343	954
Extraordinary losses		
Loss on sale of non-current assets	18	496
Loss on retirement of non-current assets	308	378
Impairment losses	49	129
Loss on sale of investment securities	6	-
Loss on valuation of investment securities	1	137
Loss on tax purpose reduction entry of non-current assets	771	77
Product compensation expenses	585	181
Loss on sale of golf club membership	-	24
Total extraordinary losses	1,740	1,424
Profit before income taxes	34,755	45,943
Income taxes - current	11,355	14,256
Income taxes - deferred	(380)	687
Total income taxes	10,974	14,943
Profit	23,780	30,999
Profit attributable to non-controlling interests	750	1,035
Profit attributable to owners of parent	23,030	29,964

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Profit	23,780	30,999
Other comprehensive income		
Valuation difference on available-for-sale securities	11,322	(2,943)
Deferred gains or losses on hedges	765	251
Foreign currency translation adjustment	(1,259)	3,222
Remeasurements of defined benefit plans, net of tax	685	(135)
Share of other comprehensive income of entities accounted for using equity method	155	96
Total other comprehensive income	11,670	491
Comprehensive income	35,450	31,491
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	34,622	30,256
Comprehensive income attributable to non-controlling interests	828	1,235

Consolidated Statements of Changes in Net Assets  
For the fiscal year ended March 31,2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,096	16,728	130,762	(1,515)	166,071
Cumulative effects of changes in accounting policies			1,912		1,912
Restated balance	20,096	16,728	132,674	(1,515)	167,983
Changes during period					
Issuance of new shares - exercise of share acquisition rights	15,000	15,000			30,000
Dividends of surplus			(4,680)		(4,680)
Profit attributable to owners of parent			23,030		23,030
Purchase of treasury shares				(20)	(20)
Disposal of treasury shares		38		21	59
Purchase of shares of consolidated subsidiaries					-
Change in treasury shares arising from change in equity in entities accounted for using equity method					-
Net changes in items other than shareholders' equity					
Total changes during period	15,000	15,038	18,350	1	48,390
Balance at end of period	35,096	31,766	151,025	(1,514)	216,373

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	14,119	1,608	558	(91)	16,194	8,885	191,152
Cumulative effects of changes in accounting policies							1,912
Restated balance	14,119	1,608	558	(91)	16,194	8,885	193,064
Changes during period							
Issuance of new shares - exercise of share acquisition rights							30,000
Dividends of surplus							(4,680)
Profit attributable to owners of parent							23,030
Purchase of treasury shares							(20)
Disposal of treasury shares							59
Purchase of shares of consolidated subsidiaries							-
Change in treasury shares arising from change in equity in entities accounted for using equity method							-
Net changes in items other than shareholders' equity	11,381	765	(1,241)	687	11,592	540	12,132
Total changes during period	11,381	765	(1,241)	687	11,592	540	60,522
Balance at end of period	25,501	2,373	(683)	595	27,786	9,426	253,586

For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	35,096	31,766	151,025	(1,514)	216,373
Changes during period					
Issuance of new shares - exercise of share acquisition rights					-
Dividends of surplus			(4,317)		(4,317)
Profit attributable to owners of parent			29,964		29,964
Purchase of treasury shares				(26)	(26)
Disposal of treasury shares		44		12	56
Purchase of shares of consolidated subsidiaries		(1)			(1)
Change in treasury shares arising from change in equity in entities accounted for using equity method				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	43	25,647	(14)	25,676
Balance at end of period	35,096	31,809	176,672	(1,528)	242,050

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	25,501	2,373	(683)	595	27,786	9,426	253,586
Changes during period							
Issuance of new shares - exercise of share acquisition rights							-
Dividends of surplus							(4,317)
Profit attributable to owners of parent							29,964
Purchase of treasury shares							(26)
Disposal of treasury shares							56
Purchase of shares of consolidated subsidiaries							(1)
Change in treasury shares arising from change in equity in entities accounted for using equity method							(0)
Net changes in items other than shareholders' equity	(3,050)	261	3,161	(81)	291	752	1,044
Total changes during period	(3,050)	261	3,161	(81)	291	752	26,720
Balance at end of period	22,450	2,635	2,478	513	28,078	10,179	280,307

## Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	34,755	45,943
Depreciation	20,128	21,111
Impairment losses	49	129
Amortization of goodwill	3,082	2,767
Loss on tax purpose reduction entry of non-current assets	771	77
Increase (decrease) in allowance for doubtful accounts	(40)	(35)
Increase (decrease) in provision for bonuses	109	121
Increase (decrease) in retirement benefit liability	(157)	53
Decrease (increase) in retirement benefit asset	(905)	(145)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(119)	144
Increase (decrease) in provision for product compensation	482	(482)
Interest and dividend income	(1,366)	(1,486)
Interest expenses	911	833
Foreign exchange losses (gains)	0	(22)
Share of loss (profit) of entities accounted for using equity method	(463)	(720)
Loss (gain) on sale of golf club membership	-	24
Loss (gain) on sale and retirement of non-current assets	114	685
Loss (gain) on sale of investment securities	(1,353)	(688)
Loss (gain) on valuation of investment securities	1	137
Decrease (increase) in trade receivables	(3,904)	(21,321)
Decrease (increase) in inventories	1,962	(16,893)
Increase (decrease) in trade payables	680	2,748
Decrease (increase) in advance payments to suppliers	165	(5,047)
Increase (decrease) in advances received	1,201	(163)
Other, net	1,845	(1,460)
<b>Subtotal</b>	<b>57,948</b>	<b>26,310</b>
Interest and dividends received	1,340	1,394
Dividends received from entities accounted for using equity method	199	226
Interest paid	(903)	(801)
Income taxes refund (paid)	(9,806)	(14,055)
<b>Net cash provided by (used in) operating activities</b>	<b>48,779</b>	<b>13,075</b>

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(25,881)	(25,707)
Proceeds from sale of property, plant and equipment	867	593
Purchase of intangible assets	(4,384)	(2,737)
Proceeds from sale of intangible assets	8	0
Purchase of investment securities	(1,503)	(3,985)
Proceeds from sale and redemption of investment securities	3,224	862
Proceeds from sale of investments in capital	6	2
Loan advances	(1,942)	(3,437)
Proceeds from collection of loans receivable	2,096	2,933
Other, net	(1,324)	(464)
Net cash provided by (used in) investing activities	(28,831)	(31,939)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	4,189	7,666
Proceeds from long-term borrowings	3,849	8,703
Repayments of long-term borrowings	(4,046)	(12,520)
Proceeds from issuance of bonds	-	10,000
Redemption of bonds	(5,000)	-
Net decrease (increase) in treasury shares	(15)	(16)
Repayments of lease liabilities	(1,140)	(1,168)
Dividends paid	(4,671)	(4,310)
Dividends paid to non-controlling interests	(218)	(313)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(2)
Net cash provided by (used in) financing activities	(7,052)	8,038
Effect of exchange rate change on cash and cash equivalents	260	1,942
Net increase (decrease) in cash and cash equivalents	13,155	(8,883)
Cash and cash equivalents at beginning of period	25,121	38,445
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	168	9
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	2
Cash and cash equivalents at end of period	38,445	29,574

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Assets</b>		
Current assets		
Cash and deposits	15,119	6,247
Notes receivable - trade	7,817	7,209
Electronically recorded monetary claims - operating	13,190	17,271
Accounts receivable - trade	72,242	81,798
Merchandise	19,125	33,193
Advance payments to suppliers	1,897	6,556
Prepaid expenses	681	863
Accounts receivable - other	5,379	4,045
Other	9,459	8,137
Allowance for doubtful accounts	(9)	(11)
<b>Total current assets</b>	<b>144,904</b>	<b>165,309</b>
Non-current assets		
Property, plant and equipment		
Buildings	17,375	17,371
Structures	4,275	4,460
Storage tanks and cylinders	3,809	3,637
Machinery and equipment	8,381	7,854
Vehicles	128	135
Tools, furniture and fixtures	1,480	1,533
Land	43,493	44,869
Leased assets	161	125
Construction in progress	441	601
<b>Total property, plant and equipment</b>	<b>79,546</b>	<b>80,589</b>
Intangible assets		
Industrial property	22	18
Leasehold interests in land	45	45
Software	1,112	1,230
Other	83	68
<b>Total intangible assets</b>	<b>1,263</b>	<b>1,362</b>

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Investments and other assets</b>		
Investment securities	54,477	50,847
Shares of subsidiaries and associates	59,723	62,472
Investments in capital	21	66
Investments in capital of subsidiaries and associates	10,285	11,343
Long-term loans receivable	0	0
Long-term loans receivable from subsidiaries and associates	8,429	9,428
Distressed receivables	428	424
Long-term prepaid expenses	496	419
Prepaid pension costs	1,043	1,346
Other	3,616	3,646
Allowance for doubtful accounts	(520)	(497)
<b>Total investments and other assets</b>	<b>138,001</b>	<b>139,497</b>
Total non-current assets	218,811	221,449
<b>Total assets</b>	<b>363,715</b>	<b>386,759</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable - trade	1,146	-
Electronically recorded obligations - operating	27,136	26,148
Accounts payable - trade	40,254	44,558
Short-term borrowings	25,243	15,299
Current portion of long-term borrowings	7,959	9,581
Lease liabilities	36	29
Accounts payable - other	8,502	12,857
Accrued expenses	440	480
Income taxes payable	4,493	5,392
Advances received	2,163	2,897
Deposits received	171	177
Unearned revenue	32	50
Provision for bonuses	2,055	2,129
Other	2,274	1,414
<b>Total current liabilities</b>	<b>121,911</b>	<b>121,017</b>
<b>Non-current liabilities</b>		
Bonds payable	-	10,000
Long-term borrowings	54,207	50,950
Lease liabilities	125	95
Deferred tax liabilities	10,099	8,807
Provision for retirement benefits	1,696	1,757
Asset retirement obligations	999	1,101
Other	1,336	1,329
<b>Total non-current liabilities</b>	<b>68,463</b>	<b>74,040</b>
<b>Total liabilities</b>	<b>190,375</b>	<b>195,058</b>

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Net assets</b>		
Shareholders' equity		
Share capital	35,096	35,096
Capital surplus		
Legal capital surplus	20,100	20,100
Other capital surplus	12,988	13,033
Total capital surplus	33,088	33,133
Retained earnings		
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	275	266
Retained earnings brought forward	79,529	100,428
Total retained earnings	79,804	100,694
Treasury shares	(1,421)	(1,425)
Total shareholders' equity	146,568	167,498
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	24,471	21,447
Deferred gains or losses on hedges	2,300	2,755
Total valuation and translation adjustments	26,771	24,202
Total net assets	173,340	191,701
Total liabilities and net assets	363,715	386,759

Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales	361,548	463,492
Cost of sales	281,314	371,994
Gross profit	80,234	91,497
Selling, general and administrative expenses	68,334	71,135
Operating profit	11,899	20,361
Non-operating income		
Interest income	278	216
Dividend income	7,088	9,029
Foreign exchange gains	327	493
Subsidy income	1,116	1,657
Other	1,601	1,809
Total non-operating income	10,412	13,206
Non-operating expenses		
Interest expenses	343	291
Interest on bonds	32	6
Bond issuance costs	-	69
Other	407	255
Total non-operating expenses	783	622
Ordinary profit	21,529	32,945
Extraordinary income		
Gain on sale of non-current assets	20	19
Gain on sale of investment securities	1,357	617
Gain on extinguishment of tie-in shares	2,757	-
Subsidy income	485	77
Total extraordinary income	4,621	714
Extraordinary losses		
Loss on sale of non-current assets	0	190
Loss on retirement of non-current assets	106	99
Impairment losses	48	41
Loss on sale of investment securities	6	-
Loss on merger of unrealized gain correction	2,733	-
Loss on tax purpose reduction entry of non-current assets	485	77
Loss on sale of golf club membership	-	23
Total extraordinary losses	3,380	432
Profit before income taxes	22,769	33,227
Income taxes - current	5,243	8,185
Income taxes - deferred	(121)	(164)
Total income taxes	5,122	8,020
Profit	17,647	25,207

Non-consolidated Statements of Changes in Net Assets  
For the fiscal year ended March 31,2021

(Million yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
				Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward		
Balance at beginning of period	20,096	5,100	12,950	18,050	282	66,117	66,399
Cumulative effects of changes in accounting policies						437	437
Restated balance	20,096	5,100	12,950	18,050	282	66,554	66,837
Changes during period							
Issuance of new shares - exercise of share acquisition rights	15,000	15,000		15,000			
Dividends of surplus						(4,680)	(4,680)
Profit						17,647	17,647
Reversal of reserve for tax purpose reduction entry of non-current assets					(7)	7	-
Purchase of treasury shares							
Disposal of treasury shares			38	38			
Net changes in items other than shareholders' equity							
Total changes during period	15,000	15,000	38	15,038	(7)	12,974	12,967
Balance at end of period	35,096	20,100	12,988	33,088	275	79,529	79,804

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(1,427)	103,118	13,570	1,583	15,153	118,272
Cumulative effects of changes in accounting policies		437				437
Restated balance	(1,427)	103,556	13,570	1,583	15,153	118,709
Changes during period						
Issuance of new shares - exercise of share acquisition rights		30,000				30,000
Dividends of surplus		(4,680)				(4,680)
Profit		17,647				17,647
Reversal of reserve for tax purpose reduction entry of non-current assets		-				-
Purchase of treasury shares	(15)	(15)				(15)
Disposal of treasury shares	21	59				59
Net changes in items other than shareholders' equity			10,901	717	11,618	11,618
Total changes during period	6	43,012	10,901	717	11,618	54,630
Balance at end of period	(1,421)	146,568	24,471	2,300	26,771	173,340

For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
				Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward		
Balance at beginning of period	35,096	20,100	12,988	33,088	275	79,529	79,804
Changes during period							
Issuance of new shares - exercise of share acquisition rights							
Dividends of surplus						(4,317)	(4,317)
Profit						25,207	25,207
Reversal of reserve for tax purpose reduction entry of non-current assets					(9)	9	-
Purchase of treasury shares							
Disposal of treasury shares			44	44			
Net changes in items other than shareholders' equity							
Total changes during period	-	-	44	44	(9)	20,898	20,889
Balance at end of period	35,096	20,100	13,033	33,133	266	100,428	100,694

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(1,421)	146,568	24,471	2,300	26,771	173,340
Changes during period						
Issuance of new shares - exercise of share acquisition rights		-				-
Dividends of surplus		(4,317)				(4,317)
Profit		25,207				25,207
Reversal of reserve for tax purpose reduction entry of non-current assets		-				-
Purchase of treasury shares	(16)	(16)				(16)
Disposal of treasury shares	12	56				56
Net changes in items other than shareholders' equity			(3,024)	455	(2,569)	(2,569)
Total changes during period	(4)	20,930	(3,024)	455	(2,569)	18,361
Balance at end of period	(1,425)	167,498	21,447	2,755	24,202	191,701

Due to the adoption of the Accounting Standard for Revenue Recognition from the beginning of the fiscal year ending March 2022, comparisons with the previous year are based on the results for the fiscal year ending March 31 2021 that are retroactively applied the standard to.

## (1) Consolidated Statements of Income

	(Unit: 100 million yen)								
	FY2020	FY2021	Change	Rate	FY2022 (Forecast)	Change	Rate	PLAN23	Overview
Net sales	5,622	6,903	1,281	22.8%	6,840	63	0.9%	6,710	Increase in Net sales of all segments due to the increase of mainstay products sales in improved demand for the industrial sector, in addition to high LPG import prices.
Gross profit	1,762	1,917	155	8.8%	—	—	—	—	
Operating profit	293	400	107	36.5%	380	20	5.5%	355	
Ordinary profit	341	464	122	35.9%	430	34	7.9%	400	Achieving record-high in profits due to the positive impact of LPG import price fluctuation.
Profit attributable to owners of parent	230	299	69	30.1%	270	29	11.0%	265	

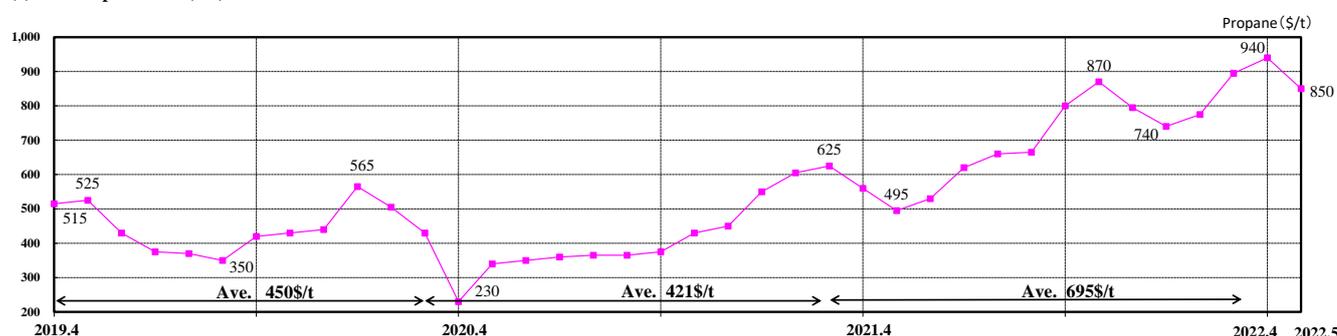
\* Figures for fiscal year ending March 31, 2022(forecast) were announced on Feb 4, 2022.

## (2) Ordinary Profit Except for Impact of LPG Import Price Fluctuation

	(Unit: 100 million yen)								
	FY2020	FY2021	Change	Rate	FY2022 (Forecast)	Change	Rate	PLAN23	Overview
Ordinary profit	341	464	122	35.9%	430	34	7.9%	400	Increase in profit by ¥7.9billion due to the impact of LPG import price fluctuation.
Impact of LPG import price fluctuation	17	79	61	345.1%	57	22	39.9%	—	
Ordinary profit except for impact of LPG import price fluctuation	323	384	60	18.8%	373	11	3.1%	400	Ordinary profit except for the impact of LPG import price fluctuation was ¥38.4 billion that achieved record-high level.

\* Please see a slide of "Impact of LPG Import Price Fluctuations" in Financial Results Briefing Materials. (<http://www.iwatani.co.jp/eng/investor/data/presentation.html>)

## (3) LPG Import Price (CP)



## (4) Segment Information

		(Unit: 100 million yen)				Overview
		FY2020	FY2021	Change	Rate	
Energy	Net sales (Sales to outside customers)	2,537	3,271	734	29.0%	Increase in Net sales due to the increase of LPG sales and high LPG import prices. Increase in Operating profit due to the significant positive impact of LPG import price fluctuation Increase in overseas sales of portable gas cooking stoves and cassette gas canisters.
	Operating profit	168	226	57	34.4%	
Industrial Gases & Machinery	Net sales (Sales to outside customers)	1,720	1,843	122	7.1%	Increase in sales of air separation gas and machinery. Increase in sales of hydrogen while decrease in sales of large hydrogen-related facilities. Increase in sales of dry ice for the vaccination of COVID-19.
	Operating profit	98	124	25	26.2%	
Materials	Net sales (Sales to outside customers)	1,117	1,509	392	35.1%	Increase in operating profit due to the rising market price and improved production efficiency of mineral sands. Increase in sales of metal processed products for air conditioners. Increase in Net sales of eco-friendly products such as Eco-friendly PET resins, biomass fuels and battery-related materials.
	Operating profit	46	72	25	54.6%	
Agri-Bio & Foods	Net sales (Sales to outside customers)	203	233	30	15.1%	Increase in sales of frozen foods for commercial and households use while increase in procurement cost. Increase in sales of agriculture and livestock equipments while increase in materials cost.
	Operating profit	8	6	(1)	(18.7%)	
Others, Adjustments	Net sales (Sales to outside customers)	43	45	1	4.3%	
	Operating profit	(29)	(29)	0	—	

## (5) LPG and Industrial Gases Net Sales • Sales Volume

	Sales volume (thousand tons)				Net sales (100 million yen)			
	FY2020	FY2021	Change	Rate	FY2020	FY2021	Change	Rate
Domestic residential use	1,036	1,050	14	1.4%	1,152	1,516	364	31.7%
Domestic industrial use	330	403	72	22.0%	223	418	195	87.5%
LPG sub total (except for overseas)	1,366	1,453	87	6.4%	1,375	1,935	559	40.7%
LPG total	1,386	1,471	85	6.2%	1,388	1,952	564	40.7%
Various Industrial gases	—	—	—	—	963	1,064	101	10.5%

## (6) Financial Position

(Unit: 100 million yen)

	FY2020 end	FY2021 end	Change
Total assets	5,120	5,584	464
Share capital	2,441	2,701	259
Interest-bearing debt, gross	961	1,111	149
Interest-bearing debt, net	573	811	238
Equity capital ratio	47.7%	48.4%	0.7pt
Ratio of ordinary income to total assets	7.0%	8.7%	1.7pt
Rate of return on equity	10.8%	11.7%	0.9pt
Ratio of interest-bearing debt to total assets	18.8%	19.9%	1.1pt
Debt-to-equity ratio, gross	0.39	0.41	0.02pt
Debt-to-equity ratio, net	0.23	0.30	0.07pt

## (7) Capital Expenditure

### <Segment information>

(Unit: 100 million yen)

	FY2020	FY2021	FY2022 (Forecast)
Energy	149	121	207
Industrial Gases & Machinery	161	168	338
Materials	27	30	124
Agri-Bio & Foods	8	36	27
Others, Adjustments	21	43	74
Capital expenditure	369	400	770
Depreciation	223	229	257

\* Figures for capital expenditure totalize property, plant and equipment, intangible assets (goodwill included), and investment securities, etc. (The amount of investment in property, plant and equipment for FY2021 was ¥ 26.8 billion.)

### <Category of PLAN23>

(Unit: 100 million yen)

	FY2021	FY2022 (Forecast)	PLAN23 (3-yr. total)
Promotion of hydrogen energy society	100	224	600
Growth investment	241	458	700
Maintenance/repairs, etc.	57	88	200
Capital expenditure	400	770	1,500

## (8) Cash Flows

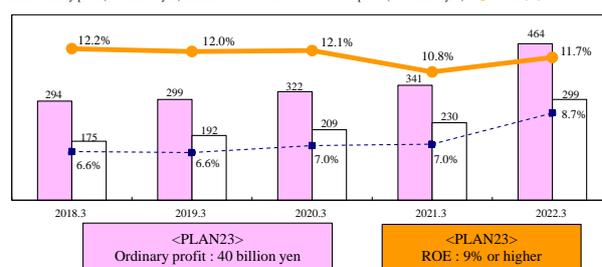
(Unit: 100 million yen)

	FY2020	FY2021	Change
Cash and cash equivalents at beginning of period	251	384	133
Cash flows from operating activities	487	130	(357)
Cash flows from investing activities	(288)	(319)	(31)
Free cash flow	199	(188)	(388)
Cash flows from financing activities	(70)	80	150
Effect of exchange rate change on cash and cash equivalents	2	19	16
Net increase (decrease) in cash and cash equivalents	131	(88)	(220)
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	1	0	(1)
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	0	0
Cash and cash equivalents at end of period	384	295	(88)

## (9) Changes in the main management indicators (five-year)

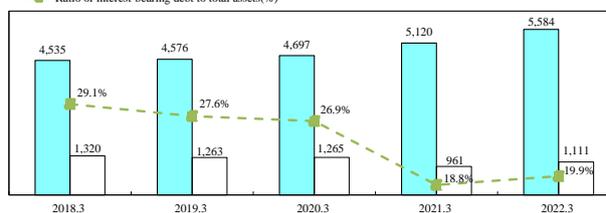
### 【Profitability】

■ Ordinary profit(100 million yen) □ Profit attributable to owners of parent(100 million yen) ● ROE(%) - ◆ ROA(%)



### 【Financial condition】

■ Total assets (100 million yen) □ Interest-bearing debt, gross (100 million yen) ● Ratio of interest-bearing debt to total assets(%)



## (10) Results Forecast for FY2022

(Unit: 100 million yen)

	FY2021	FY2022 (Forecast)	Change	Rate	PLAN23
Net sales	6,903	8,030	1,126	16.3%	6,710
Operating profit	400	350	(50)	(12.7%)	355
Ordinary profit	464	410	(54)	(11.7%)	400
Profit attributable to owners of parent	299	265	(34)	(11.6%)	265
Impact of LPG import price fluctuation	(79)	(—)	(79)	(—)	(—)

## (11) Results Forecast for FY2022 (Segment Information)

(Unit: 100 million yen)

		FY2021	FY2022 (Forecast)	Change	Rate	PLAN23
Energy	Net sales (Sales to outside customers)	3,271	3,592	320	9.8%	2,780
	Operating profit	226	156	(70)	(31.1%)	180
Industrial Gases & Machinery	Net sales (Sales to outside customers)	1,843	2,282	438	23.8%	2,093
	Operating profit	124	134	9	7.5%	125
Materials	Net sales (Sales to outside customers)	1,509	1,806	296	19.6%	1,473
	Operating profit	72	82	9	13.0%	65
Agri-Bio & Foods	Net sales (Sales to outside customers)	233	307	73	31.3%	316
	Operating profit	6	11	4	62.8%	16
Others, Adjustments	Net sales (Sales to outside customers)	45	43	(2)	(5.2%)	48
	Operating profit	(29)	(33)	(3)	—	(31)

## (12) Key Business Indications for PLAN23

		FY2020	FY2021	PLAN23
Energy	LPG direct sales customers (10 thousand households)	101	103	110
	Portable gas cooking stove sales volume (thousand units)	4,471	4,585	6,500
	Cassette gas canister sales volume (million units)	134	154	180
Industrial Gases & Machinery	Air separation gas sales volume (billion m3)	1.5	1.6	1.7
	LH2 sales volume (million m3)	67	71	90

\* Due to the acquisition of Tokyo Gas Energy Co., Ltd, the number of LPG direct sales customers is expected to reach more than 1.08 million households.