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## Consolidated Financial Results

### for the Three Months Ended June 30, 2024

### [Japanese GAAP]

August 9, 2024

Company name: IWATANI CORPORATION

Stock exchange listing: Tokyo

Code number: 8088

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

Representative: Hiroshi Majima President

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Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on financial results: Yes

Schedule of financial results briefing session: Yes

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

#### 1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

##### (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	%
Three months ended								
June 30, 2024	197,519	(2.2)	8,419	(1.1)	15,038	41.7	11,601	61.7
June 30, 2023	201,909	(0.9)	8,512	(3.6)	10,614	(6.3)	7,172	(12.3)

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 17,533 million[ 13.5%]

Three months ended June 30, 2023: ¥ 15,445 million[ 28.4%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	201.67	-
June 30, 2023	124.69	-

##### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
June 30, 2024	833,780	382,880	44.6
March 31, 2024	834,391	372,930	43.4

(Reference) Equity: As of June 30, 2024: ¥ 372,149 million

As of March 31, 2024: ¥ 362,328 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	-	-	130.00	130.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		-	-	32.50	32.50

(Note) 1. Revision to the forecast for dividends announced most recently: No

2. The Company plans to carry out a 4-for-1 stock split of its common share, with an effective date of October 1, 2024.

The year-end dividend per share forecast for the fiscal year ending March 31, 2025 takes into account the impact of this stock split. The year-end dividend forecast for the fiscal year ending March 31, 2025 that does not take into account the stock split is 130.00 yen.

3. One of the company's dividend policies is to distribute 20% of profit of Cosmo Energy HD, excluding the impact of inventory valuation factors and multiplied by the shareholding ratio. Dividends under this policy are not included in annual dividends for the fiscal year ending March 31, 2025(Forecast).

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(% 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	902,000	6.4	52,700	4.1	72,800	10.0	54,000	14.0	234.67

(Note) 1. Revision to the financial results forecast announced most recently: No

2. The Company plans to carry out a 4-for-1 stock split of its common share, with an effective date of October 1, 2024.

The basic earnings per share in the consolidated financial results forecast for the fiscal year ending March 31, 2025 take into account the impact of this stock split. The basic earnings per share for the fiscal year ending March 31, 2025 that do not take into account the stock split is 938.67 yen.

\* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

New 2 Companies

Exclusion: 3 Companies

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) 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

(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Notes (3) Explanatory Notes to Quarterly Consolidated Financial Statement (Notes to Changes in Accounting Policies)" on page 8 of the attached document.

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

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

June 30, 2024: 58,561,649 shares

March 31, 2024: 58,561,649 shares

2) Number of treasury shares at the end of the period:  
June 30, 2024: 1,034,065 shares  
March 31, 2024: 1,033,325 shares

3) Average number of shares outstanding during the period:  
Three months ended June 30, 2024: 57,527,811 shares  
Three months ended June 30, 2023: 57,524,159 shares

\*1. Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : Yes (voluntary)

\*2. Cautionary Statement with Respect to Forward-Looking Statements, and Other Information  
(Caution regarding forward-looking statements)

The forward-looking statements, such as results forecasts, included in this document are based on information currently available to the Company and assumptions considered reasonable, and do not purport to be a promise by the Company to achieve such results. Actual results may differ materially, depending on a range of factors. For the assumptions prerequisite to the results forecasts and the points to be noted in the use of the results forecasts, please see “1. Overview of Operating Results, Etc. (3) Consolidated Financial Results Forecasts” on page 3.

## Contents

Overview of Operating Results, Etc. ....	2
(1) Overview of Operating Results for the Three Months Ended June 30, 2024 .....	2
(2) Segment Information .....	2
(3) Overview of Financial Position for the Three Months Ended June 30, 2024 .....	3
(4) Consolidated Financial Results Forecasts .....	3
Quarterly Consolidated Financial Statements and Notes .....	4
(1) Quarterly Consolidated Balance Sheets .....	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income .....	6
(3) Explanatory Notes to Quarterly Consolidated Financial Statements .....	8
(Notes to Changes in Accounting Policies) .....	8
(Notes to Segment Information, Etc.) .....	8
(Notes in the Event of Significant Changes in Shareholders' Equity) .....	9
(Notes on the Assumption of a Going Concern) .....	9
(Notes to Quarterly Consolidated Statements of Cash Flows) .....	9
(Notes to Significant Subsequent Events) .....	10
(Notes to Additional Information) .....	10
Additional Information .....	11
Results for 1Q FY2024 .....	11
(1) Consolidated Statements of Income .....	11
(2) Operating Profit Except for Impact of LPG Import Price Fluctuation .....	11
(3) LPG Import Price (CP) .....	11
(4) Segment Information .....	11
(5) LPG and Industrial Gases Net Sales -Sales Volume .....	12
(6) Financial Position .....	12
(7) Capital Expenditure .....	12
(8) Amount of share of profit or loss of Cosmo accounted for using equity method .....	12
(9) Non-consolidated .....	12

## **Overview of Operating Results, Etc.**

### **(1) Overview of Operating Results for the Three Months Ended June 30, 2024**

During the cumulative first quarter of the current fiscal year, the Japanese economy continued to recover gradually, with signs of a pick-up in personal consumption due to an improvement in the income environment, and capital investment also remaining strong against the backdrop of improving corporate earnings, despite the uncertainty surrounding the future due to exchange rate fluctuations and rising prices.

Under these circumstances, Iwatani (hereinafter referred to as the “Company”) expanded its business to achieve its basic policies of “solutions to social issues” and “sustained growth” in accordance with its medium-term management plan, “PLAN27,” which ends in the fiscal year ending March 31, 2028.

In order to realize a hydrogen energy-based society, the Company opened the Iwatani Cosmo Hydrogen Refueling Station Heiwajima, the first hydrogen-refueling station located within a truck terminal in Japan. We have also taken steps to expand demand for hydrogen, for instance, starting construction of a new hydrogen station for commercial vehicles in Tokyo.

In the Integrated Energy Business, the Company has begun the operation of a cylinder filling station constructed within the Negishi Liquefied Gas Terminal, an LPG import terminal. We will carry out import, filling, and distribution on the same premises to improve logistics efficiency and strengthen our supply system and profitability in the Kanto and Tokyo metropolitan areas.

In the Industrial Gases & Machinery Business, we opened a new gas center in Singapore with expanded manufacturing capacity for helium, semiconductor material gases, air separation gases, etc. and will promote business expansion in Southeast Asia.

In the Materials Business, we strengthened sales of biomass fuels to domestic power plants.

As a result, for the first quarter of the current fiscal year, net sales were 197.519 billion yen (-4.389 billion yen year-on-year), operating profit was 8.419 billion yen (-0.093 billion yen year-on-year), ordinary profit was 15.038 billion yen (+4.423 billion yen year-on-year), and profit attributable to owners of parent was 11.601 billion yen (+4.428 billion yen year-on-year).

### **(2) Segment Information**

#### **Integrated Energy**

In the Integrated Energy Business, the LPG import prices were higher than those in the previous fiscal year, sales prices rose, and sales volume of industrial LPG remained strong, resulting in an increase in revenue. On the other hand, profits increased as the profitability of LPG improved in the wholesale sector while declining in the retail sector, and LPG price fluctuation had a positive impact (+1.658 billion yen year-on-year).

As a result, net sales in this segment were 82.567 billion yen (+5.606 billion yen year-on-year), and operating profit was 3.267 billion yen (+1.666 billion yen year-on-year).

#### **Industrial Gases & Machinery**

In the Industrial Gases & Machinery Business, sales of air separation gases remained strong mainly for the electronic components industries. In the hydrogen business, the sales volume of liquid hydrogen for space development increased. On the other hand, the profitability of specialty gases declined due to the weakening of helium markets, mainly in Asia. In machinery and equipment, sales of automobile-related equipment and gas supply facilities decreased.

As a result, net sales in this segment were 60.371 billion yen (-1.811 billion yen year-on-year), and operating profit was 3.286 billion yen (-1.613 billion yen year-on-year).

## **Materials**

In the Materials Business, sales of resin products, mainly for air conditioners, increased, and in the mineral sands business overseas, production and sales at our own mining sites remained strong. On the other hand, sales of stainless steel and rechargeable battery materials for next-generation automobiles were sluggish due to factors such as falling market prices and inventory adjustments at sales destinations.

As a result, net sales in this segment were 47.316 billion yen (-8.004 billion yen year-on-year), and operating profit was 2.529 billion yen (-0.240 billion yen year-on-year).

## **Others**

Net sales were 7.263 billion yen (-0.180 billion yen year-on-year), and operating profit was 0.788 billion yen (+0.177 billion yen year-on-year).

### **(3) Overview of Financial Position for the Three Months Ended June 30, 2024**

#### **Total Assets**

Total assets at the end of the first quarter of the current fiscal year decreased by 0.610 billion yen from the end of the previous fiscal year to 833.780 billion yen. This was mainly due to a decrease of 17.022 billion yen in notes and accounts receivable - trade, and contract assets, despite increases of 6.086 billion yen in merchandise and finished goods, 5.516 billion yen in investment securities, and 3.312 billion yen in property, plant and equipment, respectively.

#### **Total Liabilities**

Total liabilities at the end of the fiscal quarter of the current fiscal year decreased by 10.561 billion yen from the end of the previous fiscal year to 450.899 billion yen. This was mainly due to decreases of 9.172 billion yen in notes and accounts payable - trade, 8.839 billion yen in income taxes payable, and 4.576 billion yen in other under current liabilities including equipment and electronically recorded obligations - operating, respectively, despite an increase of 11.487 billion yen in short-term borrowings.

Interest-bearing debt, including lease liabilities, etc., at the end of the first quarter increased by 14.510 billion yen to 269.031 billion yen from the end of the previous fiscal year.

#### **Total Net Assets**

Total net assets at the end of the first quarter of the current fiscal year increased by 9.950 billion yen from the end of the previous fiscal year to 382.880 billion yen. This was mainly due to increases of 4.245 billion yen in retained earnings, 2.650 billion yen in valuation difference on available-for-sale securities, and 2.461 billion yen in foreign currency translation adjustment, respectively.

### **(4) Consolidated Financial Results Forecasts**

Although economic trends, fluctuations in LPG import prices, and other factors may affect our business performance, we have not changed our consolidated earnings forecast announced on May 13, 2024, for the first quarter of the current fiscal year.

## Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	33,937	30,344
Notes and accounts receivable - trade, and contract assets	145,981	128,959
Electronically recorded monetary claims - operating	26,852	27,582
Merchandise and finished goods	58,510	64,596
Work in process	5,204	7,354
Raw materials and supplies	10,749	10,959
Other	28,515	26,980
Allowance for doubtful accounts	(177)	(180)
Total current assets	309,573	296,597
Non-current assets		
Property, plant and equipment		
Land	73,937	74,667
Other, net	151,474	154,057
Total property, plant and equipment	225,412	228,725
Intangible assets		
Goodwill	19,569	20,227
Other	16,932	18,573
Total intangible assets	36,502	38,801
Investments and other assets		
Investment securities	225,427	230,943
Other	38,017	39,258
Allowance for doubtful accounts	(541)	(544)
Total investments and other assets	262,903	269,657
Total non-current assets	524,817	537,183
Total assets	834,391	833,780

(Million yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	66,067	56,894
Electronically recorded obligations - operating	34,935	31,439
Short-term borrowings	129,161	140,649
Income taxes payable	12,542	3,702
Contract liabilities	7,201	7,722
Provision for bonuses	6,765	4,209
Provision for loss on liquidation of subsidiaries and associates	68	45
Other	55,771	51,194
Total current liabilities	312,513	295,858
Non-current liabilities		
Bonds payable	40,000	40,000
Long-term borrowings	70,100	73,170
Provision for retirement benefits for directors (and other officers)	1,385	1,372
Retirement benefit liability	5,884	5,994
Other	31,576	34,503
Total non-current liabilities	148,947	155,041
Total liabilities	461,461	450,899
Net assets		
Shareholders' equity		
Share capital	35,096	35,096
Capital surplus	32,043	32,043
Retained earnings	245,694	249,940
Treasury shares	(1,546)	(1,553)
Total shareholders' equity	311,288	315,528
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	37,375	40,025
Deferred gains or losses on hedges	4,317	4,798
Foreign currency translation adjustment	8,201	10,663
Remeasurements of defined benefit plans	1,145	1,134
Total accumulated other comprehensive income	51,039	56,621
Non-controlling interests	10,601	10,731
Total net assets	372,930	382,880
Total liabilities and net assets	834,391	833,780



## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	201,909	197,519
Cost of sales	150,258	143,861
Gross profit	51,651	53,657
Selling, general and administrative expenses		
Transportation costs	7,131	7,666
Provision of allowance for doubtful accounts	19	(3)
Salaries, allowances and bonuses	10,497	11,142
Provision for bonuses	2,900	3,002
Retirement benefit expenses	440	499
Provision for retirement benefits for directors (and other officers)	37	41
Other	22,112	22,889
Total selling, general and administrative expenses	43,138	45,238
Operating profit	8,512	8,419
Non-operating income		
Interest income	130	111
Dividend income	628	772
Foreign exchange gains	125	–
Share of profit of entities accounted for using equity method	469	5,283
Subsidy income	469	471
Other	798	854
Total non-operating income	2,622	7,493
Non-operating expenses		
Interest expenses	414	607
Foreign exchange losses	–	121
Other	105	145
Total non-operating expenses	520	874
Ordinary profit	10,614	15,038
Extraordinary income		
Gain on sale of non-current assets	950	183
Gain on receipt of donated non-current assets	49	–
Gain on sale of investment securities	0	1,580
Subsidy income	0	2
Total extraordinary income	1,000	1,767
Extraordinary losses		
Loss on sale of non-current assets	312	10
Loss on retirement of non-current assets	94	88
Loss on sale of investment securities	0	1
Loss on valuation of investment securities	1	–
Loss on tax purpose reduction entry of non-current assets	43	2
Total extraordinary losses	451	103
Profit before income taxes	11,163	16,702
Income taxes	3,719	4,804
Profit	7,443	11,897
Profit attributable to non-controlling interests	271	296
Profit attributable to owners of parent	7,172	11,601

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Million yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	7,443	11,897
Other comprehensive income		
Valuation difference on available-for-sale securities	6,420	2,636
Deferred gains or losses on hedges	1,369	362
Foreign currency translation adjustment	52	2,090
Remeasurements of defined benefit plans, net of tax	(15)	21
Share of other comprehensive income of entities accounted for using equity method	174	525
Total other comprehensive income	8,001	5,635
Comprehensive income	15,445	17,533
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,089	17,184
Comprehensive income attributable to non-controlling interests	356	349

### (3) Explanatory Notes to Quarterly Consolidated Financial Statements

(Notes to Changes in Accounting Policies)

(Application of “Accounting Standard for Current Income Taxes” and other relevant ASBJ regulations)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereafter referred to as the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the first quarter of the current fiscal year.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the provision of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the provision of paragraph 65-2 (2) of the “Implementation Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereafter referred to as the “Revised Implementation Guidance of 2022”). These changes in the accounting policies do not affect the quarterly consolidated financial statements.

Since the beginning of the first quarter of the current fiscal year, the Revised Implementation Guidance of 2022 has also been applied to the amendments related to the review of the accounting treatment for consolidated financial statements when profits or losses arising from the sale of subsidiary shares, etc. between consolidated companies are deferred for tax purposes. The cumulative impact of these changes in the accounting policies has been reflected in net assets at the beginning of the previous fiscal year at Cosmo Energy Holdings Co., Ltd., an affiliate accounted for using the equity method, through retrospective application, resulting in a change in retained earnings. Cosmo Energy Holdings Co., Ltd. has been an affiliate accounted for using the equity method since the end of the previous fiscal year, and the impact of the changes in the accounting policies for that company has been reflected from the beginning of the first quarter of the current fiscal year.

As a result, at the beginning of the first quarter of the current fiscal year, investment securities and retained earnings increased by 130 million yen and 130 million yen, respectively.

(Notes to Segment Information, Etc.)

#### I. First Quarter of FY2023 (April 1, 2023 - June 30, 2023)

##### a) Information related to sales, operating income (loss) by reportable segment

(million yen)

	Reportable Segments				Others *1	Total	Adjustments *2	Quarterly Consolidated Statements of Income *3
	Integrated Energy	Industrial Gases & Machinery	Materials	Subtotal				
Net sales								
Outside customers	76,961	62,183	55,320	194,465	7,443	201,909	-	201,909
Intersegment	1,097	1,471	408	2,976	6,265	9,242	(9,242)	-
Total	78,058	63,654	55,729	197,442	13,709	211,151	(9,242)	201,909
Segment income	1,600	4,899	2,769	9,269	610	9,880	(1,367)	8,512

(Note) \*1. “Others” is an operating segment not included in reportable segments. “Others” represents businesses in foods, livestock industry, finance, insurance, transportation, safety, information processing, etc.

\*2. Adjustments for segment income include companywide expenses not allocated to each segment and the elimination of intersegment transactions.

\*3. Segment income is adjusted with operating income of the quarterly consolidated statements of income.

##### b) Information on impairment loss on fixed assets and goodwill by reportable segment

None

## II. First Quarter of FY2024 (April 1, 2024 - June 30, 2024)

### a) Information related to sales, operating income (loss) by reportable segment

(million yen)

	Reportable Segments				Others *1	Total	Adjustments *2	Quarterly Consolidated Statements of Income *3
	Integrated Energy	Industrial Gases & Machinery	Materials	Subtotal				
Net sales								
Outside customers	82,567	60,371	47,316	190,255	7,263	197,519	-	197,519
Intersegment	1,111	922	467	2,500	6,635	9,136	(9,136)	-
Total	83,679	61,293	47,783	192,756	13,899	206,655	(9,136)	197,519
Segment income	3,267	3,286	2,529	9,083	788	9,871	(1,451)	8,419

(Note) \*1. "Others" is an operating segment not included in reportable segments. "Others" represents businesses in foods, livestock industry, finance, insurance, transportation, safety, information processing, etc.

\*2. Adjustments for segment income include companywide expenses not allocated to each segment and the elimination of intersegment transactions.

\*3. Segment income is adjusted with operating income of the quarterly consolidated statements of income.

### b) Information on impairment loss on fixed assets and goodwill by reportable segment

None

(Notes in the Event of Significant Changes in Shareholders' Equity)

None

(Notes on the Assumption of a Going Concern)

None

(Notes to Quarterly Consolidated Statements of Cash Flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the first quarter of the current fiscal year. Depreciation, including amortization related to intangible assets except goodwill, and amortization of goodwill for the first quarter of the current fiscal year are as shown below.

(million yen)

	For the three months ended June 30, 2023 (April 1, 2023 to June 30, 2023)	For the three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)
Depreciation	5,985	6,600
Amortization of goodwill	875	802

(Notes to Significant Subsequent Events)

(Issuance of corporate bonds)

At the Board of Directors meeting held on July 25, 2024, the Company passed a comprehensive resolution to issue domestic unsecured straight bonds. The details are as follows:

(1) Total amount of issuance: 30.0 billion yen or less

Note that the bonds can be issued in multiple installments within this range.

(2) Issue price: 100 yen per value of 100 yen for each corporate bond

(3) Interest rate: 2.0% or less per annum

(4) Redemption period: 10 years or less

(5) Issue period: September 1, 2024 to March 31, 2025

(6) Redemption method: Lump-sum redemption at maturity

(7) Use of proceeds: The proceeds will be used for capital expenditures, working capital, loan repayments, and investment and financing.

(Notes to Additional Information)

(Misconduct Concerning Equipment Inspection Reports at a Subsidiary of the Company)

An internal investigation has revealed the improper use of a seal in the name of The High Pressure Gas Safety Institute of Japan employee and misconduct concerning a certificate attached to the inspection report for some products manufactured by our consolidated subsidiary, A-TEC CO., LTD.

The Company has established a special investigation team to determine the cause of the problem. At this point in time, no quality irregularities have been found and no customer complaints have been received, so the Company believes that the impact on its financial position and operating results will be immaterial.

(Figures are rounded down to the nearest 100 million yen)

## (1) Consolidated Statements of Income

(Unit: 100 million yen)

	1Q FY2023 Apr-Jun 2023	1Q FY2024 Apr-Jun 2024	Change	Rate	FY2024 (Forecast)	Overview
Net sales	2,019	1,975	(43)	(2.2%)	9,020	Net sales decreased due to sluggish sales of rechargeable battery materials, etc.
Gross profit	516	536	20	3.9%	—	
Operating profit	85	84	(0)	(1.1%)	527	As for profits, gross profit increased due to improved impact of LPG import price fluctuation. Although operating profit decreased slightly due to increased selling and administrative expenses, ordinary profit and net profit increased due to an increase in share of profit of entities accounted for using equity method, etc.
Ordinary profit	106	150	44	41.7%	728	
Profit attributable to owners of parent	71	116	44	61.7%	540	

\* Figures for fiscal year ending March 31, 2025(forecast) were announced on May 13, 2024.

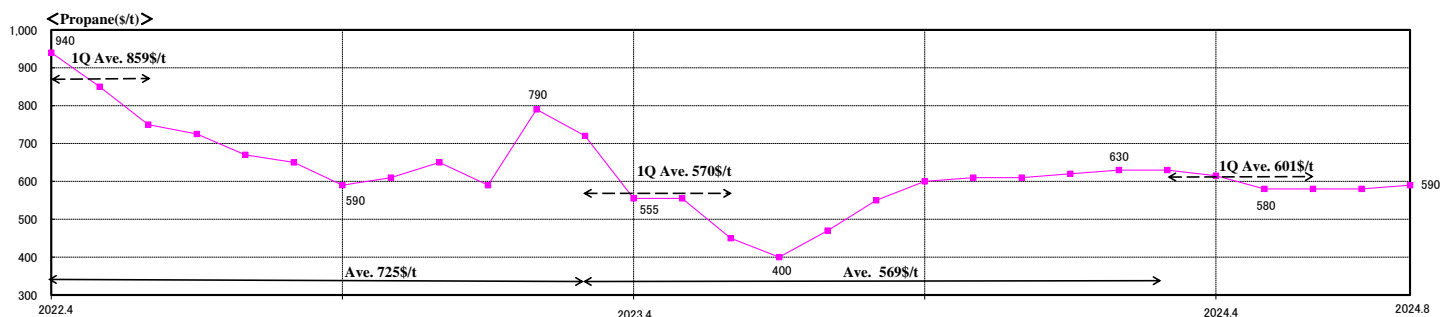
## (2) Operating Profit Except for Impact of LPG Import Price Fluctuation

(Unit: 100 million yen)

	1Q FY2023 Apr-Jun 2023	1Q FY2024 Apr-Jun 2024	Change	Rate	FY2024 (Forecast)	Overview
Operating profit	85	84	(0)	(1.1%)	527	*Impact of LPG import price fluctuation led to increase in profit by 1.6 billion yen year-on-year.
Impact of LPG import price fluctuation	(17)	(0)	16	—	—	
Operating profit except for impact of LPG import price fluctuation	102	84	(17)	(17.1%)	527	*Operating profit except for the impact of LPG import price fluctuation was 8.4 billion yen, a decrease of 1.7 billion yen.

\* For more detailed information, please see a slide of "Impact of LPG Import Prices" in Iwatani Corporation Business Overview. ([https://www.iwatani.co.jp/eng/ir/pdf/about\\_iwatani.pdf](https://www.iwatani.co.jp/eng/ir/pdf/about_iwatani.pdf))

## (3) LPG Import Price (CP)



## (4) Segment Information

(Unit: 100 million yen)

		1Q FY2023 Apr-Jun 2023	1Q FY2024 Apr-Jun 2024	Change	Rate	Overview
Integrated Energy	Net sales	769	825	56	7.3%	*LPG import prices were higher year-on-year and drove sales prices higher, resulting in an increase in revenue. *Sales volume of LPG for industrial use remained steady. *Positive impact of LPG import price fluctuation led to increase in profit.
	Operating profit	16	32	16	104.1%	
Industrial Gases & Machinery	Net sales	621	603	(18)	(2.9%)	*Sales of air separation gases were strong as the electronic components industry recovered. *Sales volume of hydrogen gas for space development increased. *Helium market weakened mainly in Asian markets. *In machinery and equipment, sales of automobile-related equipment and gas supply facilities decreased.
	Operating profit	48	32	(16)	(32.9%)	
Materials	Net sales	553	473	(80)	(14.5%)	*Sales of resin products, mainly for air conditioners, increased. *As for overseas mineral sands business, production and sales at our own mining sites remained strong. *Sales of stainless steel and rechargeable battery materials for next-generation automobiles were sluggish.
	Operating profit	27	25	(2)	(8.7%)	
Others, Adjustments	Net sales	74	72	(1)	(2.4%)	
	Operating profit	(7)	(6)	0	—	

\* Net sales represent sales to third parties.

**(5) LPG and Industrial Gases Net Sales · Sales Volume**

	Sales volume (thousand tons)				Net sales (100 million yen)			
	1Q FY2023 Apr-Jun 2023	1Q FY2024 Apr-Jun 2024	Change	Rate	1Q FY2023 Apr-Jun 2023	1Q FY2024 Apr-Jun 2024	Change	Rate
Domestic residential use	275	272	(3)	(1.2%)	397	435	37	9.5%
Domestic industrial use	73	78	5	7.0%	75	93	18	24.1%
LPG sub total (except for overseas)	348	350	1	0.6%	473	529	56	11.8%
LPG total	351	354	2	0.6%	477	533	56	11.8%
Various industrial gases	—	—	—	—	367	370	2	0.6%

**(6) Financial Position**

(Unit: 100 million yen)

	FY2023 end	1Q FY2024 end	Change
Total assets	8,343	8,337	(6)
Equity	3,623	3,721	98
Interest-bearing debt, gross	2,545	2,690	145
Interest-bearing debt, net	2,205	2,386	181
Equity ratio	43.4%	44.6%	1.2pt
Ratio of interest-bearing debt to total assets	30.5%	32.2%	1.7pt
Debt-to-equity ratio, gross	0.70	0.72	0.02pt
Debt-to-equity ratio, net	0.60	0.64	0.04pt

**(7) Capital Expenditure**

(Unit: 100 million yen)

	1Q FY2024 Apr-Jun 2024	FY2024 (Forecast)
Integrated Energy	35	261
Industrial Gases & Machinery	46	396
Materials	5	109
Others, Adjustments	24	124
Capital expenditure	112	890
Depreciation	70	305

\* Presented here are figures for property, plant and equipment, intangible assets (including goodwill), and investments securities, etc. (which include ¥7.6 billion yen invested in property, plant and equipment in the current period.)

**(8) Amount of share of profit or loss of Cosmo accounted for using equity method**

(Unit: 100 million yen)

	1Q FY2023 Apr-Jun 2023	1Q FY2024 Apr-Jun 2024	FY2024 (Forecast)
Amount of share of profit or loss of Cosmo accounted for using equity method	—	49	159

\*The figure for FY2024 (Forecast) is the amount of the Company's share of profit attributable to owners of parent presented in the consolidated business forecast announced by Cosmo on May 9, 2024.

**(9) Non-consolidated****Non-consolidated Statements of Income**

(Unit: 100 million yen)

	1Q FY2023 Apr-Jun 2023	1Q FY2024 Apr-Jun 2024	Change	Rate
Net sales	1,203	1,222	18	1.6%
Operating profit	16	26	10	65.4%
Ordinary profit	90	136	45	50.5%
Profit	78	125	47	59.6%

**Financial Position**

(Unit: 100 million yen)

	FY2023 end	1Q FY2024 end	Change
Total assets	6,022	6,060	37
Equity capital	2,449	2,534	84
Equity capital ratio	40.7%	41.8%	1.1pt

In this document, "Cosmo Energy Holdings Co., Ltd." is abbreviated to "Cosmo."