

Iwatani

FY2024

Iwatani Corporation Investors' Guide

Security code: 8088

Updated: May 23, 2024



Corporate Philosophy

Become a person needed by society,
as those needed by society can prosper.

Corporate Slogan

Creation of a more comfortable space on the Earth
is what Iwatani wishes and strives for.

Company Overview

*As of March 31, 2024

Established:	May 5, 1930
Paid-in-Capital:	35.096 billion yen
Consolidated Net Sales:	847.8 billion yen (FY2023; consolidated)
Net income:	47.3 billion yen (FY2023; consolidated)
Affiliated Companies:	241 (including 105 consolidated subsidiaries)
Employees:	11,332 (FY2023; consolidated)
Fiscal year ends:	March 31



Osaka Head Office




Tokyo Head Office



Integrated Energy

- LPG
- Electricity sales and city gas safety services
- Gas equipment, lifestyle products,
- Portable gas cooking stoves and cassette gas canisters



Industrial Gases & Machinery

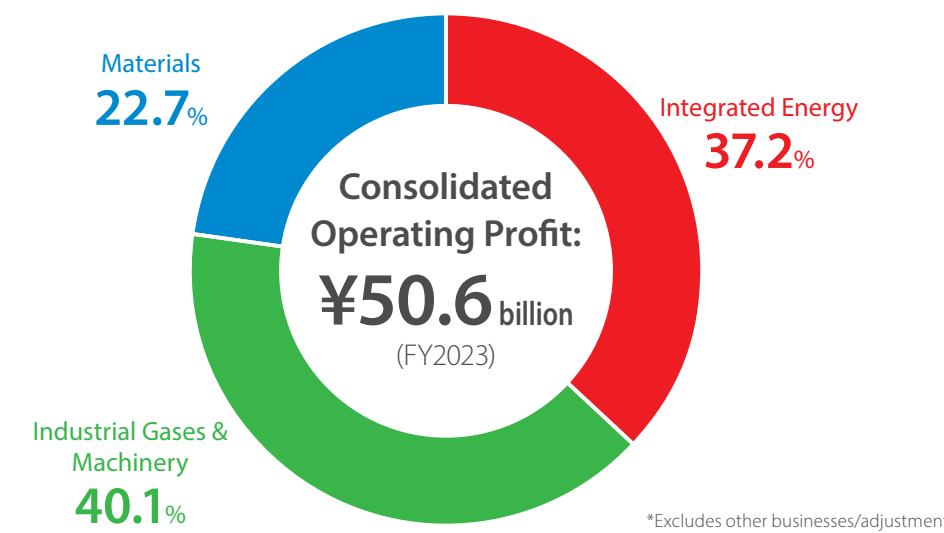
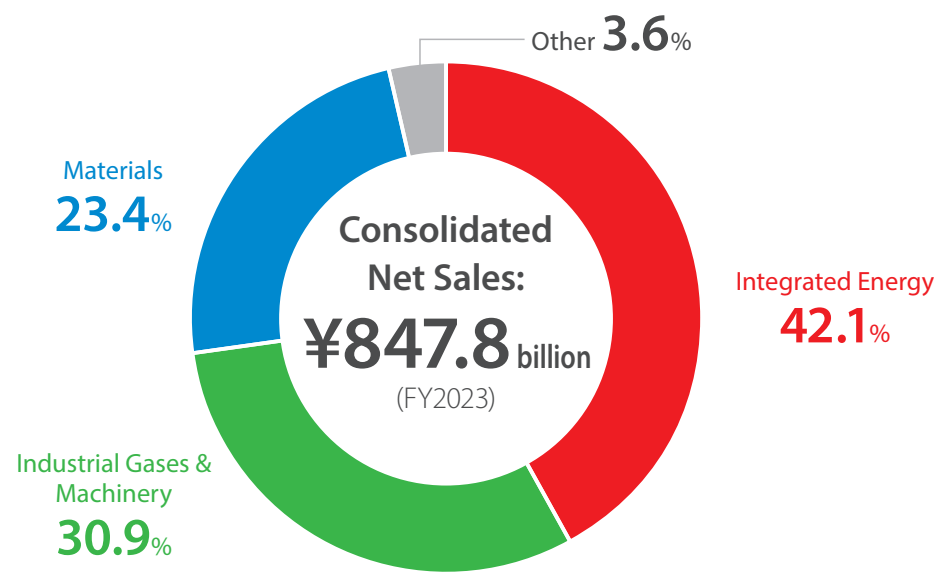
- Industrial gases (e.g., air separation gases, hydrogen, helium)
- Gas production and supply facilities and industrial machinery



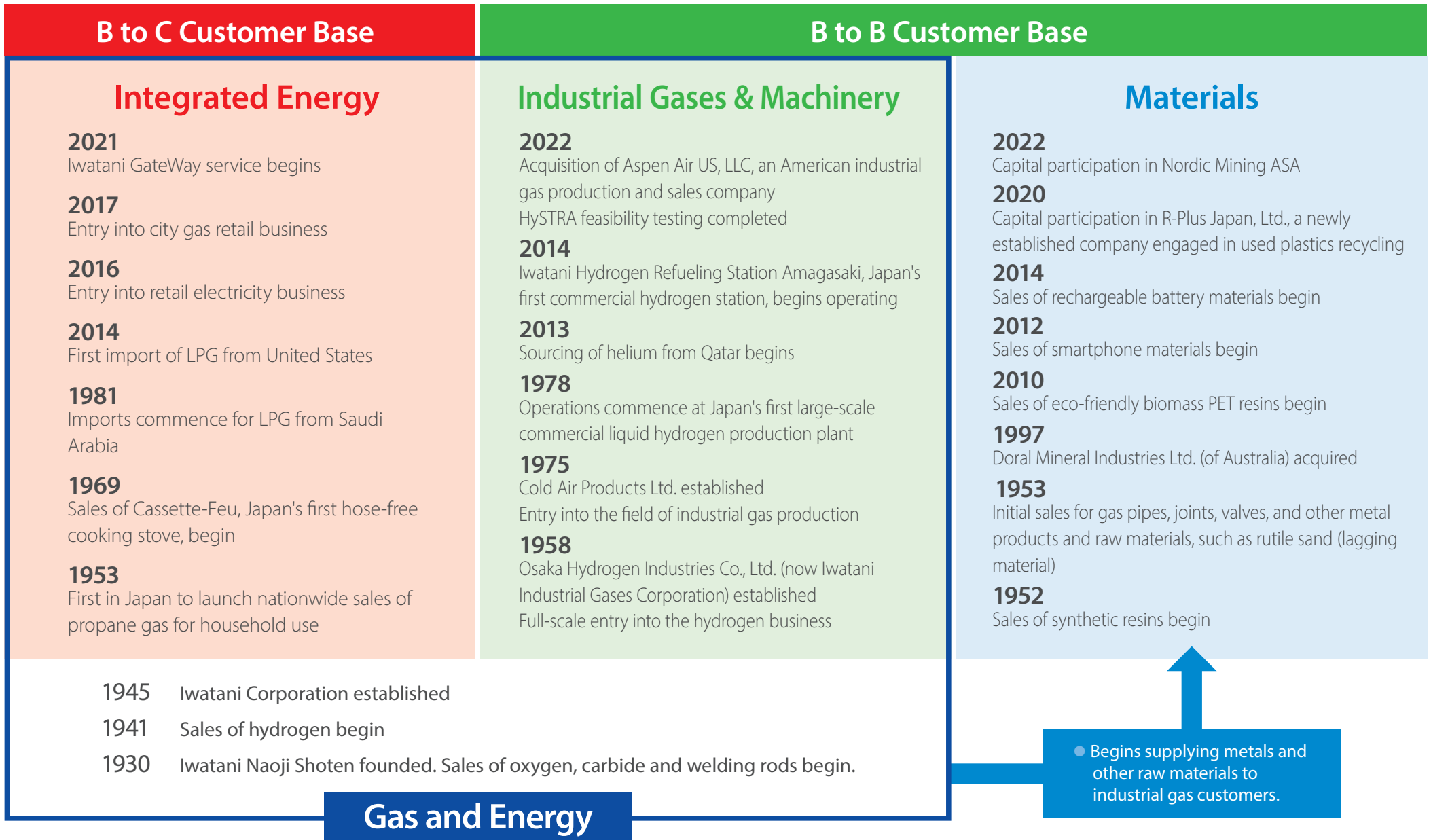
Materials

- Functional plastic products
- Resources and advanced materials
- Metals ● Electronic materials

Our core businesses are Gas and Energy



*Excludes other businesses/adjustments.



Energy-related equipment



Gas stove



ENE-FARM system



LPG supply equipment



LPG-powered emergency generator

Cartridge gas products



Portable gas cooking stove



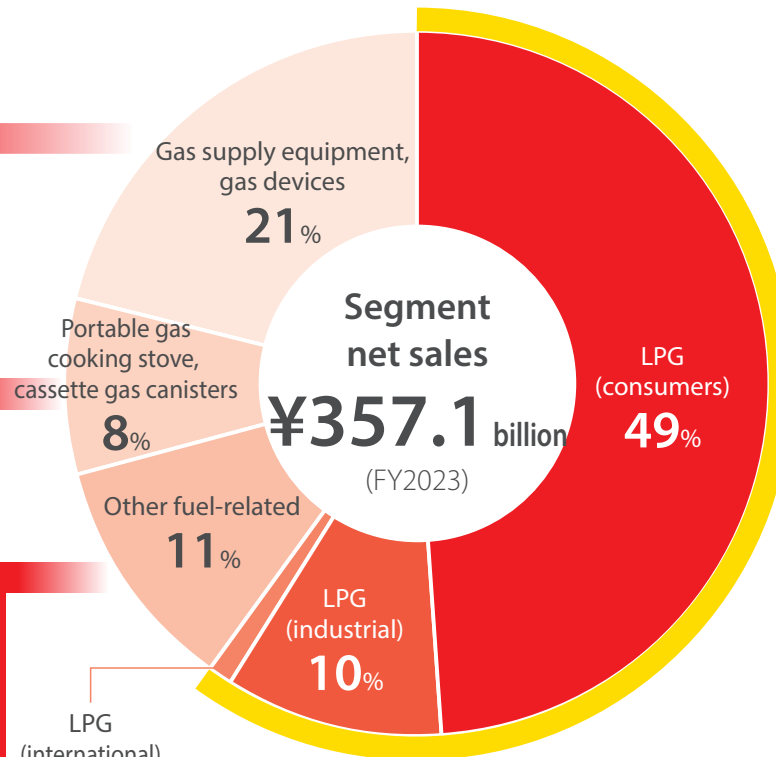
Cassette gas canister

Non-LPG

- LNG
- Kerosene



<Breakdown of sales>



<Iwatani's LPG sales>

	Retail	Wholesale
Industry ranking	No.1 / 16,381 companies	No.1 / 1,100 companies
Market share	4.7%	13.9%
Households using MaruiGas*	1.11 million	3.3 million

Source: LP Gas Annual Report: Facts and Figures, Iwatani estimates (As of March 31, 2024)
* The name of the Company's LPG brand

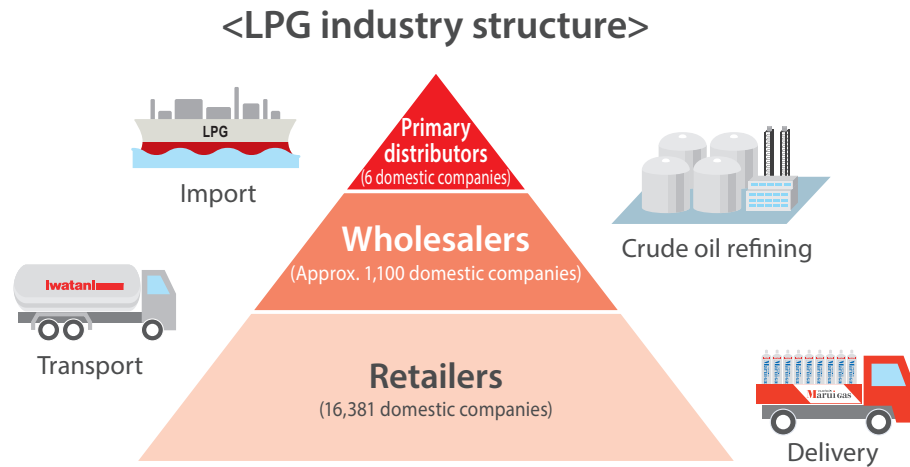
LPG

From LPG import to delivery to households



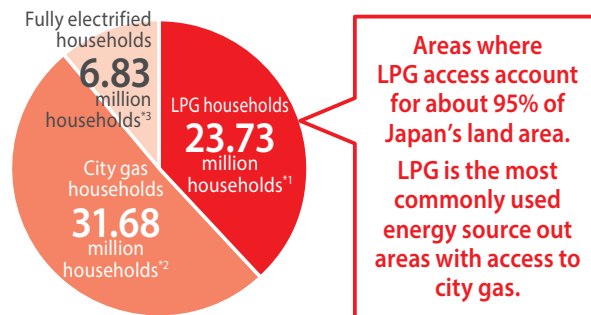
LPG industry overview

The industry has a three-tiered hierarchical structure: primary distribution, wholesale and retail.



Approx. 40% of households in Japan are LPG consumers

<Percentage of Japanese households using LPG>



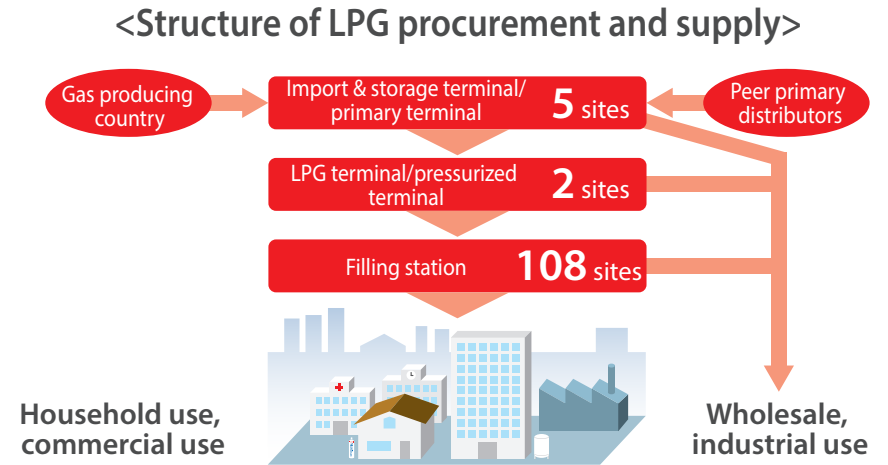
*1 Source: Sangyohoudoushuppan Co., Ltd. (FY2022), Agency for Natural Resources and Energy (March 2023)

*2 Source: Agency for Natural Resources and Energy (March 2023)

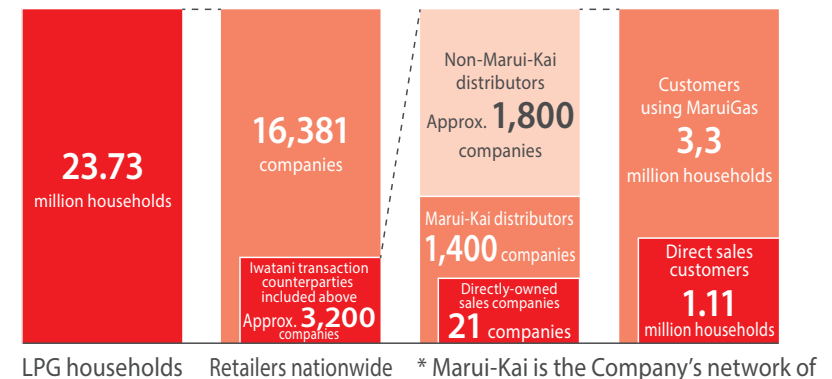
*3 Source: FUJII KEIZAI CO., LTD., 2018 Residential Energy Service Equipment Forecasts by Area (FY2017 Results)

The Company's structure

Integrated from primary distributor to retailing



Characteristics of transaction counterparties



* Marui-Kai is the Company's network of LPG distributors.

Business Strategy (Wholesale)

<Nationwide platform>

Delivery facilities

- 135 facilities
- Approx. 1,600 persons
- Approx. 1,300 vehicles



Bases

- 108 filling stations nationwide



Supply and distribution network



Maintenance



Sales network (gas, equipment)



Offices

- 280 locations
- Approx. 3,200 persons



Harnessing the supply infrastructure to grow earnings in the wholesale business

Growing the number of transaction counterparty businesses

<Development of proprietary Marui-Kai services>

- Sales support (device sales, gas demand development)
- Maintenance contracting
- Industry exchange, information exchange, HR training

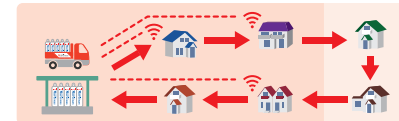


Streamlining delivery

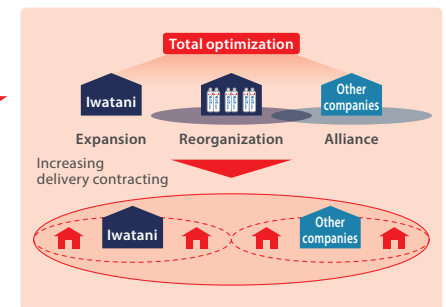
<Streamlining delivery>



Maintain, expand, and reorganize own facilities.



Improving delivery structure through more efficient use of our facilities



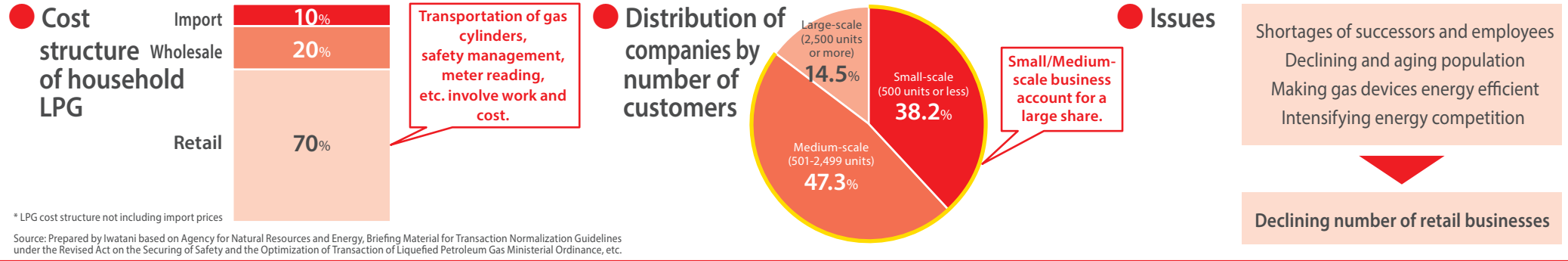
Promoting delivery alliances with other companies



MaruiGas Disaster Relief Corps

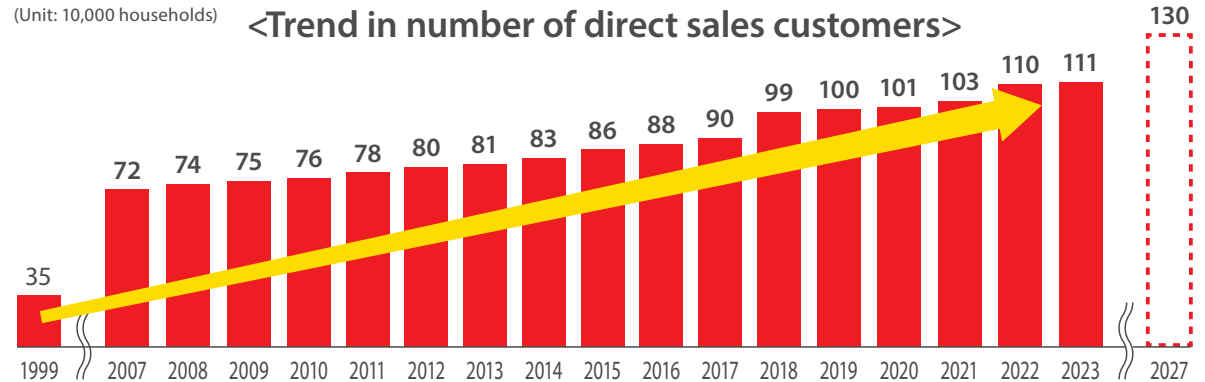
- Japan's only and largest nationwide private sector disaster prevention organization, established jointly with distributors to ensure rapid LPG recovery in response to disasters
- Conducting annual concurrent nationwide drills to maintain and strengthen disaster response capabilities (mobilizing 2,191 technicians to 32 sites through March 2024)

<Distinguishing features of the retail LPG industry>



Drawing on our nationwide LPG platform to grow the direct sales customer base and enhance retail earnings capabilities

Growing the direct sales customer base chiefly through M&A activities



Business Strategy (Industrial)

<Nationwide industrial LPG supply infrastructure>

- One-stop service from proposal through to construction and maintenance
- 24-hr 365-day/year remote monitoring
- Centralized management within Iwatani Group

Growing earnings by promoting fuel conversion

Meeting user decarbonization needs by switching from heavy oil/kerosene to LPG (fuel conversion)

Proposals for energy and cost savings for heat demand, power conservation, and BCP measures



Total support, from stable supply of LPG to equipment upgrades and maintenance



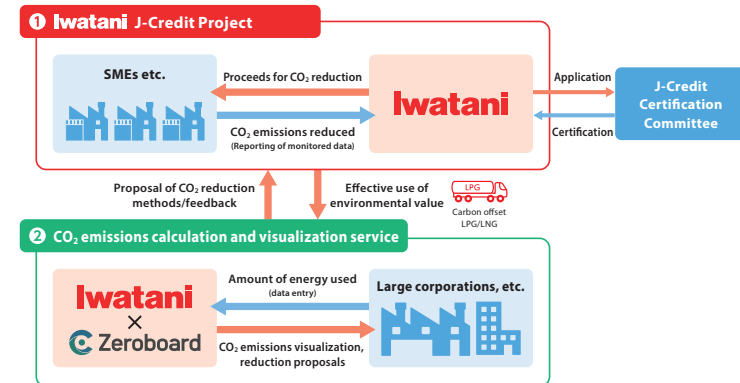
Steam boiler



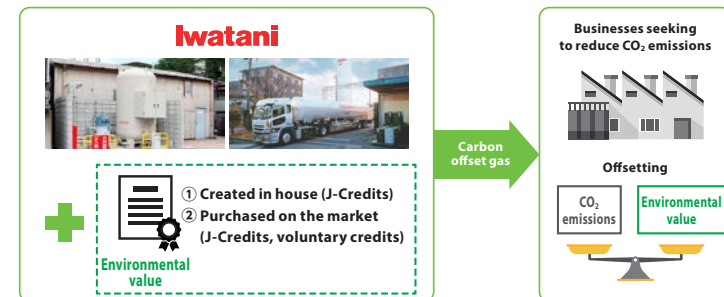
Cogeneration system

Comprehensive support for decarbonization/low-carbon aims of customers

- Generating environmental value from SME CO₂ reductions via conversion to J-Credits



- Launching the supply of carbon offset gas using J-Credits in 2022

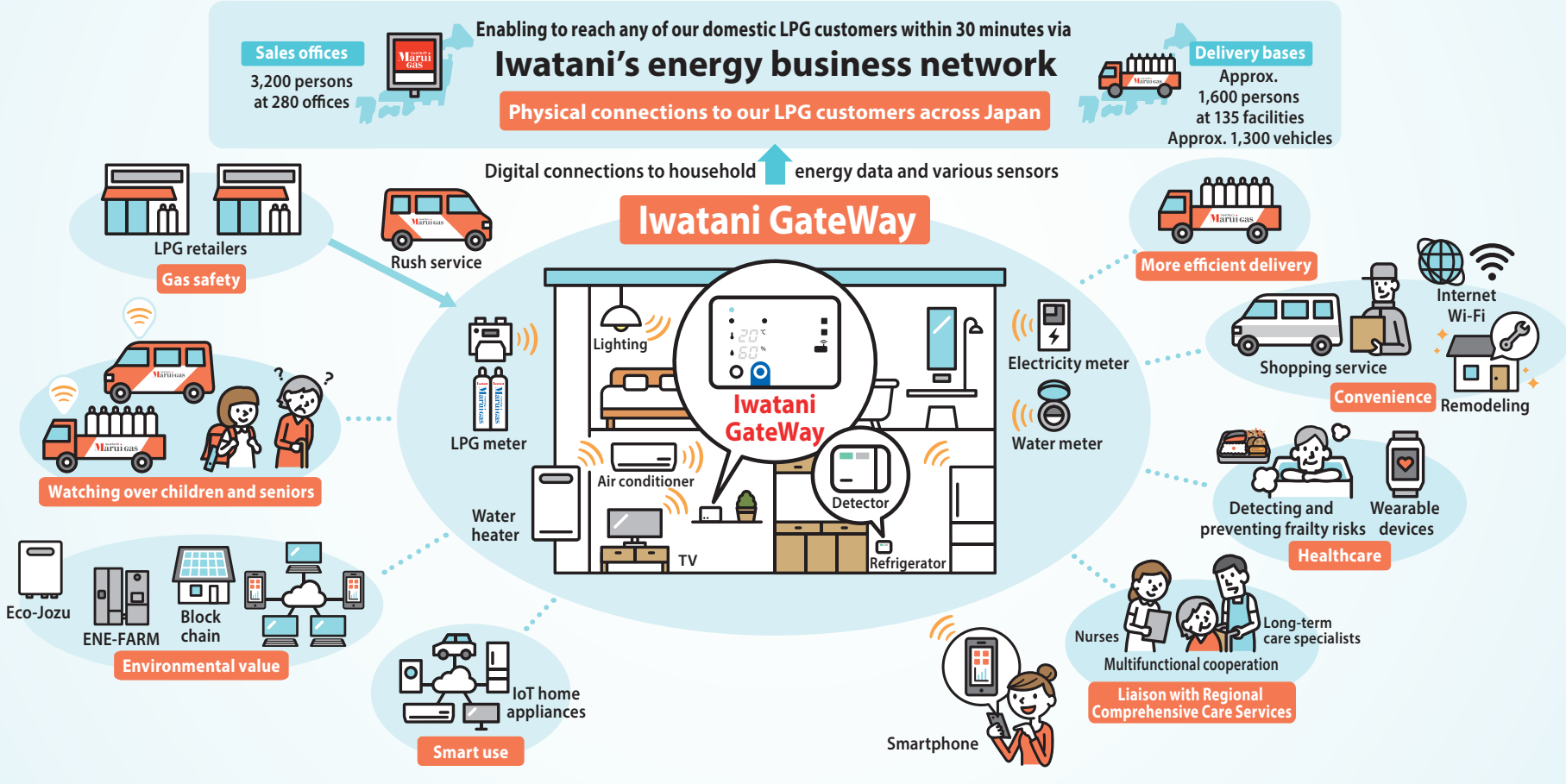


Business Strategy (Initiatives to Reach the Next Growth Stage)

Iwatani GateWay Plan (digital transformation of the integrated energy business)

IoT platform Iwatani GateWay

This Internet of Things (IoT) platform adds communication functions to household gas alarms for use as gateways to connect a wide range of devices. This is intended to provide new services and value to support customer lifestyles.



Business Strategy (Cartridge Gas)

Japanese market

High quality and brand power



New product development capabilities to meet customer needs

Growing sales and profits by cultivating new demand

Outdoor use



FORE WINDS outdoor leisure brand

Cassette gas products other than cooking stoves



Marudan cartridge gas heater

Portable gas cooking stove with outstanding design



Cassette Feu KIWAMI

FY2027 Japan sales targets

	FY2023 sales	FY2027 sales target
Portable gas cooking stoves	1.98 million	3.4 million
Cassette gas canisters	97.45 million	130 million

Overseas markets

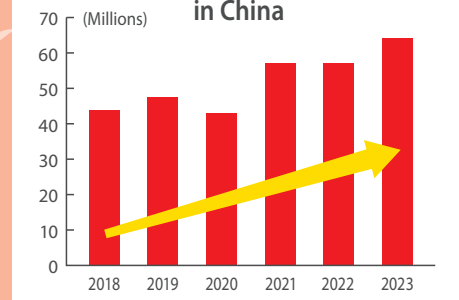
Use of manufacturing facilities



Introducing products that meet the needs of each country

Growing sales in China and Southeast Asia while growing the business in North America

Historical sales of cassette gas canisters in China



Iwatani Cartridge Gas Corporation



Iwatani Gas Appliances (Zhuhai) Co., Ltd.



Iwatani Cassette-Feu (Thailand) Co., Ltd.

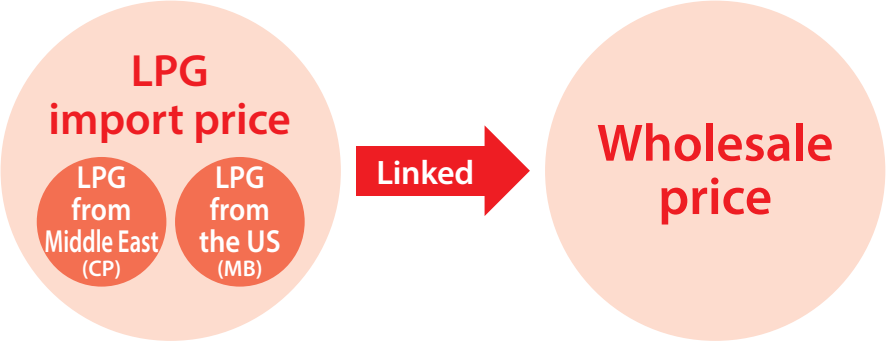
Global sales volume (FY2027)

- Portable gas cooking stoves 4.7 M units
- Cassette gas canisters 120 M units

For Reference: Impact of LPG Import Prices

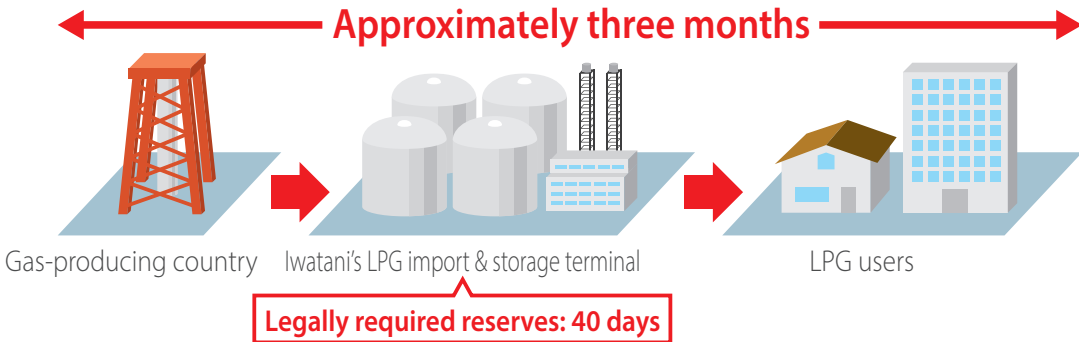
Assumption 1

Wholesale price is linked to LPG import price.



Assumption 2

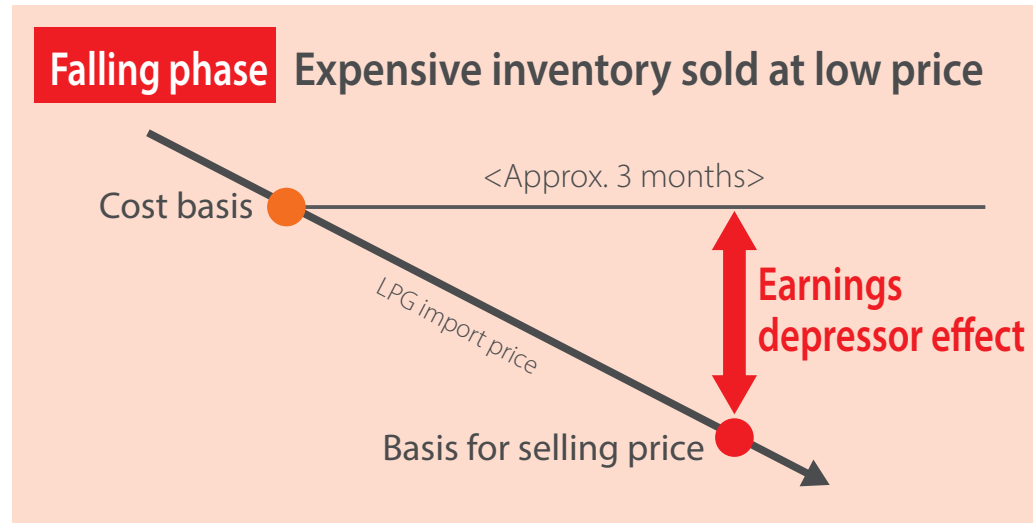
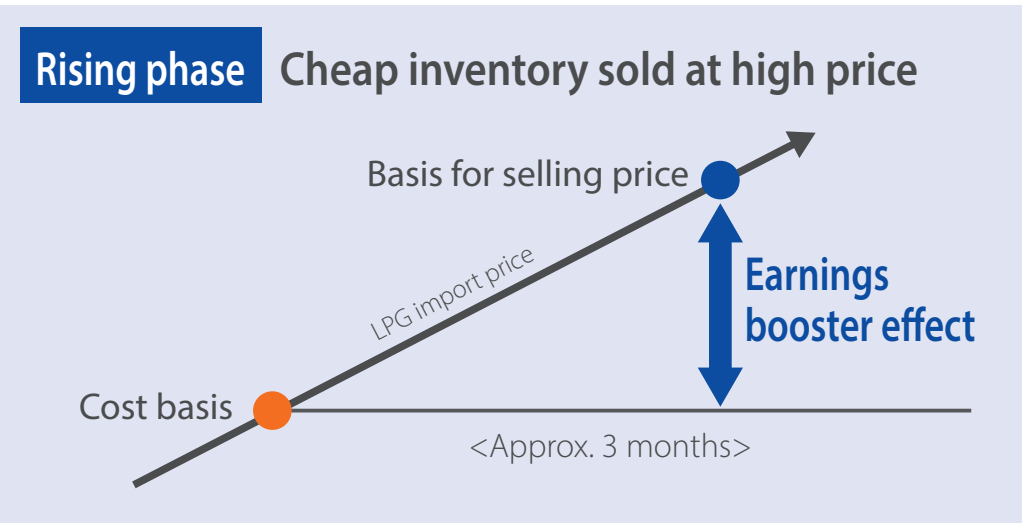
Time from import to sale is approximately three months.



LPG import price fluctuation



Produces short-term impact on performance (due to market fluctuations).
(If LPG import prices return to original levels, impact will be zero.*)



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

Machinery, equipment, etc.



High-pressure gas supply facilities



Welding equipment



Liquid gas trucks



Welding robots



Sheet-metal welding machines



Semiconductor manufacturing equipment

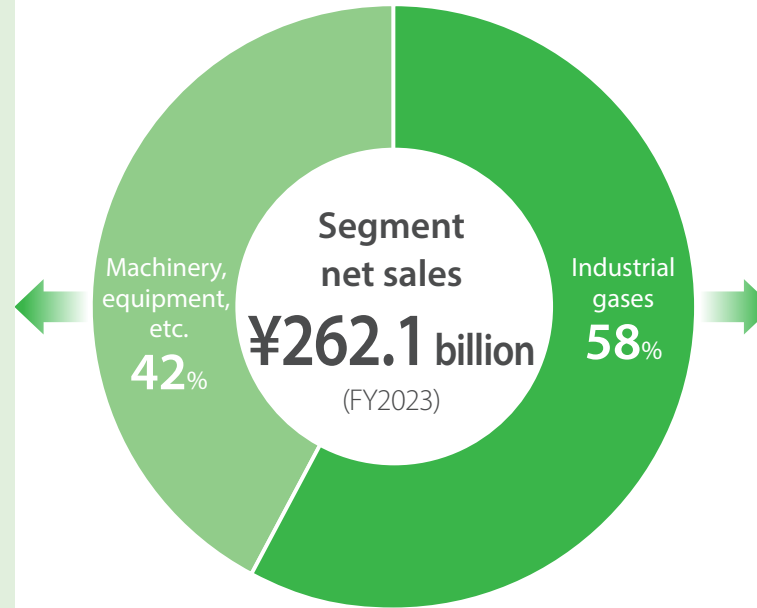


Welding materials



Pharmaceutical manufacturing equipment

Sales Breakdown



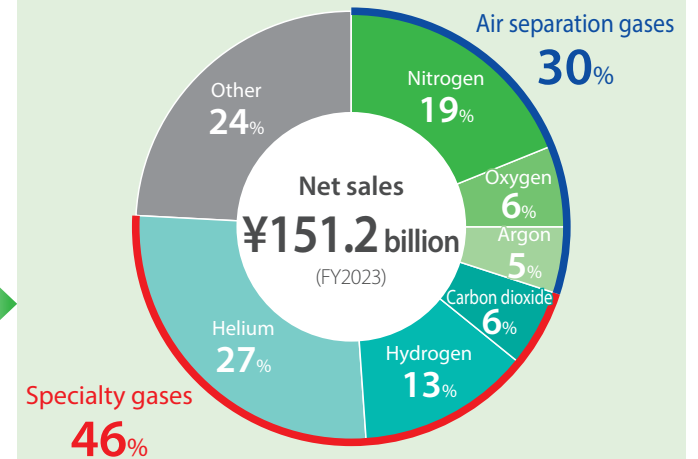
Overseas sales ratio **27%**

Market share of specialty gases

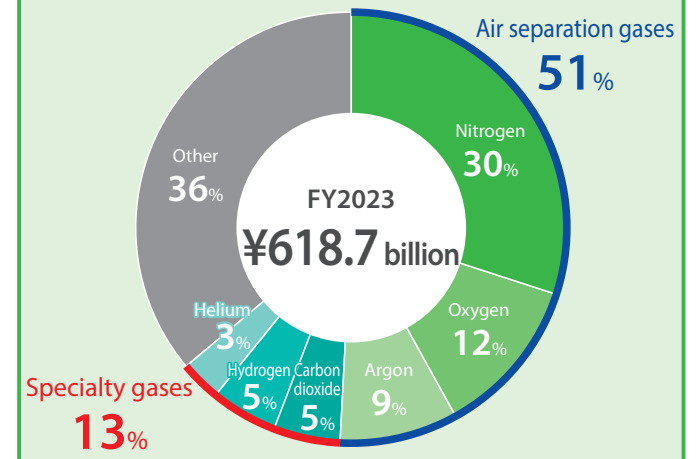
- **Hydrogen** (incl. liquid hydrogen) approximately **70%** **No. 1 in industry**
- **Liquid hydrogen** **100%** **No. 1 in industry**
- **Helium** approximately **50%** **No. 1 in industry**

Source: Gas Georama in Japan 2024, Company estimates

Breakdown by gas type

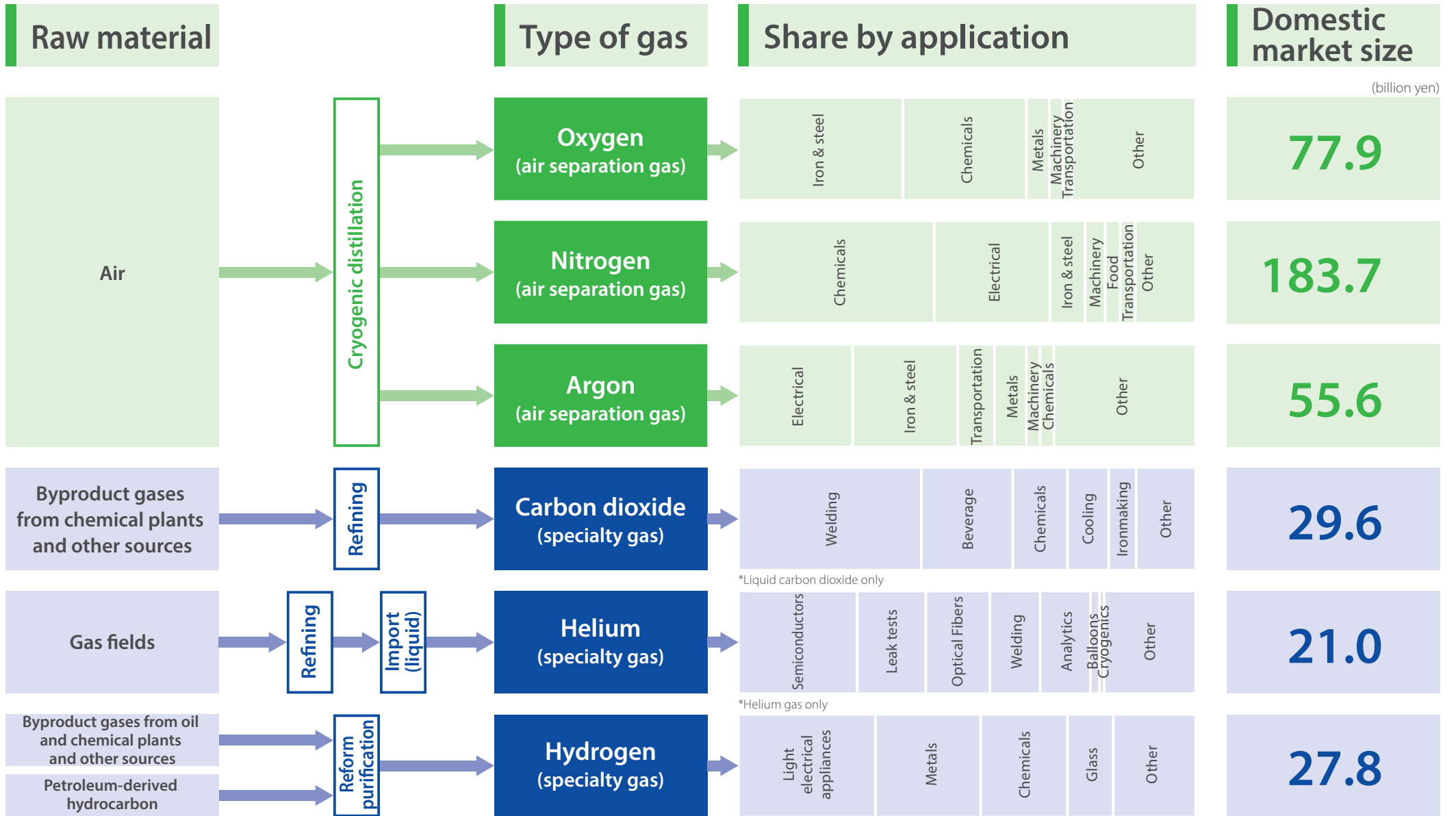


Breakdown of industry-side sales by gas type



Source: Gas Georama in Japan 2024

Industrial Gases (Overview)



(billion yen)

*Liquid carbon dioxide only

*Helium gas only

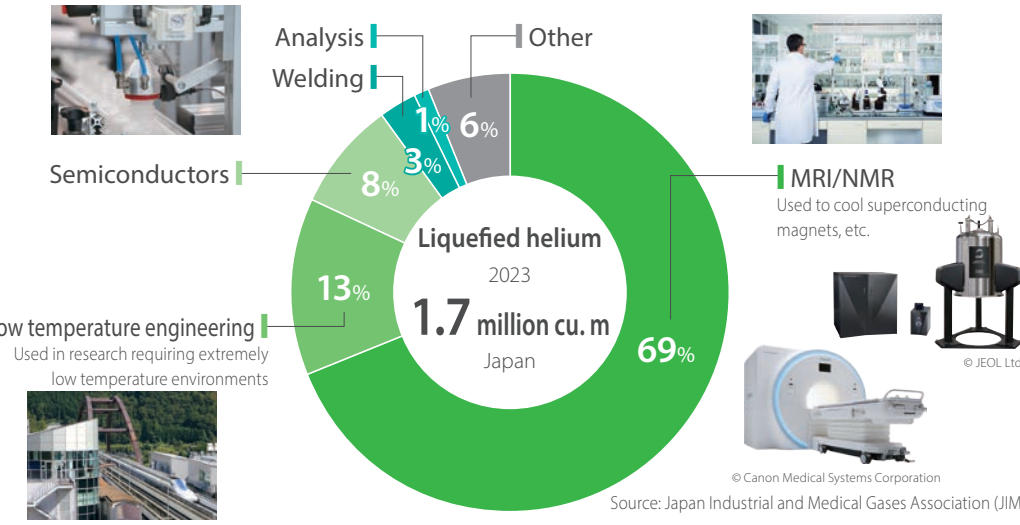
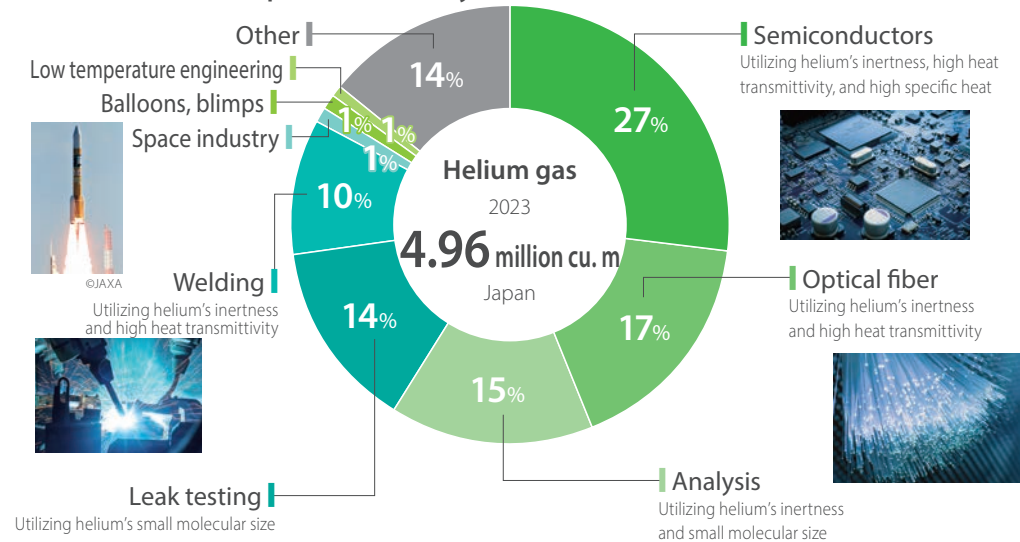
*Compressed hydrogen only

*Reference: 2024 Gas Georama in Japan. Japanese market size estimates by the Company based on the size of the industrial gases market in 2023.

Business Overview (Helium)

Main uses

- Used in state-of-the-art fields like semiconductors, optical fiber, MRIs, and the space industry



Procurement and supply structure

- Procurement from multiple sources in North America and Qatar



Supply structure

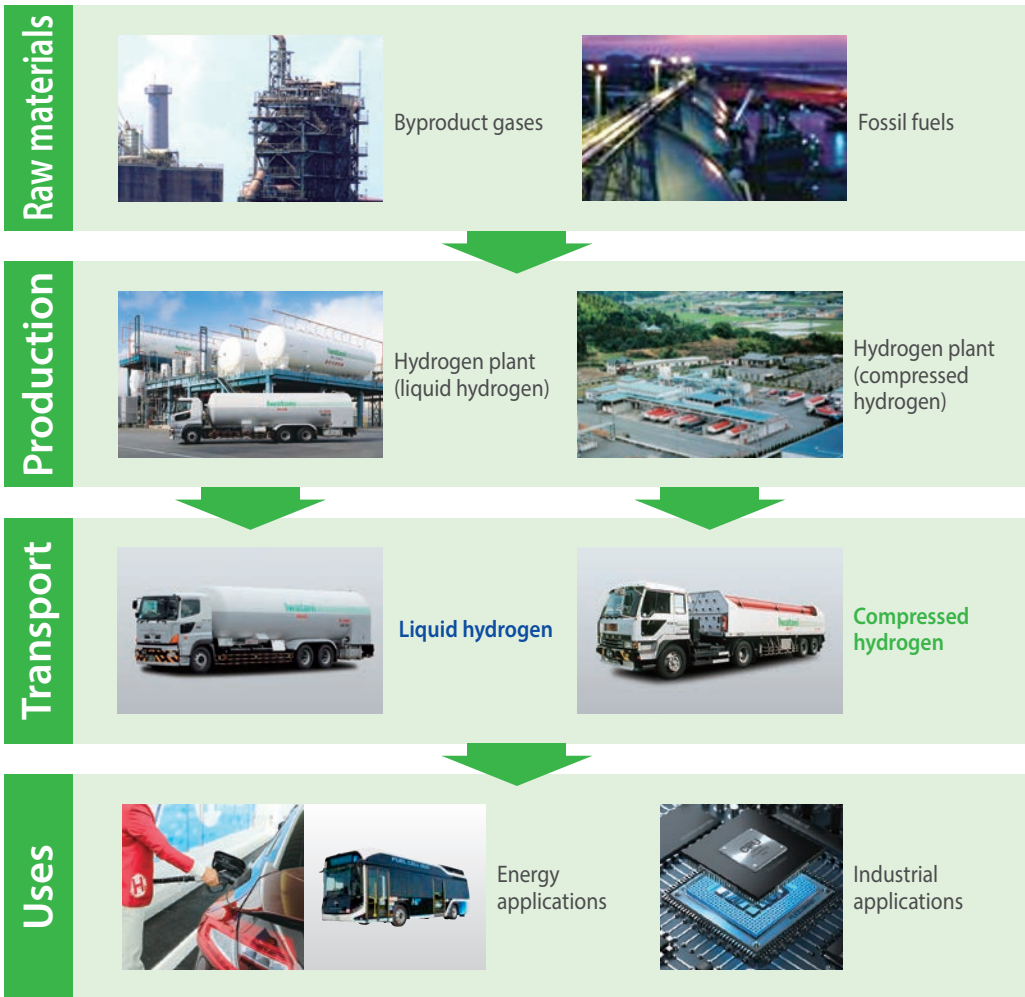
- Reduction of loss during filling through introduction of high-efficiency equipment
- Realization of stable supply through investment in containers



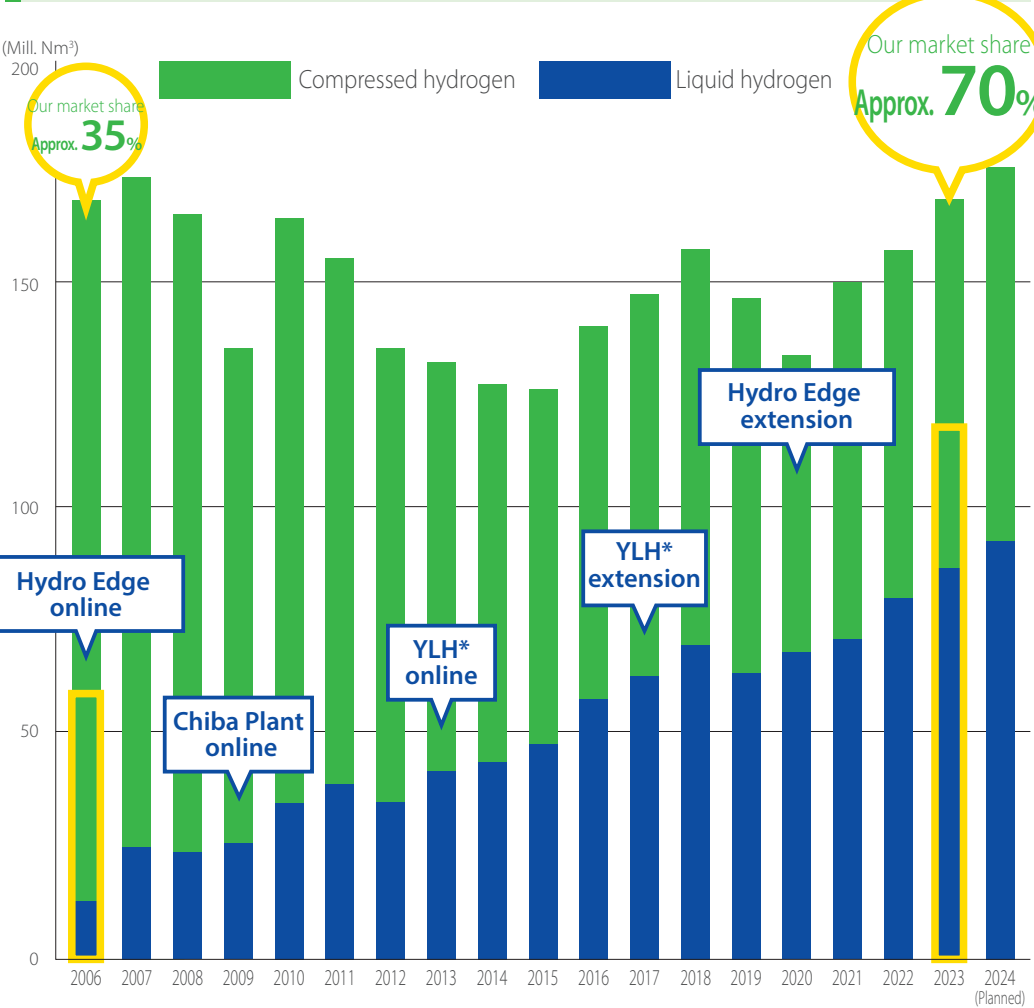
Business Overview (Hydrogen)

Top domestic market shares and only supplier of liquid hydrogen

Iwatani's hydrogen business



Historical sales volume of hydrogen in Japan



Source: Gas Georama in Japan 2024

* Yamaguchi Liquid Hydrogen Corporation

Business Strategy (Hydrogen)

Expanding sales with liquid hydrogen as core

Industrial applications

- Leveraging the advantages of liquid hydrogen to grow our customer base

Liquid hydrogen characteristics

Enables largescale transport and storage

Transport efficiency
Approx. 12 times
(relative to compressed hydrogen)

High purity

Purity
99.9999%

Energy applications

- Building a new energy market

Growing decarbonization demand

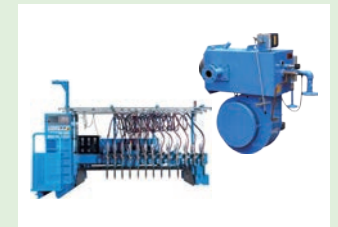
Responding to demand to implement decarbonization in business activities



H₂ KIBOU FIELD
Photo: Panasonic Corporation



HYBARI hydrogen hybrid train
Photo: East Japan Railway Company



Hydrogen cutting machine, mixed-combustion type hydrogen burner

Hydrogen applications

Glass manufacturing
(optical fibers, quartz glass)



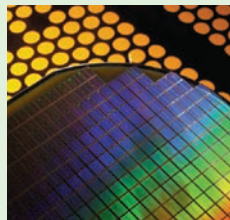
* Oxyhydrogen burners for clearglass free of clouding

Heat-treating metals



* Used as an additive in bright annealing for smooth metallic surfaces

Semiconductors, electronics



* Dilution of raw material gases, ambient use, etc.

Space development
(rocket fuel)



* Liquid hydrogen only

Development initiatives for hydrogen-refueling stations

Promoting construction of hydrogen refueling stations in Japan and around the world



US hydrogen-refueling station



FC bus -adapted hydrogen-refueling station

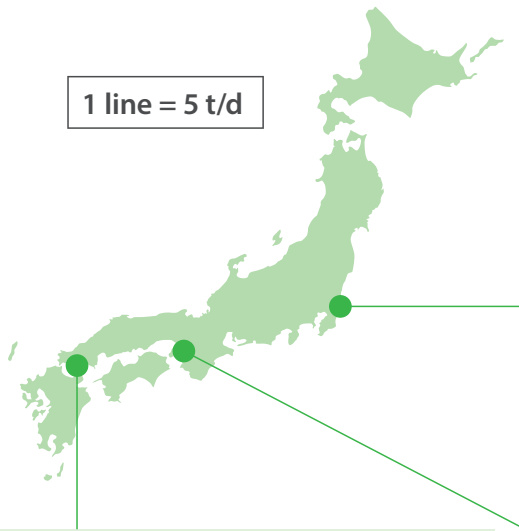


Iwatani Cosmo Hydrogen Refueling Station Heiwajima

Business Strategy (Hydrogen)

Liquid hydrogen production bases

- Increase production capacity in line with increased sales of liquid hydrogen



Chiba Plant of Iwatani Industrial Gases (Ichihara City, Chiba Prefecture)

- Operating since 2009

1 Line



Yamaguchi Liquid Hydrogen (Shunan City, Yamaguchi Prefecture)

- 1 line operating since 2013
- 1 line added in 2017

2 Lines



Hydro Edge (Sakai City, Osaka Prefecture)

- 2 lines operating since 2006
- 1 line added in 2020

3 Lines

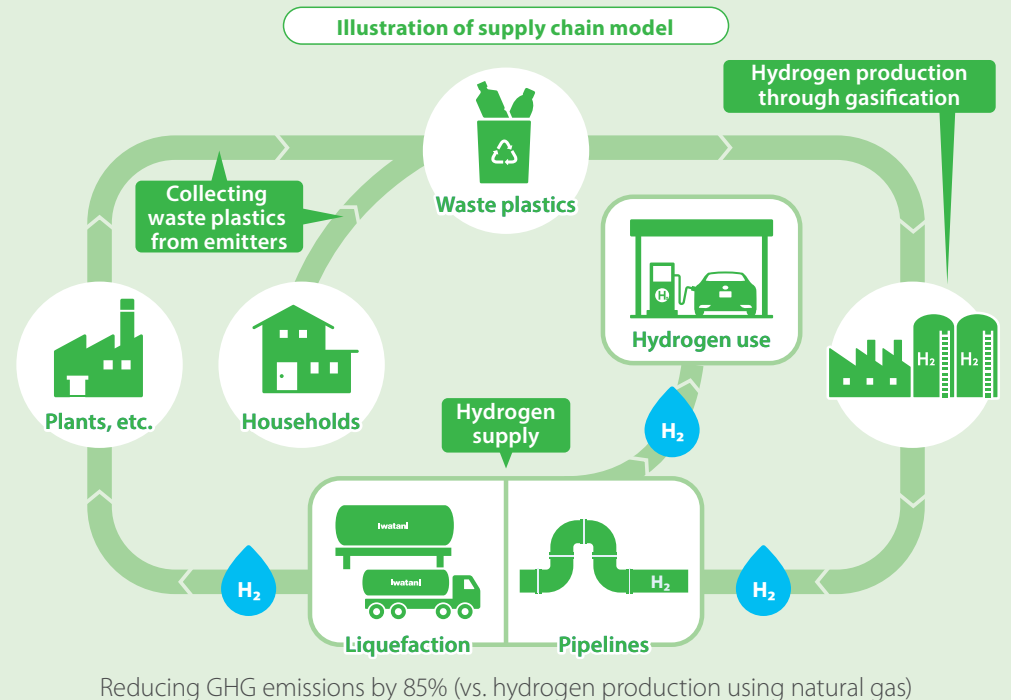


- Exploring the feasibility of building new liquid hydrogen production facilities

Exploring the feasibility of building new liquid hydrogen production facilities in addition to those in Osaka, Yamaguchi, and Chiba, in response to increasing domestic demand for low carbon hydrogen and other applications

- Hydrogen production through gasification of waste plastics

Commercializing production of hydrogen from waste plastic by the mid-2020s
Study involving project near the Port of Nagoya in Aichi Prefecture undertaken in partnership with Toyota Tsusho Corporation and JGC Holdings Corporation



Business Strategy (Toward a Hydrogen Energy-Based Society)

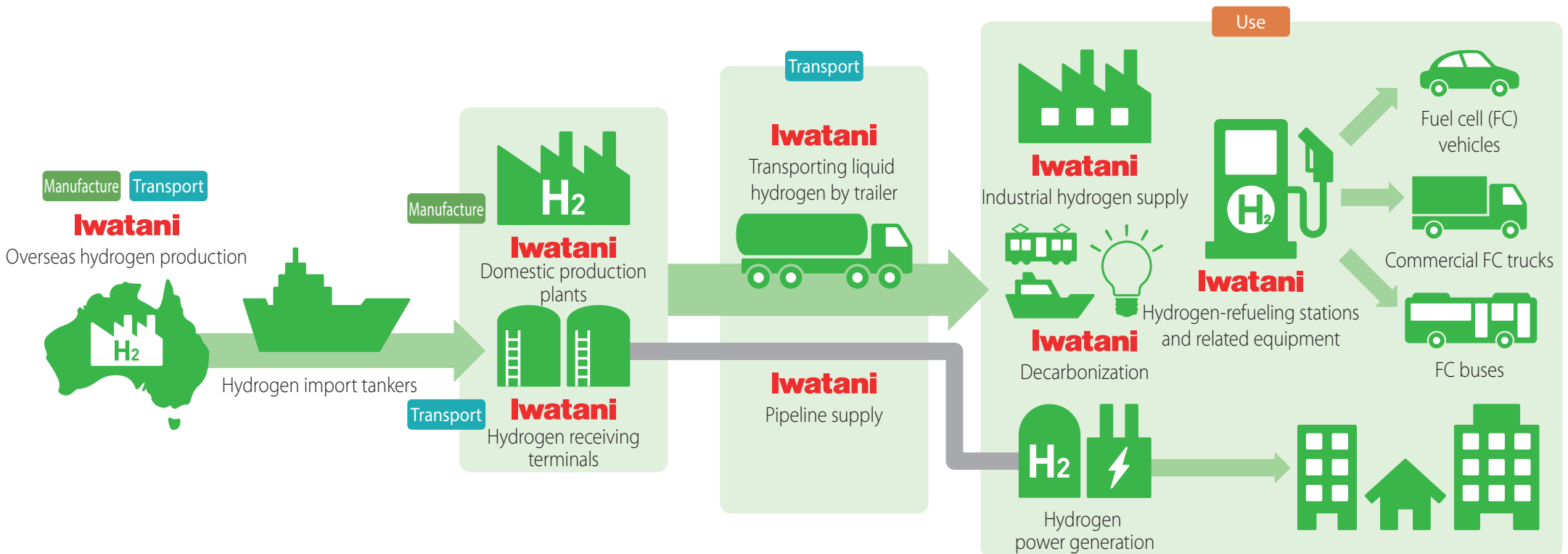
Building a CO₂-free hydrogen supply chain

Alliances with partners in Japan and overseas



Promoting efforts across the supply chain from manufacture through transport and use

Liquid hydrogen production facilities



Business Strategy (Building a Liquid Hydrogen Supply Chain)

Liquefied Hydrogen Supply Chain Commercialization Demonstration Project (Green Innovation Fund)

● **Project objectives/overview**

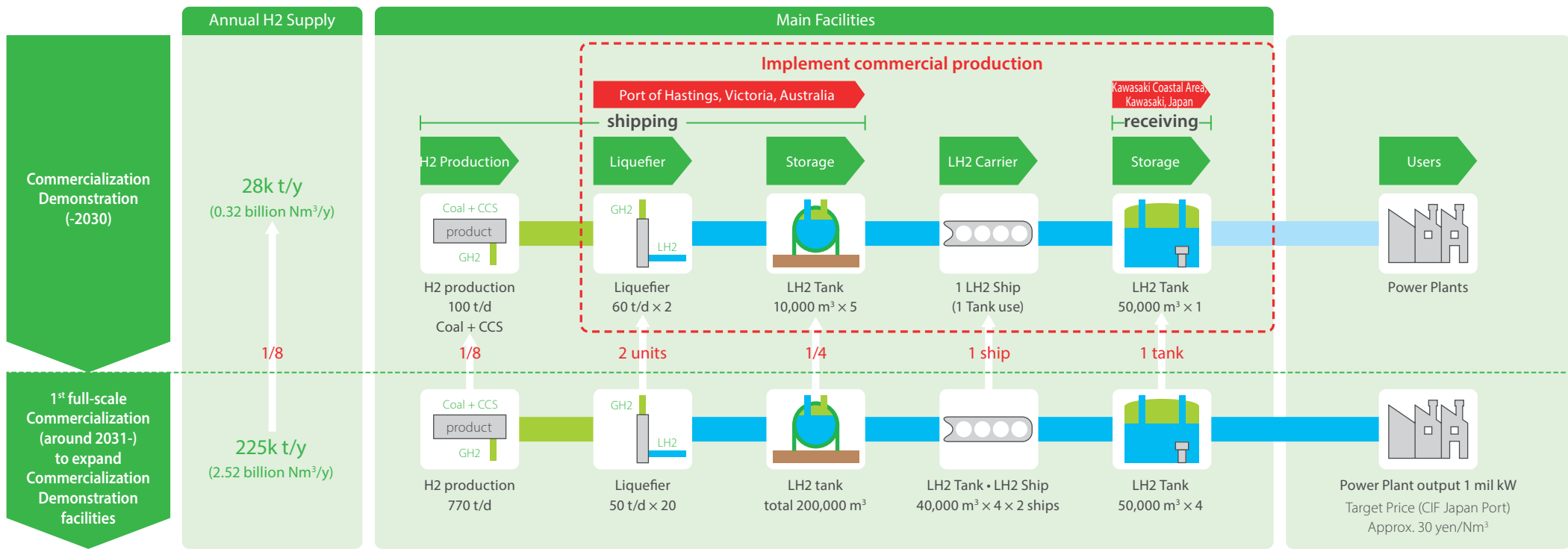
Liquefied hydrogen supply chain commercialization demonstration project intended to achieve a hydrogen supply cost of 30 yen/Nm³ (delivery on board cost) by 2030

● **Project period**

FY2021-2030 (10 years)

● **Implementation structure**

Japan Suiso Energy, Ltd. (lead company)
Iwatani Corporation, ENEOS Corporation



Securing multiple supply chains for obtaining CO₂-free hydrogen from overseas

● **Studying green hydrogen production in Gladstone, Queensland, Australia**

Commercialization study by five companies: Iwatani, the Kansai Electric Power Co., Inc., Marubeni Corporation, Stanwell, and Keppel



Business Strategy (Machinery)

Robotic system sales
(automation) proposal
capabilities

Comprehensive
semiconductor
post-processing
equipment lineup

Comprehensive
welding solutions
proposal capabilities

Gas equipment
engineering capabilities

Iwatani's expertise and technological strengths
Proposing optimization of production processes to meet customer needs



Automotive, shipbuilding, electronic components, semiconductor, industrial machinery, manufacturing, and other industries

Initiatives toward next growth stage

Labor saving

Automation equipment (e.g., testing, manual labor),
coworking robot solutions



Automation of testing



Coworking robot

Initiatives to meet decarbonization demand

Proposing equipment for hydrogen and ammonia feasibility
studies and meeting new demand



Hydrogen-refueling station equipment



Hydrogen mixed burner

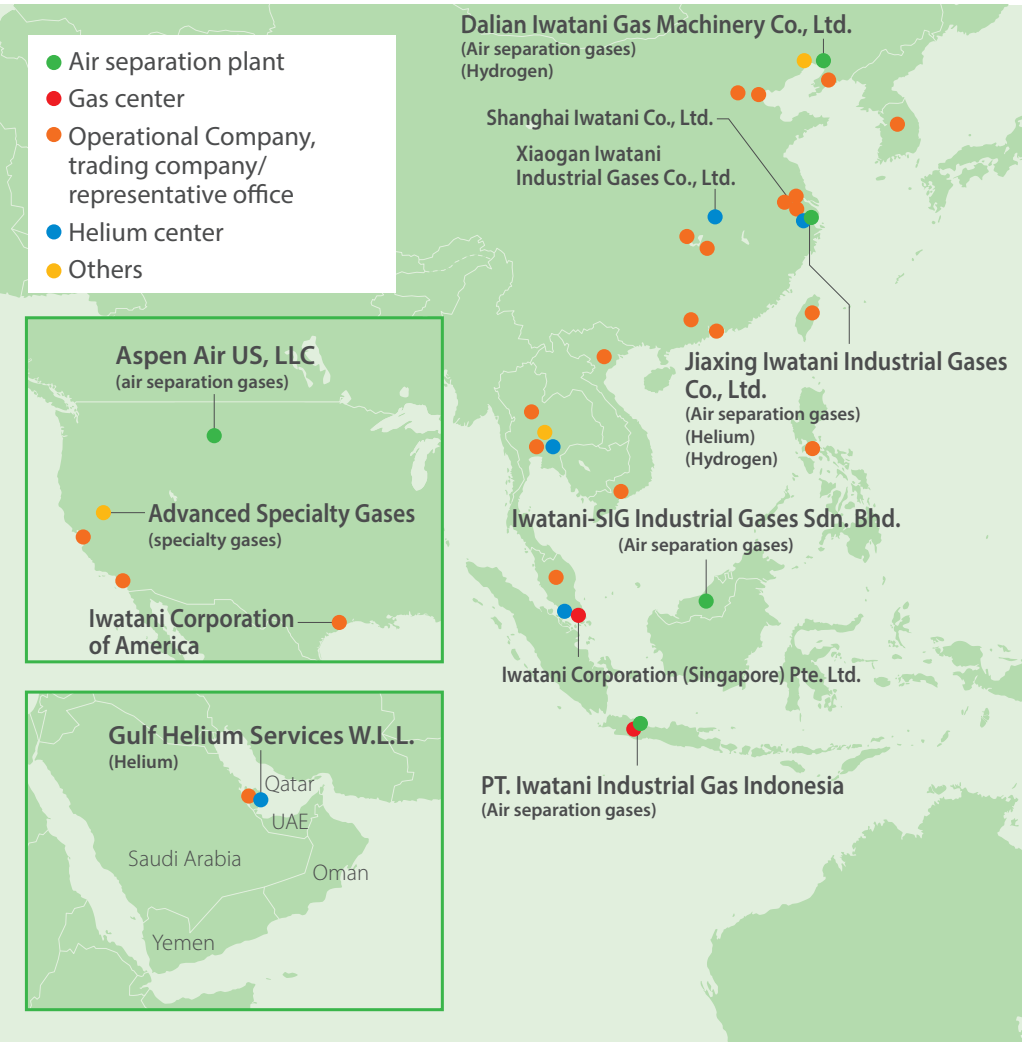


Ammonia supply equipment

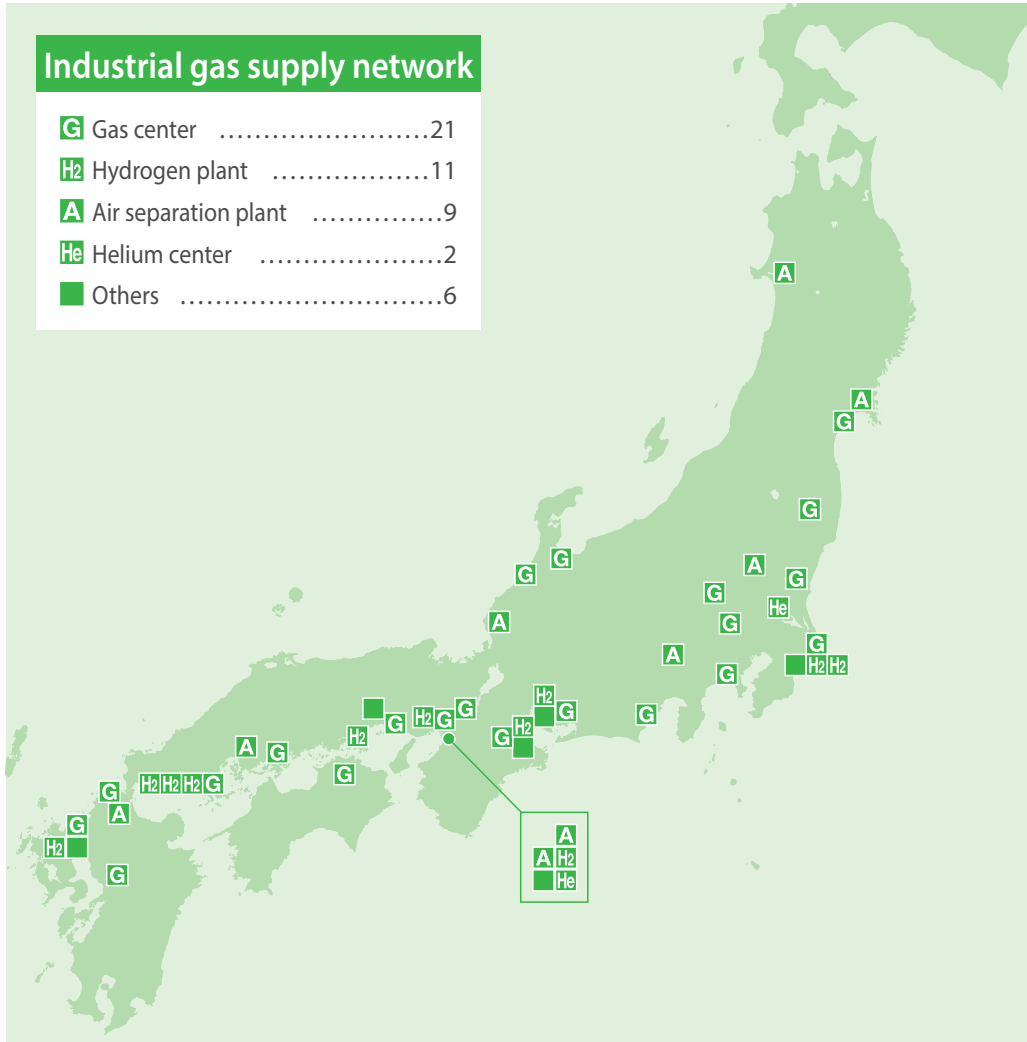
For Reference: Business Facilities

Our businesses are also expanding in China, Southeast Asia, and US.

Global network



Domestic network



Materials Business (Overview)

Electronic Materials

- Battery-related materials
- Display materials

Related industries: Electronics, automotive batteries, etc.



Smartphone materials

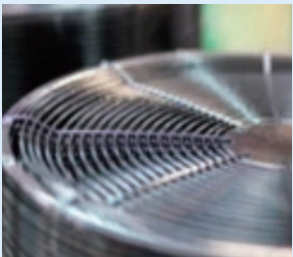


Automotive battery materials

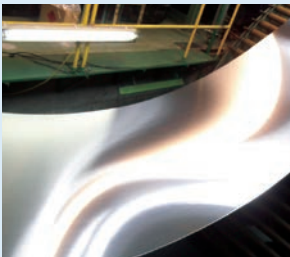
Metals

- Stainless steel
- Precision stainless steel
- Aluminum
- Non-ferrous materials
- High alloys
- Metalworking products

Related industries: Electronic components, air conditioning equipment, etc.

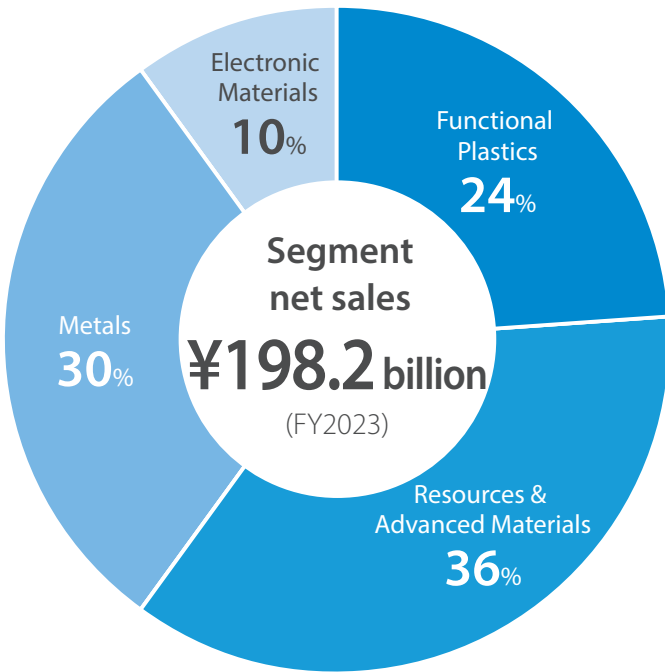


Wire processing



Stainless steel

Breakdown of sales



Overseas sales ratio **24%**

Market share

- Biomass PET resins approximately **70%** **No. 1 in industry**
- Titanium ore (high-grade) approximately **40%** **No. 1 in industry**

Source: Company estimates

Functional Plastics

- Resin raw materials (PET resin, polypropylene, etc.)
- Resin molding products, films, sheets

Related industries: Food and beverage, daily household goods, home electrical appliances, etc.



Air conditioner panel



PET resins



Film (protective tape)

Resources & Advanced Materials

- Mineral sands (zircon, titanium raw materials)
- Ceramic raw materials (Rare Earth metals, zirconium compounds)
- Refractory raw materials
- Biomass fuels
- Electronic materials

Related industries: Chemicals, ceramics, automotive, semiconductors, etc.



Resource business



Ceramic raw materials

Business Overview (Functional Plastics)

Resin raw materials

Meeting a wide range of customer needs by proposing eco-friendly raw materials such as biomass plastics

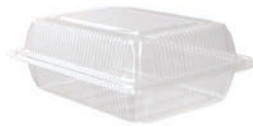
Biomass PET

- Integrated supply chain management from biomass raw materials procurement through sales of biomass PET resins
- CO₂ reduction achieved: approx. 28% (vs. previous products)



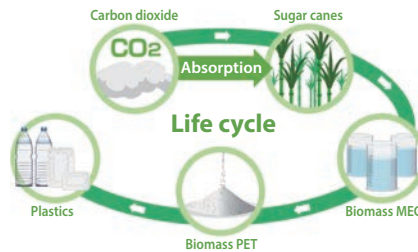
Bottles

(e.g., beverages, condiments, daily articles)



Sheets

(e.g., food containers)



Resin products

Business development using the processing functions of domestic Group companies and overseas partner companies

Familiar Iwatani brand products like films and daily items



Plastic bags for food



Microwavable containers

Biomass PP, PE, PS

- ISCC certified in FY2022
- Developing new markets in Japan in partnership with global chemical companies
- First use of biomass PS in Japan



Nursing bottles' cap made using biomass PS

Overseas OEM products



Commercial air conditioner filters



Long-term care beds

Business Overview (Resources & Advanced Materials)

Overseas Enhancing earnings capabilities through in-house operations (extraction)

Japan Procurement from major resource firms and sales growth via pulverizing and processing functions

Titanium ore (TiO₂)

Uses: Titanium dioxide pigments, ferrotitanium, welding materials

Zircon sand (ZrSiO₄)

Uses: Refractory, ceramics, zirconia, grinding materials, casting

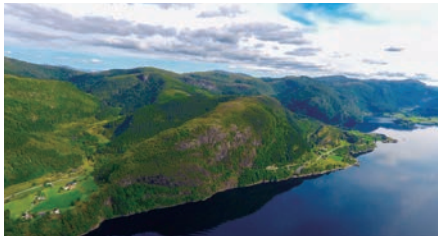
Iwatani Australia Pty. Ltd.

- 100% subsidiary of Iwatani Corporation



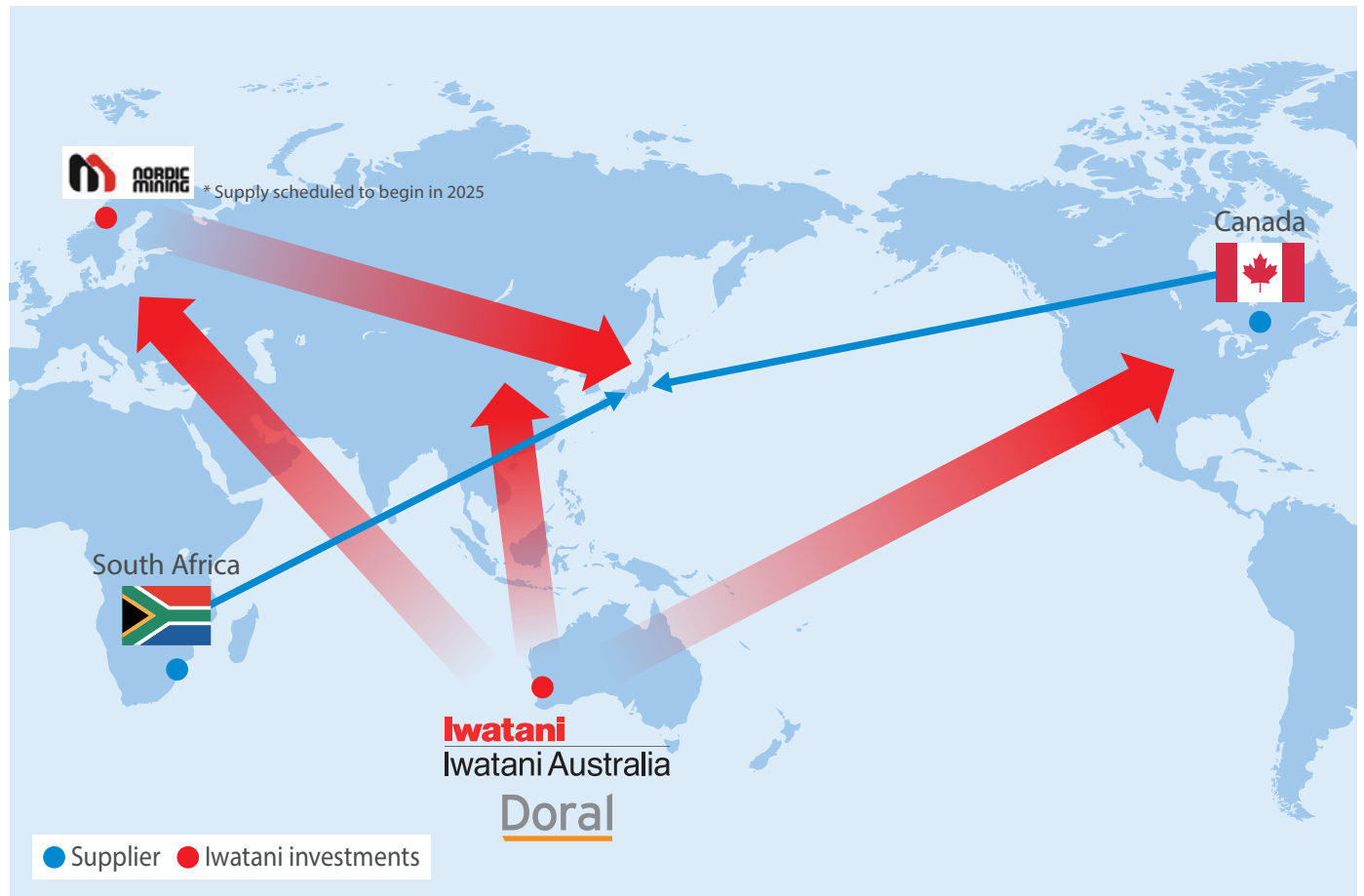
Nordic Mining ASA

- Investee company of Iwatani Corporation
- * Planned mining site



Investing in Norwegian concession for green titanium, which promises high environmental value

* Zero CO₂ emissions during mining



Processed metal products

As well as sales of materials such as stainless steel and aluminum, enhancing processing functions to grow earnings

Wire rod processing business

- Strong relationships with home appliance makers

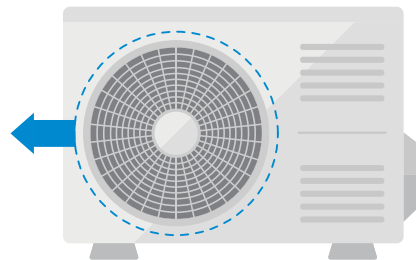


Demand is projected to grow in the air conditioning market in Asia.



Enhanced manufacturing functions of our plant (in Thailand) in 2023

Examples of products: Fan guards for exterior air conditioning units



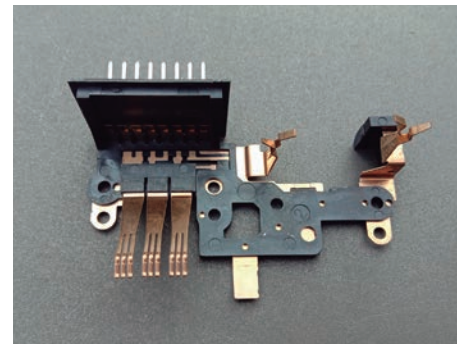
Metal slitting business

Automotive parts and materials business

- Applying precision slitting function for compact, lightweight, resource-conserving, energy-saving, large-capacity electronic components



Enhancing sales to semiconductor and auto industries



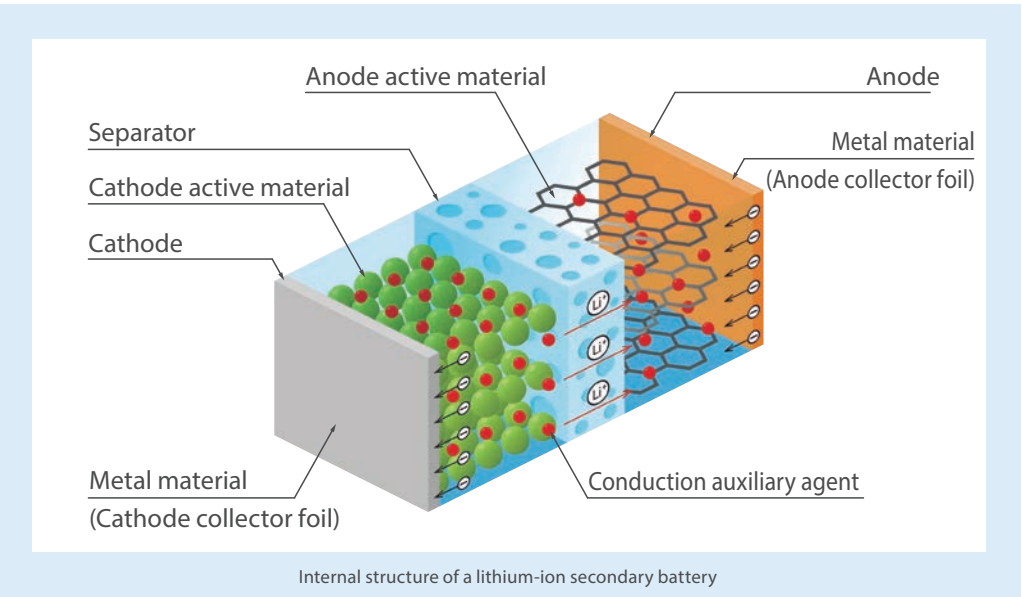
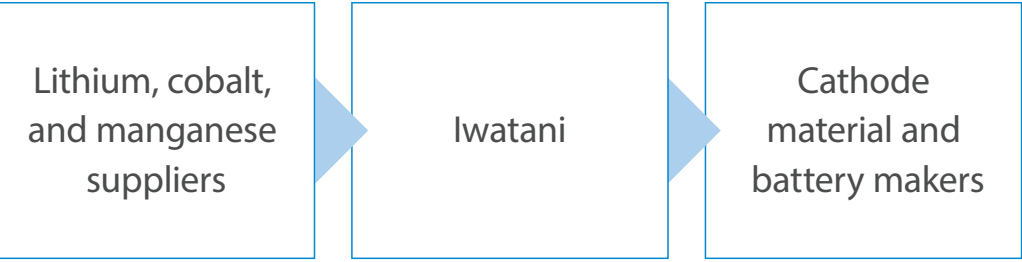
Examples of products:
Insert molded parts
(next generation auto parts,
electronic parts)

Business Overview (Electronic Materials)

Secondary battery materials

Enhancing sales by expanding product and materials lineups

- Selling lithium, cobalt, and manganese used in lithium-ion secondary battery cathodes

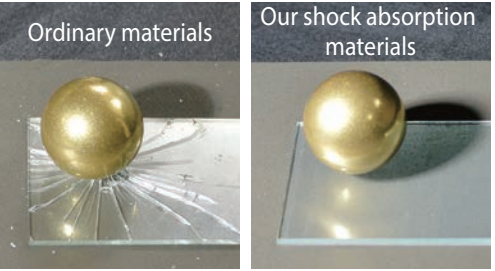


Functional films for displays

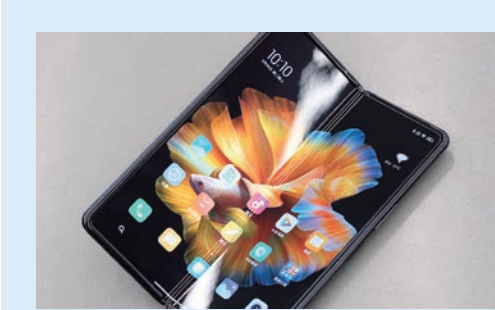
Growing sales of our proprietary shock absorption materials

- Working with OEMs to develop our own proprietary products to meet customer needs

<Results of testing by dropping a steel ball>



Our original products demonstrate high shock absorption performance.



Nonmagnetic stainless steel foil (Component used to make folding smartphones)

Used in organic EL panels for smartphones



Functional film (Automotive display material)

Currently developing films for use in high-performance displays for next generation vehicles (EVs, FCVs)

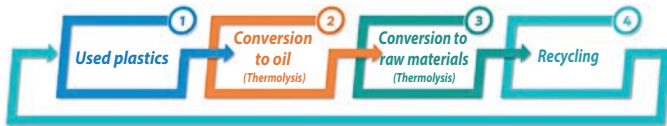
Initiatives Toward the Next Growth Stage

Investing in new environmental technologies and businesses

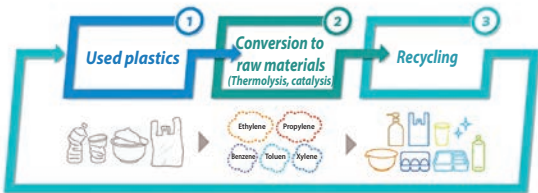
Participating in R Plus Japan, a chemical recycling project to produce chemical products like PET and plastics from waste plastic materials



Conventional technology



New technology



Process flow

Also considering manufacturing chemicals from wood raw materials

Biomass fuel (PKS, wood pellets)

Growing earnings by securing users through long-term contracts



Palm kernel shells (PKS)



Wood pellets

- Building an integrated PKS supply chain from collection through supply (earning environmental certification)
- Procurement from multiple sources in Southeast Asia

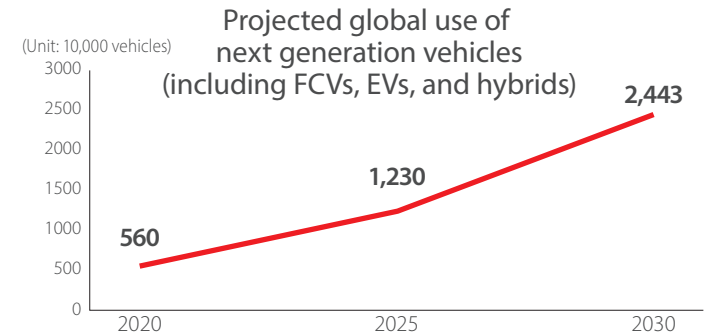


Secondary battery materials

Enhancing procurement capabilities in response to the growing secondary battery market

- Considering procurement sources independent of China
- Considering the business of producing nickel-cobalt compounds

Demand related to next generation vehicles (EVs, FCVs) is growing



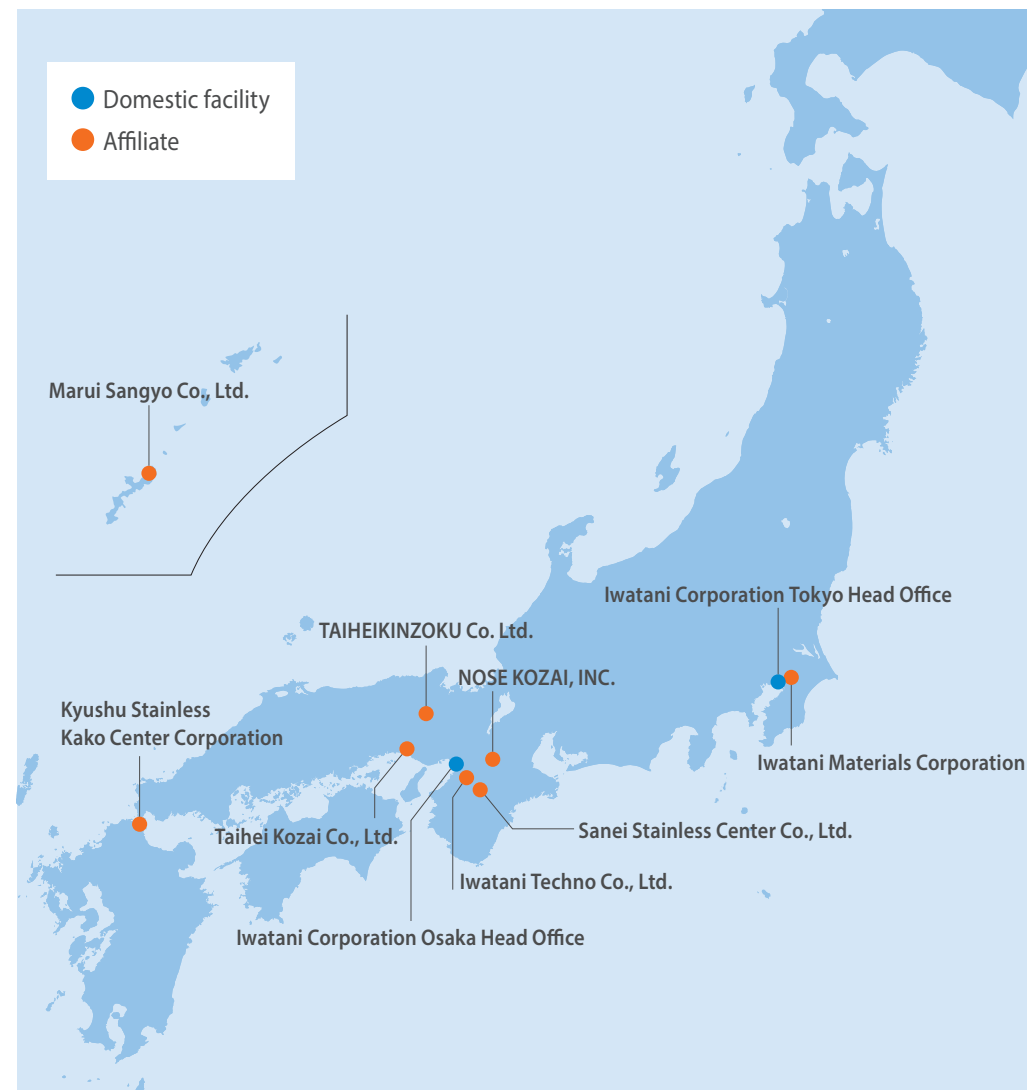
Source: Yano Research Institute Ltd.



<Overseas facilities>



<Japan facilities>



Integrated Report

The Integrated Report contains information on ESG initiatives and other topics.

[Integrated Report | To Investors | Iwatani Corporation \(iwatani.co.jp\)](#)



Fact Book

The Fact Book reviews business results and KPIs.

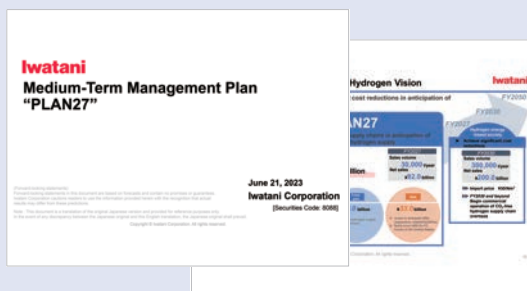
[Fact Book | To Investors | Iwatani Corporation \(iwatani.co.jp\)](#)



Medium-term Management Plan PLAN27

Features explanatory materials on the Medium-term Management Plan as well as briefing videos and summaries of questions and answers from briefings.

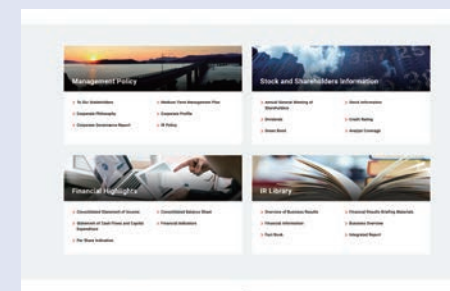
[Medium-term Management Plan | To Investors | Iwatani Corporation \(iwatani.co.jp\)](#)



IR information

Visit the site below for a summary of financial results, materials from briefings on financial results, stock and shareholder information, and other information and resources.

[To Investors | Iwatani Corporation \(iwatani.co.jp\)](#)



Iwatani