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Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 12, 2024

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 Scheduled date of filing semi-annual securities report: November 13, 2024
 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 Six Months Ended September 30, 2024 (April 1, 2024 to September 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	%
Six months ended								
September 30, 2024	400,004	1.5	16,140	10.6	22,283	22.5	15,085	25.1
September 30, 2023	394,211	(4.6)	14,591	1.9	18,187	(0.7)	12,062	(4.3)

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 19,256 million [(18.0)%]
 Six months ended September 30, 2023: ¥ 23,471 million [26.4%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	65.55	-
September 30, 2023	52.42	-

(Note) The Company carried out a 4-for-1 share split of its common share with an effective date of October 1, 2024.

Basic earnings per share has been calculated as if this share split were carried out at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2024	836,046	384,664	44.7
March 31, 2024	834,391	372,930	43.4

(Reference) Equity: As of September 30, 2024: ¥ 373,629 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 carried out a 4-for-1 share 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 share split. The year-end dividend forecast for the fiscal year ending March 31, 2025 that does not take into account the share 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 carried out a 4-for-1 share 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 share split. The basic earnings per share for the fiscal year ending March 31, 2025 that do not take into account the share 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 semi-annual 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 "Semi-annual Consolidated Financial Statements and Notes (4) Explanatory Notes to Semi-annual Consolidated Financial Statement (Notes to Changes in Accounting Policies)" on page 11 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):

September 30, 2024:	234,246,596 shares
March 31, 2024:	234,246,596 shares

2) Number of treasury shares at the end of the period:

September 30, 2024:	4,102,322 shares
March 31, 2024:	4,133,300 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024:	230,126,104 shares
Six months ended September 30, 2023:	230,109,926 shares

(Note) The Company carried out a 4-for-1 share split of its common share with an effective date of October 1, 2024.

The total number of issued shares (common shares) has been calculated as if this share split were carried out at the beginning of the previous fiscal year.

*1. Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

*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 "Overview of Operating Results, Etc. (4) Consolidated Financial Results Forecasts" on page 4.

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Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Six Months Ended September 30, 2024

During the first half of the current fiscal year, the Japanese economy continued to recover gradually, with an increase in capital investment against the backdrop of robust corporate earnings, despite the risk of a downturn associated with the uncertainty about the outlook for the U.S., China, and other overseas economies.

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 concluded a contract to invest in the Japan Hydrogen Fund, Japan’s first fund specializing in hydrogen-related fields. Through this fund, we will accelerate efforts to build a hydrogen supply chain.

In the Integrated Energy Business, we continued to engage in developing a disaster-resistant Core LPG center. We also expanded the number of direct sales customers and strengthened our business infrastructure.

In the Industrial Gases & Machinery Business, we expanded sales of refrigerants for air conditioners and automobiles in Southeast Asia and pushed ahead with our initiative to recover and recycle used fluorocarbon, expanding the business.

In the Materials Business, construction of a mining plant in Norway, where we hold rights to titanium ore, a rare resource, progressed smoothly. We engaged in establishing logistics and other aspects of the supply system, aiming to begin sales in the first half of 2025.

As a result, for the first half of the current fiscal year, net sales were 400.004 billion yen (+5.792 billion yen year-on-year), operating profit was 16.140 billion yen (+1.549 billion yen year-on-year), ordinary profit was 22.283 billion yen (+4.095 billion yen year-on-year), and profit attributable to owners of parent was 15.085 billion yen (+3.022 billion yen year-on-year).

(2) Segment Information

Integrated Energy

In the Integrated Energy Business, LPG import prices remained high and sales of industrial LPG remained strong, resulting in an increase in revenue. Profits increased as the profitability of LPG remained strong in the wholesale sector while declining in the retail sector, and the negative impact of LPG import price fluctuation improved (+4.081 billion yen year-on-year). We also experienced growth in the sales of portable gas cooking stoves, cassette gas canisters, and energy-related equipment.

As a result, net sales in this segment were 157.263 billion yen (+13.933 billion yen year-on-year), and operating profit was 3.270 billion yen (+4.469 billion yen year-on-year).

Industrial Gases & Machinery

In the Industrial Gases & Machinery Business, we saw growth in the sales volume of air separation gas, mainly for the electronic components industries. In the hydrogen business, sales of liquid hydrogen remained strong, mainly for space development. The profitability of specialty gases declined due to the weakening of helium markets, mainly in China, and an increase in procurement costs for carbon dioxide, despite the expansion of the refrigerant business resulting from the acquisition of a business company in Malaysia. In machinery and equipment, sales of disaster prevention gas equipment increased but sales of automobile-related equipment decreased.

As a result, net sales in this segment were 128.583 billion yen (+1.742 billion yen year-on-year) and operating profit was 7.988 billion yen (-2.863 billion yen year-on-year).

Materials

In the Materials Business, sales of molded products for air conditions and consumer resin products grew. In the mineral sands business, production at our own mining sites in Australia remained strong and sales volumes increased in Japan and overseas. On the other hand, sales of stainless steel and rechargeable battery materials for next-generation automobiles were slow due to falling market prices and inventory adjustments at sales destinations.

As a result, net sales in this segment were 99.155 billion yen (-9.381 billion yen year-on-year), and operating profit was 6.133 billion yen (-0.125 billion yen year-on-year).

Others, Adjustments

Net sales were 15.001 billion yen (-0.502 billion yen year-on-year), and operating profit was 1.694 billion yen (+0.359 billion yen year-on-year).

(3) Overview of Financial Position for the Six Months Ended September 30, 2024

Total Assets

Total assets at the end of the first half of the current fiscal year increased by 1.655 billion yen from the end of the previous fiscal year to 836.046 billion yen. This was mainly due to increases of 10.358 billion yen in property, plant and equipment, 7.847 billion yen in merchandise and finished goods, and 4.250 billion yen in intangible assets, respectively, despite a decrease of 18.759 billion yen in notes and accounts receivable - trade, and contract assets.

Total Liabilities

Total liabilities at the end of the first half of the current fiscal year decreased by 10.079 billion yen from the end of the previous fiscal year to 451.381 billion yen. This was mainly due to decreases of 18.228 billion yen in short-term borrowings, 10.301 billion yen in other under current liabilities including equipment and electronically recorded obligations - operating, 10.189 billion yen in notes and accounts payable - trade, 5.782 billion yen in income taxes payable, and 5.057 billion yen in electronically recorded obligations - operating, respectively, despite increases of 30.000 billion yen in bonds payable and 10.171 billion yen in long-term borrowings, respectively.

Interest-bearing debt, including lease liabilities, etc., at the end of the first half increased by 20.837 billion yen to 275.358 billion yen from the end of the previous fiscal year.

Total Net Assets

Total net assets at the end of the first half of the current fiscal year increased by 11.734 billion yen from the end of the previous fiscal year to 384.664 billion yen. This was mainly due to increases of 7.729 billion yen in retained earnings and 7.008 billion yen in foreign currency translation adjustment, respectively.

Cash Flows

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the first half of the current fiscal year decreased by 5.354 billion yen from the end of the previous fiscal year to 28.260 billion yen.

(Operating Activities)

Net cash provided by operating activities in the first half of the current fiscal year increased in revenue by 3.449 billion yen from the same period of the previous fiscal year to 13.258 billion yen. This was mainly due to an increase in cash resulting from profit before income taxes of 23.966 billion yen, a decrease in trade receivables and contract assets of 23.802 billion yen, and depreciation of 13.456 billion yen and a decrease in cash resulting from a decrease in trade payables of 16.905 billion yen, income taxes paid of 13.603 billion yen, an increase in inventories of 10.658 billion yen, and share of profit of entities accounted for using equity method of 3.923 billion yen.

(Investing Activities)

Net cash used in investing activities in the first half of the current fiscal year increased in expenditure by 1.049 billion yen from the same period of the previous fiscal year to 30.871 billion yen. This was mainly due to a decrease in cash resulting from purchase of property, plant and equipment of 24.767 billion yen and purchase of intangible assets of 5.569 billion yen.

(Financing Activities)

Net cash provided by financing activities in the first half of the current fiscal year decreased in revenue by 2.429 billion yen from the same period of the previous fiscal year to 10.163 billion yen. This was mainly due to an increase in cash resulting from proceeds from issuance of bonds of 29.839 billion yen and a decrease in cash resulting from a net decrease in borrowings of 11.051 billion yen and dividends paid of 7.464 billion yen.

(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 half of the current fiscal year.

Semi-annual Consolidated Financial Statements and Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	33,937	28,580
Notes and accounts receivable - trade, and contract assets	145,981	127,221
Electronically recorded monetary claims - operating	26,852	24,557
Merchandise and finished goods	58,510	66,358
Work in process	5,204	9,037
Raw materials and supplies	10,749	11,937
Other	28,515	27,678
Allowance for doubtful accounts	(177)	(170)
Total current assets	309,573	295,200
Non-current assets		
Property, plant and equipment		
Land	73,937	78,914
Other, net	151,474	156,855
Total property, plant and equipment	225,412	235,770
Intangible assets		
Goodwill	19,569	20,126
Other	16,932	20,626
Total intangible assets	36,502	40,753
Investments and other assets		
Investment securities	225,427	223,233
Other	38,017	41,621
Allowance for doubtful accounts	(541)	(532)
Total investments and other assets	262,903	264,321
Total non-current assets	524,817	540,845
Total assets	834,391	836,046

(Million yen)

As of March 31, 2024 As of September 30, 2024

Liabilities		
Current liabilities		
Notes and accounts payable - trade	66,067	55,878
Electronically recorded obligations - operating	34,935	29,877
Short-term borrowings	129,161	110,932
Income taxes payable	12,542	6,759
Contract liabilities	7,201	7,107
Provision for bonuses	6,765	7,204
Provision for loss on liquidation of subsidiaries and associates	68	22
Other	55,771	45,469
Total current liabilities	312,513	263,252
Non-current liabilities		
Bonds payable	40,000	70,000
Long-term borrowings	70,100	80,272
Provision for retirement benefits for directors (and other officers)	1,385	1,355
Retirement benefit liability	5,884	6,027
Other	31,576	30,474
Total non-current liabilities	148,947	188,129
Total liabilities	461,461	451,381
Net assets		
Shareholders' equity		
Share capital	35,096	35,096
Capital surplus	32,043	32,116
Retained earnings	245,694	253,424
Treasury shares	(1,546)	(1,548)
Total shareholders' equity	311,288	319,088
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	37,375	35,405
Deferred gains or losses on hedges	4,317	2,919
Foreign currency translation adjustment	8,201	15,209
Remeasurements of defined benefit plans	1,145	1,005
Total accumulated other comprehensive income	51,039	54,540
Non-controlling interests	10,601	11,035
Total net assets	372,930	384,664
Total liabilities and net assets	834,391	836,046

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	394,211	400,004
Cost of sales	293,256	293,326
Gross profit	100,955	106,677
Selling, general and administrative expenses		
Transportation costs	14,366	15,376
Provision of allowance for doubtful accounts	31	(2)
Salaries, allowances and bonuses	20,858	22,094
Provision for bonuses	5,603	6,008
Retirement benefit expenses	896	1,012
Provision for retirement benefits for directors (and other officers)	81	78
Other	44,524	45,968
Total selling, general and administrative expenses	86,363	90,536
Operating profit	14,591	16,140
Non-operating income		
Interest income	246	186
Dividend income	846	881
Foreign exchange gains	328	—
Share of profit of entities accounted for using equity method	455	3,923
Subsidy income	1,062	1,092
Other	1,920	1,974
Total non-operating income	4,860	8,057
Non-operating expenses		
Interest expenses	825	1,248
Foreign exchange losses	—	173
Other	438	492
Total non-operating expenses	1,264	1,914
Ordinary profit	18,187	22,283
Extraordinary income		
Gain on sale of non-current assets	1,064	339
Gain on receipt of donated non-current assets	49	—
Gain on sale of investment securities	387	1,691
Subsidy income	23	5
Gain on revision of retirement benefit plan	128	—
Total extraordinary income	1,652	2,036
Extraordinary losses		
Loss on sale of non-current assets	335	155
Loss on retirement of non-current assets	175	189
Impairment losses	24	—
Loss on sale of investment securities	0	1
Loss on valuation of investment securities	1	—
Loss on liquidation of subsidiaries and associates	—	1
Loss on tax purpose reduction entry of non-current assets	65	5
Total extraordinary losses	603	353
Profit before income taxes	19,236	23,966
Income taxes	6,668	8,327
Profit	12,568	15,638
Profit attributable to non-controlling interests	505	553
Profit attributable to owners of parent	12,062	15,085

Semi-annual Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	12,568	15,638
Other comprehensive income		
Valuation difference on available-for-sale securities	6,286	(1,872)
Deferred gains or losses on hedges	1,410	(1,764)
Foreign currency translation adjustment	2,974	7,208
Remeasurements of defined benefit plans, net of tax	(21)	(74)
Share of other comprehensive income of entities accounted for using equity method	251	119
Total other comprehensive income	10,902	3,617
Comprehensive income	23,471	19,256
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,791	18,587
Comprehensive income attributable to non-controlling interests	679	669

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	19,236	23,966
Depreciation	12,269	13,456
Impairment losses	24	—
Loss on tax purpose reduction entry of non-current assets	65	5
Amortization of goodwill	1,760	1,597
Gain on receipt of donated non-current assets	(49)	—
Increase (decrease) in allowance for doubtful accounts	10	(24)
Increase (decrease) in provision for bonuses	344	403
Increase (decrease) in retirement benefit liability	(1,011)	102
Decrease (increase) in retirement benefit asset	(274)	(206)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	19	(40)
Interest and dividend income	(1,093)	(1,067)
Interest expenses	825	1,248
Foreign exchange losses (gains)	(67)	(38)
Share of loss (profit) of entities accounted for using equity method	(455)	(3,923)
Loss (gain) on sale and retirement of non-current assets	(553)	5
Loss (gain) on sale of investment securities	(387)	(1,690)
Loss (gain) on valuation of investment securities	1	—
Loss (gain) on liquidation of subsidiaries and associates	—	1
Decrease (increase) in accounts receivable - trade, and contract assets	18,107	23,802
Decrease (increase) in inventories	(4,584)	(10,658)
Increase (decrease) in trade payables	(19,080)	(16,905)
Decrease (increase) in advance payments to suppliers	292	615
Increase (decrease) in contract liabilities	(2,262)	(414)
Other, net	(4,211)	(6,388)
Subtotal	18,929	23,846
Interest and dividends received	1,137	1,199
Dividends received from entities accounted for using equity method	236	3,006
Interest paid	(786)	(1,191)
Income taxes refund (paid)	(9,707)	(13,603)
Net cash provided by (used in) operating activities	9,809	13,258

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,780)	(24,767)
Proceeds from sale of property, plant and equipment	2,098	1,043
Purchase of intangible assets	(2,614)	(5,569)
Purchase of investment securities	(1,228)	(1,211)
Proceeds from sale and redemption of investment securities	625	1,991
Proceeds from sale of investments in capital	—	1
Loan advances	(1,314)	(7,345)
Proceeds from collection of loans receivable	1,035	5,822
Other, net	(10,644)	(836)
Net cash provided by (used in) investing activities	(29,822)	(30,871)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	19,690	(19,145)
Proceeds from long-term borrowings	4,500	14,352
Repayments of long-term borrowings	(4,592)	(6,258)
Proceeds from issuance of bonds	—	29,839
Net decrease (increase) in treasury shares	(9)	(11)
Repayments of lease liabilities	(536)	(675)
Dividends paid	(5,456)	(7,464)
Dividends paid to non-controlling interests	(1,002)	(472)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1)	—
Net cash provided by (used in) financing activities	12,593	10,163
Effect of exchange rate change on cash and cash equivalents	970	1,679
Net increase (decrease) in cash and cash equivalents	(6,449)	(5,770)
Cash and cash equivalents at beginning of period	33,256	33,614
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	87	175
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	1	239
Cash and cash equivalents at end of period	26,895	28,260

(4) Explanatory Notes to Semi-annual 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 half 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 semi-annual consolidated financial statements.

Since the beginning of the first half 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 half of the current fiscal year.

As a result, at the beginning of the first half 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 Half of FY2023 (April 1, 2023 - September 30, 2023)

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

(million yen)

	Reportable Segments				Others *1	Total	Adjustments *2	Semi-annual Consolidated Statements of Income *3
	Integrated Energy	Industrial Gases & Machinery	Materials	Subtotal				
Net sales								
Outside customers	143,329	126,841	108,537	378,708	15,503	394,211	-	394,211
Intersegment	2,120	3,037	892	6,051	12,341	18,392	(18,392)	-
Total	145,450	129,878	109,430	384,759	27,844	412,604	(18,392)	394,211
Segment income (loss)	(1,199)	10,852	6,259	15,913	1,335	17,248	(2,656)	14,591

(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 (loss) include companywide expenses not allocated to each segment and the elimination of intersegment transactions.

*3. Segment income is adjusted with operating income of the semi-annual consolidated statements of income.

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

None

II. First Half of FY2024 (April 1, 2024 - September 30, 2024)

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

(million yen)

	Reportable Segments				Others *1	Total	Adjustments *2	Semi-annual Consolidated Statements of Income *3
	Integrated Energy	Industrial Gases & Machinery	Materials	Subtotal				
Net sales								
Outside customers	157,263	128,583	99,155	385,002	15,001	400,004	-	400,004
Intersegment	2,168	1,854	1,060	5,083	13,262	18,346	(18,346)	-
Total	159,432	130,438	100,216	390,086	28,264	418,350	(18,346)	400,004
Segment income (loss)	3,270	7,988	6,133	17,393	1,694	19,088	(2,947)	16,140

(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 (loss) include companywide expenses not allocated to each segment and the elimination of intersegment transactions.

*3. Segment income is adjusted with operating income of the semi-annual 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 Significant Subsequent Events)

(Share Split)

The Company conducted a share split with an effective date of October 1, 2024, based on a resolution adopted at the Board of Directors meeting held on June 19, 2024.

1. Purpose of the Share Split

The purpose of the share split is to lower the amount per unit of investment in the Company's shares, to create an environment in which investors can invest more easily, and to expand the investor base and improve the liquidity of the Company's shares.

2. Outline of the Share Split

(1) Method of share split

Each common share owned by shareholders listed or recorded in the closing register of shareholders on the record date of September 30, 2024 (Monday) was split into four shares.

(2) Number of shares to be increased by share split

Total number of issued shares before the share split	58,561,649 shares
Number of shares to be increased by the share split	175,684,947 shares
Total number of issued shares after the share split	234,246,596 shares
Total number of authorized shares after the share split	480,000,000 shares

(3) Timetable

Public notice of the record date	September 13, 2024
Record date	September 30, 2024
Effective date	October 1, 2024

(4) Effect on per share information

The effect on per share information is presented under "Basic earnings per share" in the summary.

(Syndicated loan Agreement)

Effective October 28, 2024, the Company concluded a syndicated loan agreement for a total amount of 45.0 billion yen with MUFG Bank, Ltd. as the arranger. The purpose of the agreement is to fund the refinancing of existing borrowings associated with the purchase of shares of Cosmo Energy Holdings Co., Ltd. The overview is as follows.

Overview of the syndicated loan agreement				
Term	4 years	6 years	7 years	8 years
Amount	10.0 billion yen	10.0 billion yen	15.0 billion yen	10.0 billion yen
Borrowing date	October 31, 2024			
Repayment method	Lump-sum repayment on due date	Lump-sum repayment on due date	Equal principal repayments	Lump-sum repayment on due date
Interest rate	Benchmark interest rate + spread			
Collateral or guarantees	None			

(1) Consolidated Statements of Income

(Unit: 100 million yen)

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

	1H FY2023 Apr-Sep 2023	1H FY2024 Apr-Sep 2024	Change	Rate	FY2024 (Forecast)	Overview
Net sales	3,942	4,000	57	1.5%	9,020	Net sales increased due to the persistence of high LPG import prices, etc.
Gross profit	1,009	1,066	57	5.7%	—	
Operating profit	145	161	15	10.6%	527	All profit items increased due to the improved impact of LPG import price fluctuation and an increase in share of profit of entities accounted for using equity method, etc.
Ordinary profit	181	222	40	22.5%	728	
Profit attributable to owners of parent	120	150	30	25.1%	540	

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

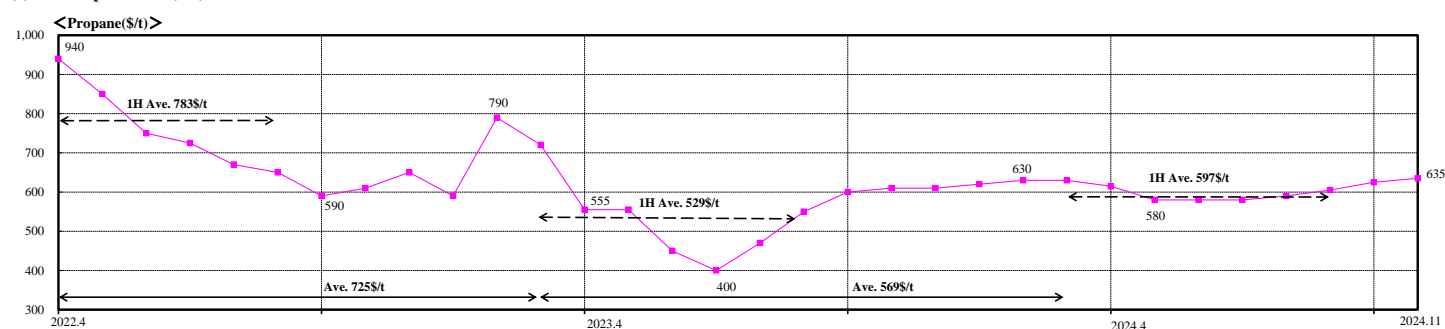
(2) Operating Profit Except for Impact of LPG Import Price Fluctuation

(Unit: 100 million yen)

	1H FY2023 Apr-Sep 2023	1H FY2024 Apr-Sep 2024	Change	Rate	FY2024 (Forecast)	Overview
Operating profit	145	161	15	10.6%	527	• Impact of LPG import price fluctuation led to increase in profit by 4.0 billion yen year-on-year.
Impact of LPG import price fluctuation	(51)	(10)	40	—	—	
Operating profit except for impact of LPG import price fluctuation	197	171	(25)	(12.8%)	527	• Operating profit except for the impact of LPG import price fluctuation was 17.1 billion yen, a decrease of 2.5 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)

(3) LPG Import Price (CP)



(4) Segment Information

(Unit: 100 million yen)

		1H FY2023 Apr-Sep 2023	1H FY2024 Apr-Sep 2024	Change	Rate	Overview
Integrated Energy	Net sales	1,433	1,572	139	9.7%	• Rising LPG import prices and an increase in sales of LPG for industrial use resulted in an increase in revenue. • Sales of portable gas cooking stoves, cassette gas canisters, and energy-related equipment were strong. • The negative impact of LPG import price fluctuation improved.
	Operating profit	(11)	32	44	—	
Industrial Gases & Machinery	Net sales	1,268	1,285	17	1.4%	• Sales volume grew of air separation gases as the electronic components industry recovered. • Sales of hydrogen gas for space development were strong. • Helium market weakened, especially in China. • In machinery and equipment, sales of automobile-related equipment decreased.
	Operating profit	108	79	(28)	(26.4%)	
Materials	Net sales	1,085	991	(93)	(8.6%)	• Sales of molded products for air conditions and consumer resin products grew. • In the mineral sands business, production at our own mining sites in Australia remained strong and sales volumes increased in Japan and overseas. • Sales of stainless steel and rechargeable battery materials for next-generation automobiles were slow.
	Operating profit	62	61	(1)	(2.0%)	
Others, Adjustments	Net sales	155	150	(5)	(3.2%)	
	Operating profit	(13)	(12)	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)			
	1H FY2023 Apr-Sep 2023	1H FY2024 Apr-Sep 2024	Change	Rate	1H FY2023 Apr-Sep 2023	1H FY2024 Apr-Sep 2024	Change	Rate
Domestic residential use	498	486	(11)	(2.4%)	693	770	76	11.1%
Domestic industrial use	143	151	8	5.7%	141	179	38	26.9%
LPG sub total (except for overseas)	641	638	(3)	(0.6%)	835	950	115	13.8%
LPG total	648	644	(3)	(0.5%)	843	958	115	13.7%
Various industrial gases	—	—	—	—	750	770	20	2.7%

(6) Financial Position

(Unit: 100 million yen)

	FY2023 end	1H FY2024 end	Change
Total assets	8,343	8,360	16
Equity	3,623	3,736	113
Interest-bearing debt, gross	2,545	2,753	208
Interest-bearing debt, net	2,205	2,467	261
Equity ratio	43.4%	44.7%	1.3pt
Ratio of interest-bearing debt to total assets	30.5%	32.9%	2.4pt
Debt-to-equity ratio, gross	0.70	0.73	0.03pt
Debt-to-equity ratio, net	0.60	0.66	0.06pt

(7) Capital Expenditure

(Unit: 100 million yen)

	1H FY2024 Apr-Sep 2024	FY2024 (Forecast)
Integrated Energy	72	261
Industrial Gases & Machinery	131	396
Materials	12	109
Others, Adjustments	61	124
Capital expenditure	277	890
Depreciation	143	305

* Presented here are figures for property, plant and equipment, intangible assets (including goodwill), and investments securities, etc. (which include 18.9 billion yen invested in property, plant and equipment in the current period.)

(8) Cash Flows

(Unit: 100 million yen)

	1H FY2023 Apr-Sep 2023	1H FY2024 Apr-Sep 2024	Change
Cash and cash equivalents at beginning of period	332	336	3
Cash flows from operating activities	98	132	34
Cash flows from investing activities	(298)	(308)	(10)
Free cash flow	(200)	(176)	23
Cash flows from financing activities	125	101	(24)
Effect of exchange rate change on cash and cash equivalents	9	16	7
Net increase (decrease) in cash and cash equivalents	(64)	(57)	6
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	0	1	0
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	0	2	2
Cash and cash equivalents at end of period	268	282	13

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

(Unit: 100 million yen)

	1H FY2023 Apr-Sep 2023	1H FY2024 Apr-Sep 2024	FY2024 (Forecast)
Amount of share of profit or loss of Cosmo accounted for using equity method	—	35	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.

(10) Non-consolidated
Non-consolidated Statements of Income

(Unit: 100 million yen)

	1H FY2023 Apr-Sep 2023	1H FY2024 Apr-Sep 2024	Change	Rate
Net sales	2,321	2,426	105	4.5%
Operating profit	17	52	35	206.3%
Ordinary profit	105	169	63	60.6%
Profit	89	143	53	60.2%

Financial Position

(Unit: 100 million yen)

	FY2023 end	1H FY2024 end	Change
Total assets	6,022	6,007	(15)
Equity capital	2,449	2,490	41
Equity capital ratio	40.7%	41.5%	0.8pt

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