



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

Integrated Report 2023

Corporate Philosophy

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

Our corporate philosophy—"Become a person needed by society, as those needed by society can prosper"—expresses Iwatani Corporation's philosophy since its founding. We are pursuing the satisfaction of both society and consumers, the philosophy handed down over the years as the foundation of all our businesses. Today, our core business of LPG, which spurred a revolution in household fuel and reduced the burden of household tasks, provides a reliable and widely used clean energy source for daily life, for commercial activity, and for emergencies. Industrial gases, another core business, are essential to the manufacture of nearly all of the products around us. They play a key role as an infrastructure on which industrial progress is based. Iwatani is a market pioneer in hydrogen, which, in addition to its industrial applications, is on the verge of becoming a major driving force toward the realization of a sustainable society as the ultimate zero-carbon energy source.

While today's society faces a wide range of challenges in areas ranging from the environment and global warming to energy, we will continue striving to establish a sustainable, resource-circulating, carbon-free society by ceaselessly creating and supplying what society needs.

Editorial Policy

Since FY2022, this Integrated Report has sought to promote understanding among an ever broader range of stakeholders. The report provides an overview of the Iwatani Group and its medium- to long-term business strategies from both financial and non-financial perspectives. It also presents our plans for medium- to long-term growth, addressing major initiatives and business strategies intended to create social value and strengthen corporate value. We will continue to enhance the Integrated Report and the information it provides to more clearly explain the Iwatani Group's efforts to strengthen corporate value over the medium to long term.

Period Covered Most of the information provided in this Report concerns the period from April 1, 2022 through March 31, 2023, the Group fiscal year. Some information also refers to events before and after this period.

Published October 2023

Guidelines Referenced

- International Integrated Reporting Council (IIRC), International Integrated Reporting Framework
- Ministry of Economy, Trade and Industry of Japan, Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation



Forward-Looking Statements (Business and Other Risks)

Forecasts of business performance and other forward-looking statements found in this Report involve risks and uncertainty. Please note that actual results may differ for various reasons from the forward-looking statements presented herein.

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Contributing to society as a trusted company by creating new value

Since our founding in 1930, Iwatani Corporation has provided a wide range of products and services for both daily life and industrial applications, including energy, industrial gases, and materials, based on our corporate philosophy: Become a person needed by society, as those needed by society can prosper. These efforts are grounded in our desire to contribute to society by creating new value society will need in the future. This is the major driving force underlying the progress of our businesses.

Since 1941, when we identified hydrogen as the ultimate clean energy source, we have pushed for progress toward widespread use of hydrogen energy. Under the corporate slogan adopted in 1970 on the 40th anniversary of our founding—Creation of a more comfortable space on the Earth is what Iwatani wishes and strives for—we strive to deliver solutions to the social issues posed by environmental issues, as well as help achieve the Sustainable Development Goals (SDGs), through contributing to create a carbon-free society based on hydrogen.

As a co-representative of the Japan Hydrogen Association established in December 2020 and as a key member of the Hydrogen Council established chiefly by global energy firms, we are acting to promote use of hydrogen around the world with the aim of moving toward a hydrogen energy-based society.

To stimulate new hydrogen demand, we are developing hydrogen-refueling stations in Japan and in the United States in response to the spread of fuel cell vehicles (FCVs). We will focus on developing hydrogen-refueling stations for fuel cell commercial vehicles, including trucks and buses, as well as reducing operating costs by promoting self-service refueling.

We are securing new hydrogen demand by meeting customer needs to reduce carbon emissions through means including factory decarbonization and hydrogen supply as a fuel to enable real-world means of transportation and mobility, whether by train, marine craft, or other, at large scale.

Our efforts to secure CO₂-free hydrogen sources include studying the commercialization of green liquid hydrogen production alongside our partners, including a power utility and a mining company in Australia. In particular, the Liquefied Hydrogen Supply Chain Commercialization Demonstration Project in which we participate has been selected by the New Energy and Industrial Technology Development Organization (NEDO) for funding from the Green Innovation Fund. This project will include feasibility studies on developing global liquid hydrogen supply chains integrating hydrogen production, liquefaction, shipping, marine transport, and receipt to establish the world's first large-scale hydrogen liquefaction and transport technologies capable of handling capacities on the order of tens of thousands of tons per year.

In Japan, we are participating in the Fukushima Plan for a New Energy Society, a project intended to produce green hydrogen using electric power generated from renewable energy sources. We are also studying a broad range of practical projects, including hydrogen production from plastic waste.

Our main LPG business has a customer base of more than 3.3 million households across Japan. We support our customers' lives in various aspects, including stable supplies, solutions, security, community contributions, and the environment. We are making energetic progress to achieve LPG decarbonization through various efforts, including research on decarbonization through supplying LPG mixed with hydrogen as well as propanation (synthetic green LPG production) as we head toward becoming the energy & living total service provider of choice for our customers and communities. As we advance toward our 100th anniversary and beyond, we remain firmly committed to achieving sustained growth, and will continue to offer new value to all our stakeholders.

Chairman and CEO

Akiji Makino

President

Kiroshi Majima



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

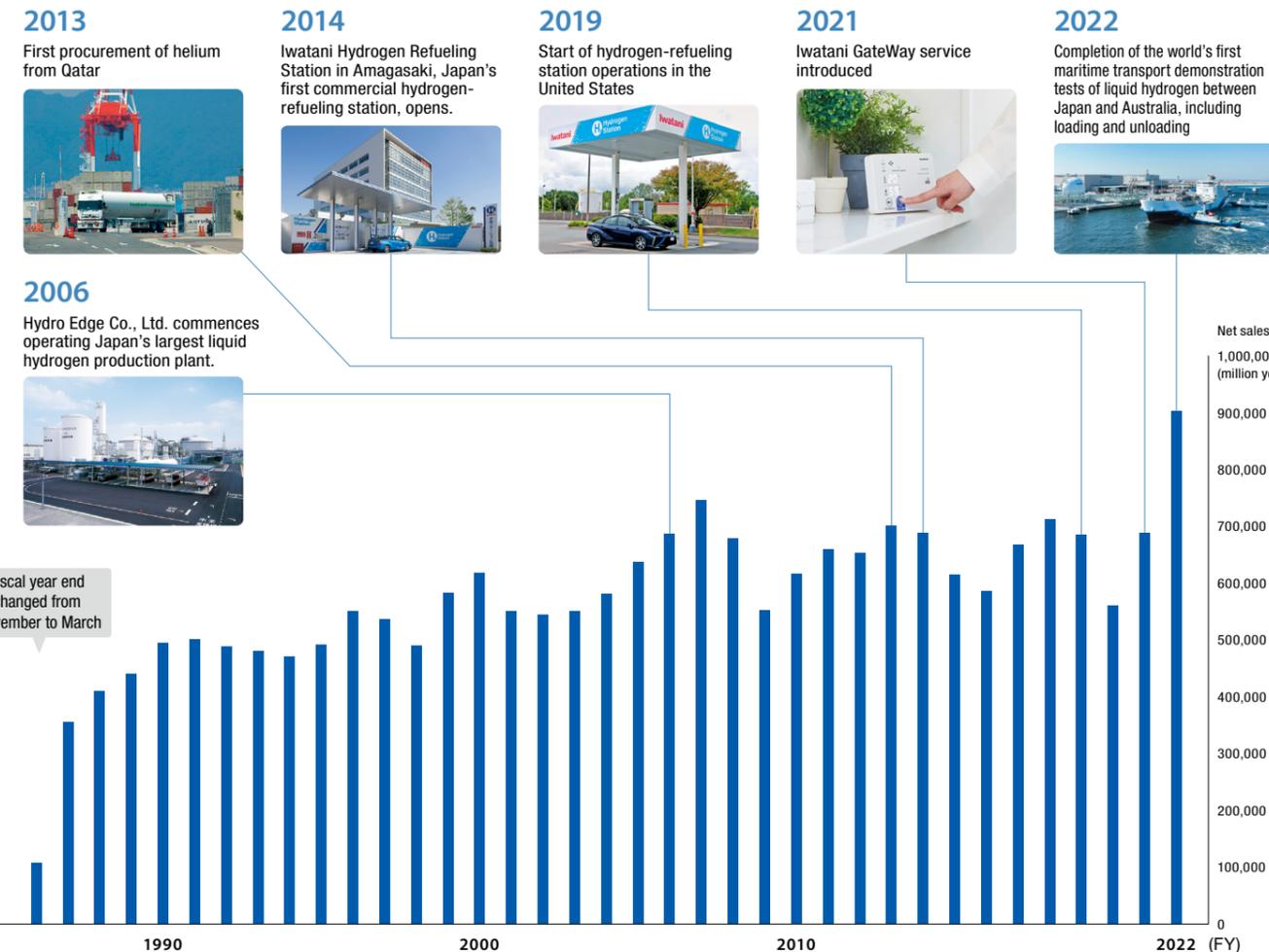
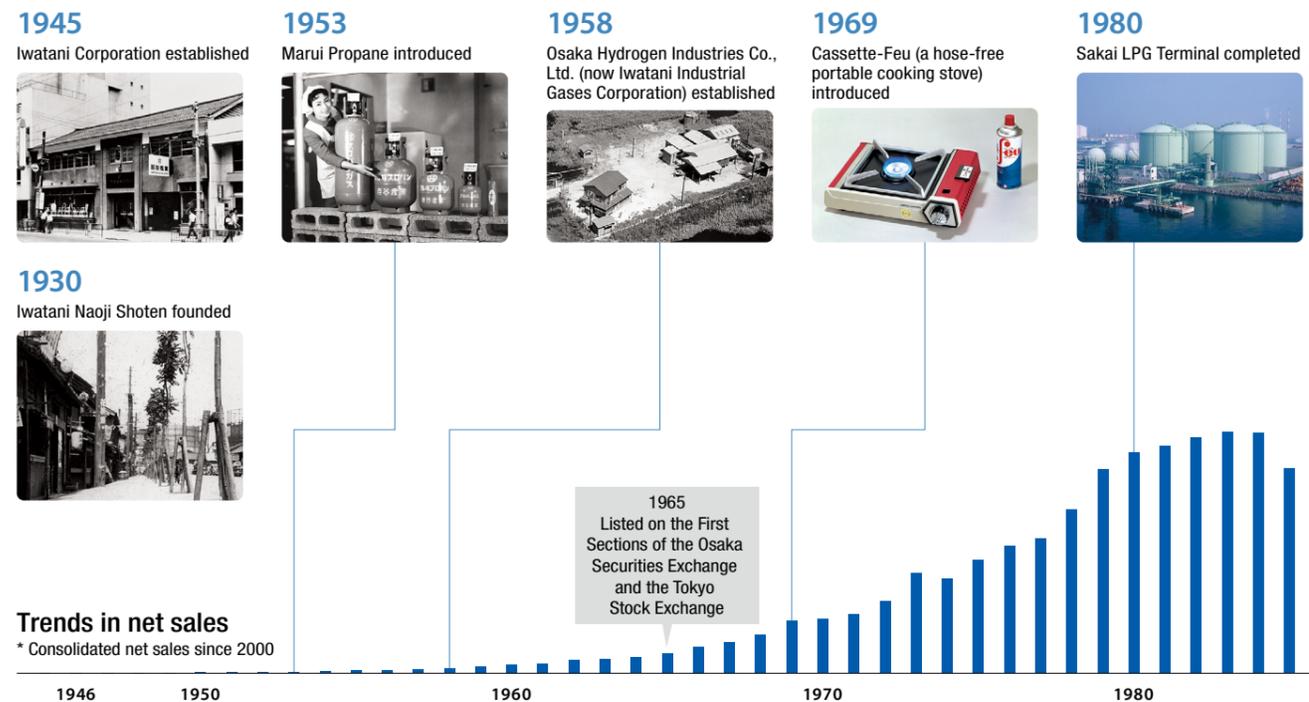


Iwatani Code of Corporate Ethics

- ① We will create new values sought by our customers, thereby contributing to society.
- ② We respect compliance with the related laws and ordinances and their spirit, and fulfill our social responsibility through fair and free competition.
- ③ We will proactively disclose our corporate information and have a dialogue with society in order to obtain wide support and mutual understanding from society.
- ④ We will respect diverse values and create an environment where abilities can be fully demonstrated irrespective of the race, nationality, gender, and age to flexibly respond to changes in business environment.
- ⑤ We will conduct corporate activities aimed at realization of a decarbonized society and coexisting with the environment in accordance with the idea embodied in the phrase "Creation of a more comfortable space on the Earth is what Iwatani wishes and strives for."
- ⑥ We will conduct corporate management from an international perspective.

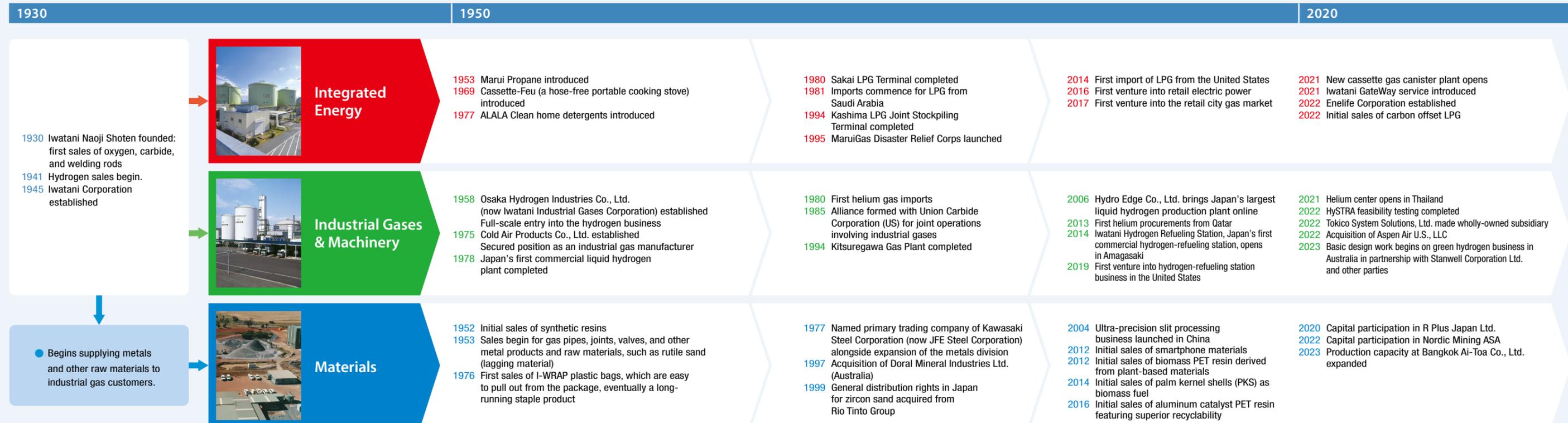
A History of Meeting Society's Needs and Rising to the Challenge of Innovation

The Gas and Energy business enriches daily life, supports societal progress, and contributes to a more prosperous future. Some of the gases we handle include LPG, air separation gases, helium, and hydrogen. Iwatani was early to identify the possibilities of these gases and has since built stable supply networks, developed new technologies, and devised new products. Iwatani maintains a firm commitment to pursuing the challenge of innovation in response to the world's needs, centered on the Gas and Energy business.



The Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan [ASBJ] Statement No. 29, March 31, 2020) and other accounting standards have been applied since FY2021. Figures shown for FY2020 have been restated through the retroactive application of these accounting standards.

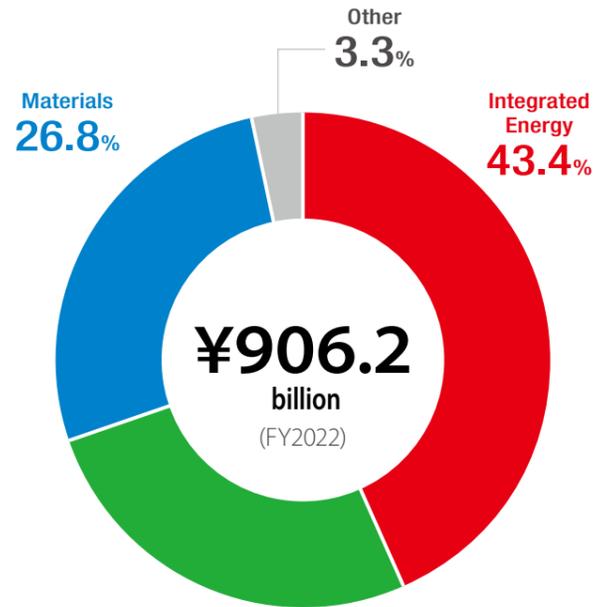
Iwatani's Business Development



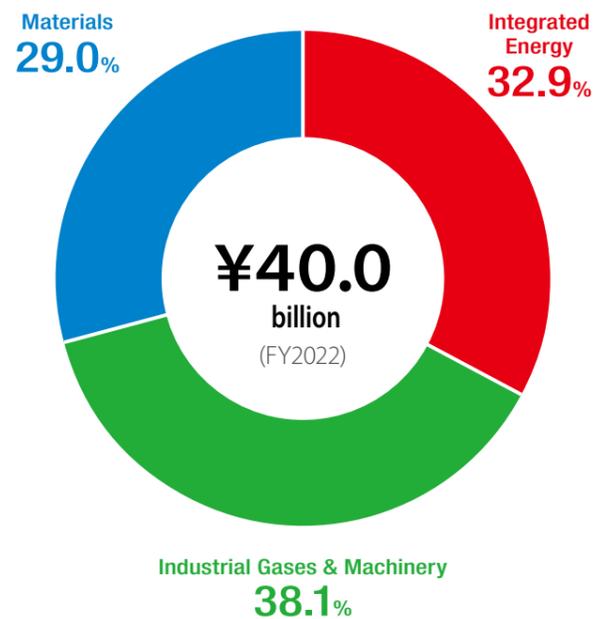
Business Summary

Financial Results for FY2022

Net Sales [Consolidated]



Operating Profit [Consolidated]



*Excludes other businesses/adjustments.

Structure based on three businesses



Integrated Energy

- LPG ● Electricity sales and city gas safety services
- Gas equipment, lifestyle products, health foods
- 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 plastics products ● Resources
- Advanced materials ● Metals ● Electronic materials

Earning Power

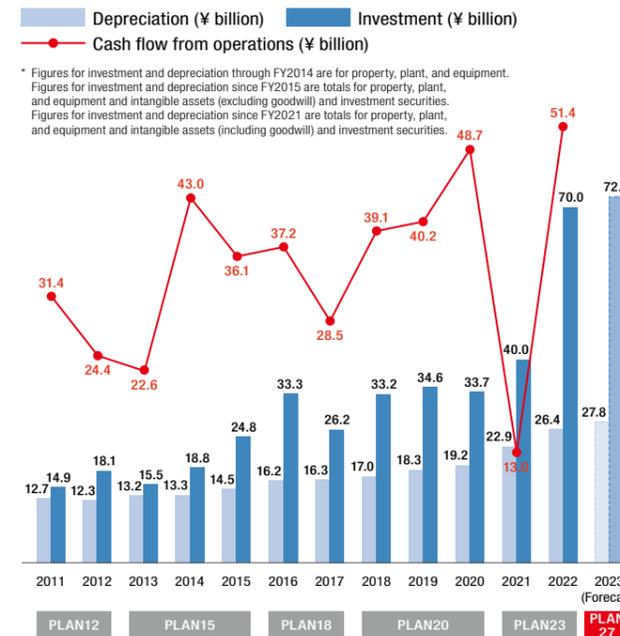
Steady Income Growth



* Figures for FY2021 and later reflect the application of the Accounting Standard for Revenue Recognition.

Investment

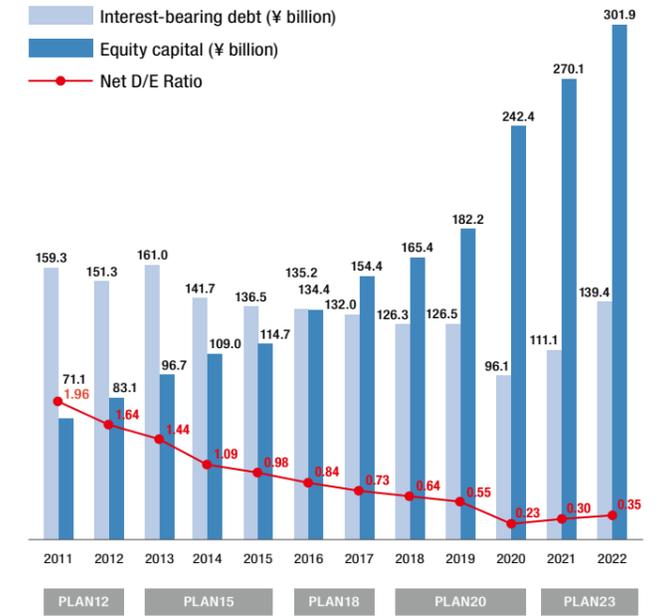
Proactive Investment Based on Growth Strategies



* Figures for investment and depreciation through FY2014 are for property, plant, and equipment. Figures for investment and depreciation since FY2015 are totals for property, plant, and equipment and intangible assets (excluding goodwill) and investment securities. Figures for investment and depreciation since FY2021 are totals for property, plant, and equipment and intangible assets (including goodwill) and investment securities.

Financial Standing

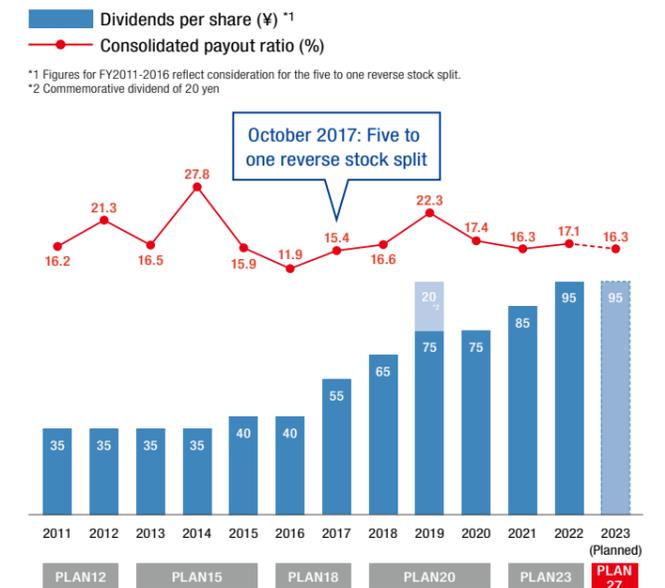
Improved Financial Standing with a Net D/E Ratio of 0.35



* Figures for FY2021 and later reflect the application of the Accounting Standard for Revenue Recognition.

Return to Shareholders

Paying Progressive Dividend While Maintaining Appropriate Returns to Shareholders as Profits Grow



*1 Figures for FY2011-2016 reflect consideration for the five to one reverse stock split.
*2 Commemorative dividend of 20 yen

* Figures for FY2021 and later reflect the application of the Accounting Standard for Revenue Recognition.

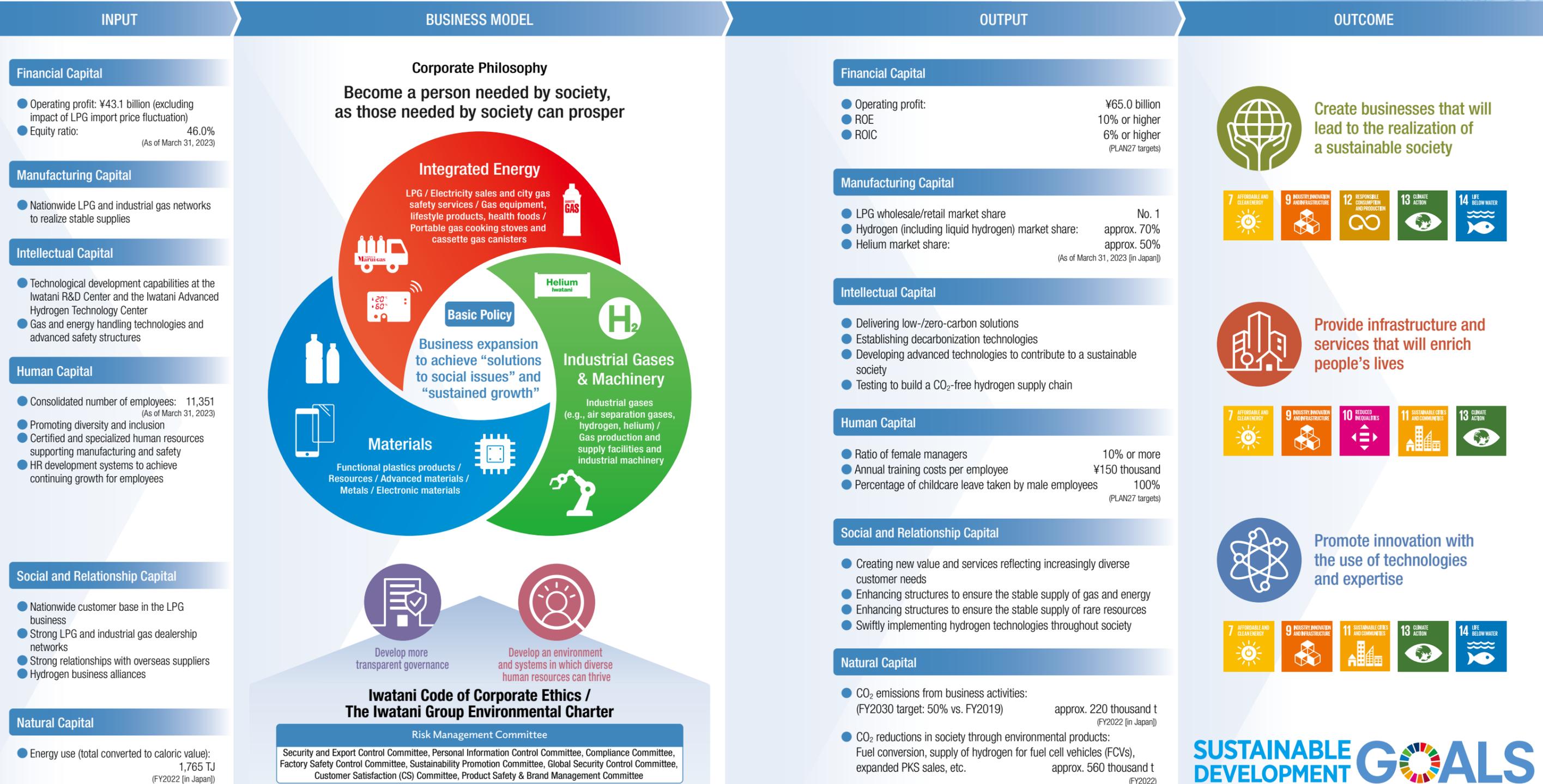
Iwatani's Value Creation Process



Long-Term Vision

We are striving to realize the following four elements of our Long-Term Vision to become a Group that continues to help realize "a more comfortable space on the Earth."

1. Developing a CO₂-free hydrogen supply chain
2. Promoting a resource circulating society
3. Providing infrastructure and services that support local communities
4. Enhancing the management foundations to promote sustained growth



Value Creation Capital

Value creation in the Iwatani Group can be traced to six types of capital: financial, manufacturing, intellectual, human, social and relationship, and natural capital. By effectively combining these types of capital in business activities based on our corporate philosophy and management policies, we strive both to find solutions to social issues and to deliver new value to society. As a result, we will build a virtual circle consisting of our own growth and social value creation through our accumulated capital to serve as a source of new value creation, and seek to achieve sustained enhancement of corporate value.

Financial Capital

Sound financial foundations to enable proactive investment in growth

The Iwatani Group has made steady progress on enhancing its financial foundations using funds raised through continued efforts to strengthen our earning capabilities. In 2020, ¥30 billion in convertible bonds were converted to shares of common stock. In 2021, we earned a long-term issuer rating of A and issued our first green bonds. Through these and other efforts, we have been able to establish sound financial foundations. Under our PLAN27 medium-term management plan, we will take advantage of these foundations to aggressively invest ¥470 billion over the course of five years. We plan to make large-scale investments while maintaining our external financial rating of A, including the investments currently underway to develop a CO₂-free hydrogen supply chain.



● Net D/E ratio 0.35	● Ordinary profit (excluding impact of LPG import price fluctuation) ¥43.1 billion	● Total assets ¥656.0 billion	● Equity ratio 46.0%	● External financial rating (Japan Credit Rating Agency) Long-term Issuer Rating of A <small>(As of March 31, 2023)</small>
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Manufacturing Capital

LPG and industrial gases networks to realize stable supply

The Iwatani Group's extensive domestic and international network is centered on Gas and Energy. In the LPG business, we operate nationwide networks ranging from import and filling stations to distribution centers. The Industrial Gases Business is also expanding its domestic and international supply chains. We count the stable supply structure made possible by these networks among our strengths.



● LPG sites Import terminals: 5 sites Pressurized terminals (LPG terminals): 3 sites Filling stations: 110 sites Core LPG Centers* included above: 56 sites <small>* Core LPG Centers: Disaster-resistant centers equipped with seismic retrofitting, emergency power generators, and other improvements</small>	● Industrial gas sites Japan: Industrial gas centers: 21 sites Hydrogen plants: 11 sites Air-separation plants: 9 sites Helium centers: 2 sites Liquefied carbon dioxide plants, etc.: 6 sites Overseas sites: 12 sites	● Hydrogen-refueling stations Japan: 54 sites Overseas: 6 sites <small>(As of March 31, 2023)</small>
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Intellectual Capital

Technological development facilities to support our businesses; Gas and Energy handling technologies built up over the years

The Iwatani R&D Center develops technologies to create new value alongside our customers, based on our technological capabilities built up over the years in the fields of Gas and Energy. In addition, the Iwatani Advanced Hydrogen Technology Center carries out R&D on technologies related to liquid hydrogen, as well as technologies in areas such as hydrogen energy and green LPG, which will play important roles in realizing a carbon-free society.



● Joint R&D projects with national projects and public research institutes 10 projects in total	● Center visitors 3,654 persons from 963 companies (FY2022)
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Human Capital

Diverse human resources capable of tackling the challenges of creating new value; specialized human resources to support sustained growth

In addition to the human resources needed to generate business growth by creating new value for society, the Iwatani Group draws on highly specialized human resources in areas such as manufacturing, safety, and technology to support the stable supply of gas and energy. We are creating the environment needed to allow diverse human resources to demonstrate their abilities to the fullest, and also provide a wide range of training opportunities that support individual growth. Our goal is to achieve sustained growth by securing the human resources capable of meeting society's needs at all times.



● Consolidated number of employees 11,351 <small>(As of March 31, 2023)</small>	● Ratio of female new graduates in career track 35.0% <small>(FY2023 [nonconsolidated])</small>	● Investment in HR development Approx. ¥100 million/year <small>(FY2022 [nonconsolidated])</small>	● Certified and specialized human resources supporting manufacturing and safety High-pressure gas production safety managers: 938 High-pressure gas sales managers: 337 <small>(As of March 31, 2023)</small>
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Social and Relationship Capital

Bonds of trust with customers and trading partners serving as the foundation for growth

The Iwatani Group strives to earn trust by ensuring a safe and stable supply of gases. We also focus on strengthening ties to our dealership organization, which delivers value to the market at large, and to our suppliers, who play vital roles in creating new value and ensuring stable supply. Our bonds of trust with stakeholders are a key form of capital that serves as a pillar of sustained growth.



● LPG customers Wholesale customers: 3.3 million households Direct sales customers included above: 1.10 million households <small>(As of March 31, 2023)</small>	● Strong ties to dealerships Marui-Kai members*1: approx. 1,400 *1 LPG dealership network Iwatani-Kai members*2: 189 *2 Industrial gases dealership network <small>(As of March 31, 2023)</small>
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Natural Capital

Efforts to achieve a carbon-free society

In addition to decarbonizing our own business activities, the Iwatani Group offers products and services to help customers decarbonize theirs. The three businesses, comprising Integrated Energy, Industrial Gases & Machinery, and Materials work together as one to help realize a carbon-free society.



● Contributions to CO ₂ emissions reductions CO ₂ emissions from business activities: approx. 220 thousand t * FY2022 (in Japan) <small>(FY2030 target: 50% vs. FY2019)</small> CO ₂ reductions in society through environmental products: approx. 560 thousand t * FY2022
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Interview with the President



President **Hiroshi Majima**

Helping to realize “a more comfortable space on the Earth” under our PLAN27 medium-term management plan to establish a hydrogen energy-based society.

Q Can you provide an overview of the FY2022 financial results?

A We achieved record profits for the eighth consecutive year and reached the goals of our PLAN23 medium-term management plan.

Overview of financial results in FY2022

Sales of major products grew in FY2022 as economic activities continued to normalize amid signs that the COVID-19 disaster was coming to an end. These efforts and efforts to accommodate growth in various markets resulted in record-high net sales of ¥906.2 billion.

At the same time, as LPG import prices declined gently, the impact of LPG import price fluctuation* were dramatically lower (by ¥11.1 billion) from last year, which led to a decrease in operating income. Nevertheless, ordinary

profit was ¥47.0 billion, while net income, at ¥32.0 billion, set a new high for the eighth consecutive year.

I would like to take this opportunity to express our gratitude to our trading partners, shareholders, and other stakeholders.

* Impact of LPG import price fluctuation: Impact on profit and loss arising from the fact that sale prices in the LPG market reflect fluctuating market conditions first, while the impact on inventory prices lags (by roughly two to three months)

Forecasts of financial results for FY2023 call for increases in net sales to ¥907.0 billion and in operating profit to ¥45.0 billion. We expect ordinary profit and net income to set new records for the ninth consecutive year.

We will seek to increase corporate value further in the runup to the 100th anniversary of our founding in 2030.

Goals of the PLAN23 medium-term management plan achieved ahead of schedule

Our PLAN23 medium-term management plan set numerical targets of ¥40.0 billion in ordinary profits and ROE of 9% or higher. For FY2022, we met these goals ahead of schedule: ordinary profit reached ¥47.0 billion, while ROE was 11.2 percent.

We made steady progress under PLAN23 on enhancing the foundations of individual businesses. In the Integrated Energy Business, efforts to expand our base of LPG direct sales customers, combined with the acquisition of Enlife, formerly a part of the group of Tokyo Gas Co., Ltd., led to success in achieving the target figure of 1.1 million households. In the area of portable gas cooking stoves, we made progress on overseas business development, including the construction of a new manufacturing plant in Thailand.

Sales in the Industrial Gases & Machinery Business grew as we enhanced our domestic and international supply networks, including opening a new helium center in Thailand. We acquired the two companies of Tokico System Solutions, Ltd., whose intellectual property holdings include outstanding fluid control technologies and manufactures hydrogen dispensers, and Aspen Air U.S., a manufacturer of air separation gas in the US state of Montana.

In the Materials Business, growth in sales of environmental products, rising market prices, and efforts to ensure stable resource procurement, including efforts to secure rights to high-purity titanium ore through investments in Nordic Mining ASA, led to significant growth in both sales and profits.

Active investment in medium- to long-term growth resulted in cumulative investments of ¥110.0 billion over two years.

PLAN23 Management Indicators and Investment Amount

Management Indicators

Items	FY2022 Results	PLAN23 Targets
Ordinary Profit [excluding impact of LPG import price fluctuation]	¥47.0 billion [¥50.1 billion]	¥40.0 billion
Return on Equity (ROE)	11.2%	9% or higher

Investment Amount

Items	Result (FY2021-FY2022)	PLAN23 Target
Cumulative Total Investment	¥110.0 billion	¥150.0 billion

Q What kind of sustained growth are you targeting under the new PLAN27 medium-term management plan?

A Our goal is to expand and to contribute to sustained growth by providing solutions to social issues, including solutions that will help society achieve carbon neutrality.

Formulating the five-year PLAN27 medium-term management plan

In June 2023, we announced our new PLAN27 medium-term management plan. This five-year plan for the period beginning in FY2023 seeks to achieve the following management targets in FY2027: operating profit of ¥65.0 billion, ROE of 10% or higher, and ROIC of 6% or higher.

The social issues evident around the world today include the need to secure stable supplies of resources and energy, adapt to climate change, and build sustainable societies. Based on our Corporate Philosophy—Become a person needed by society, as those needed by society can prosper—we will strive to grow our businesses to help implement PLAN27’s basic policies of identifying solutions to social issues and achieving sustained growth.

Turning demand for carbon neutrality into growth opportunities

With the goal of achieving carbon neutrality, which is one of social challenges we face, the global movement to become carbon-free is accelerating, amid dramatic innovations in energy and technology. Under these conditions, we will work to achieve business growth by helping customers reduce carbon emissions.

In the Integrated Energy Business, we are working to grow the low-/zero-carbon business as the world transitions to carbon neutrality. These efforts

include promoting the transition from oil to LPG and supplying carbon offset gas using J-Credits. We are also performing feasibility testing of a method of supplying mixed hydrogen and LPG by pipe. Additionally we hope to decarbonize LPG in the future. By pursuing R&D on the production of green LPG using hydrogen and biomass, we aim to become a leader in decarbonization within the LPG industry.

In the Industrial Gases & Machinery Business, we are meeting the needs of manufacturing customers from perspectives including providing Hydrocut® premixed hydrogen-cutting gas as an alternative to acetylene and other gases and hydrogen burners to decarbonize industrial furnaces. We are also meeting the demand for decarbonization testing through sales of ammonia (which, like hydrogen, is drawing attention) to thermal power plants for denitration applications. As projects in areas such as gas and supply facilities for decarbonization efforts proliferate, we aim to expand supply capacity and enhance engineering functions.

In the Materials Business, we are focusing on procurement and sales expansion for environmental materials to meet customer needs. Examples include plant-derived PET resins with low environmental impact and biomass fuels for power generation. In addition, in 2025 we will begin sales of green titanium raw materials from Nordic Mining ASA, in which we invested last year. We will continue striving to achieve further business growth by supplying the products and materials customers will need in the future.

Q Can you tell us about your efforts in the hydrogen business under PLAN27?

A In addition to building a CO₂-free hydrogen supply chain, we expect to grow the hydrogen business, even during the transitional period, until the system for full-scale supply of hydrogen from overseas has been established.

The Japanese government's Basic Hydrogen Strategy sets a target of 12 million tons of hydrogen adoption for 2040, about six times current levels. Plans call for total public and private investment of about ¥15 trillion for hydrogen over the coming 15 years. In addition, efforts toward full-scale utilization of hydrogen as an energy source are set to greatly accelerate, one of such being governmental research into systems for price differential supplementation between existing fuels and hydrogen. Companies are expected to accelerate their decarbonization efforts, and we expect continuing growth in sales of hydrogen and related testing equipment. For this reason, Iwatani will promote growth in the liquid hydrogen business in response to growing demand for decarbonization and the development of a CO₂-free hydrogen supply chain. We will also move forward with efforts across the entire supply chain from the perspectives of manufacture, transport, and use, in cooperation with domestic and international partners. Hydrogen supply from overseas is expected to commence around 2030. During the transition period, we expect demand to exceed current hydrogen

supply capacity. Thus, we will strive to enhance supply capacity by building new liquid hydrogen production plants, producing hydrogen with lower CO₂ emissions during the production process using waste plastics, and other means. To ensure the steady capture of growing demand, we will enhance our transport functions using tanker trucks and other means. We plan to invest a total of ¥178.0 billion in the hydrogen business, including forward-looking investment in overseas hydrogen production, to help establish a hydrogen energy-based society. We also expect stable growth due to the government's adoption of a price differential supplementation system. We will achieve growth in the hydrogen business through steady investments to achieve the financial targets for FY2027 and efforts to commercialize a CO₂-free hydrogen supply chain.

Q How do you plan to realize the Long-Term Vision of enhanced management foundations to promote sustained growth?

A In addition to enhancing human resources and strengthening our technologies, we will address corporate governance.

To achieve the Group vision of becoming a Group that continues to help realize "a more comfortable space on the Earth" by 2030, four component processes will need executing: developing a CO₂-free hydrogen supply chain; promoting a resource-circulating society; providing infrastructure and services that support local communities; and enhancing management foundations to promote sustained growth. This last element concerns human resources, technology, governance, and other aspects that support the preceding three component processes.

Human resources

Human resources are the source of sustained value creation. We will work toward three numerical targets to become an organization in which each and every employee can continue to grow and succeed. In the area of diversity and inclusivity, we will build environments that welcome and accommodate diverse individual capabilities, perspectives, and ideas. This includes the goal of having women serve in at least of 10% of managerial positions. In the area of human resource development, we will use the new training center to build a training structure to promote the autonomous growth of our employees. At the same time, we will roughly double investments in education per employee. To make the workplace a more rewarding place to work, we will strive to accommodate flexible workstyles that help employees balance work and personal life. As part of these efforts, we are seeking to have all eligible male employees take childcare leave.

(See Non-financial Strategies – Human Resource Strategy, p. 31.)

Technologies

Enhancing our strengths in technology is essential for growing our core gas and energy businesses and maintaining our strengths in the hydrogen business. To this end, we will make progress on the following three themes: First, we will demonstrate our technological capabilities and engineering functions to grow our businesses. In particular, as we work to build a liquid hydrogen supply chain, we will step up joint efforts within the Group and pool our cumulative experiences and expertise to support the hydrogen energy society of the future based on both technology and safety. Second, we will pass along and strengthen our technological capabilities. Drawing on our newly established internal university organization to train employee with strengths in technology and safety, we will enhance the structures needed to make it possible for customers to use LPG, industrial gas, and other products with peace of mind. Third, we will draw on our intellectual property (IP) to increase our earning power. We will strive to increase our earning capabilities by identifying priority fields, including liquid hydrogen, hydrogen-refueling stations, and green LPG; by enhancing our special areas of expertise; by building on our strengths to secure competitive advantages; and by leveraging IP to strengthen alliances.

(See Non-financial Strategies – Technology Strategy, p. 33.)

Governance

At least one-third of the membership of the Board of Directors, which makes key management decisions and provides oversight functions, consists of outside directors, including woman director. It strives to achieve transparent decision-making and ever more effective management oversight. In addition, by establishing the Nomination and Compensation Committee, a majority

of whose members are outside directors, we are enhancing transparency in decision-making on matters such as appointment, dismissal, and compensation of Members of the Board and the appointment of auditors. On the matter of risk management, the Risk Management Committee and its subcommittees, which are directly responsible for risk management, will be subject to appropriate oversight by the Board on important matters.

(See Governance, p. 47.)

We will achieve sustained growth in corporate value by enhancing our management foundations, by enabling each and every employee to work with cheerfulness, fun, and liveliness, as well as by achieving the targets of PLAN27 and the goals envisioned in our Long-Term Vision.

Q What are your thoughts on capital policies and returns to shareholders?

A We prioritize allocation of funds to investments for growth, but we plan to steadily increase dividends in accordance with growth in profits.



The basic idea of capital allocation under PLAN27 calls for raising funds through interest-bearing debt in addition to the operating cash flows generated over the period of the plan while prioritizing investments in

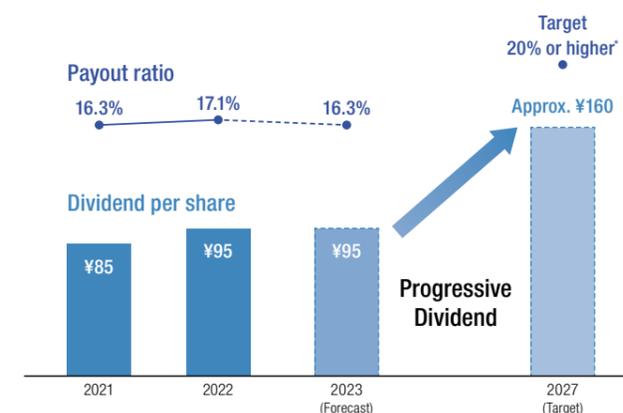
sustained growth by building a CO₂-free hydrogen supply chain and other efforts.

We plan to make cumulative total investments of ¥470.0 billion over the five-year timeframe of the plan. This includes investments of ¥420.0 billion in growth and ¥50.0 billion in maintenance and repairs. We plan to raise funds using interest-bearing debt instead of equity financing. Maintaining financial soundness is an important goal.

Our target for returns to shareholders in FY2027 is a minimum payout ratio of 20% on net income, excluding the impact of LPG import price fluctuations. We plan to ramp up dividends, and plan not to reduce them.

In the future, we plan to continue growing our businesses while targeting solutions to social issues and sustained growth based on steady investment in growth. We ask for the continuing understanding and support of our shareholders and investors.

Trends in dividends and payout ratio



* Based on net income (excluding impact of LPG import price fluctuation)

October 2023

Hiroshi Majima

President

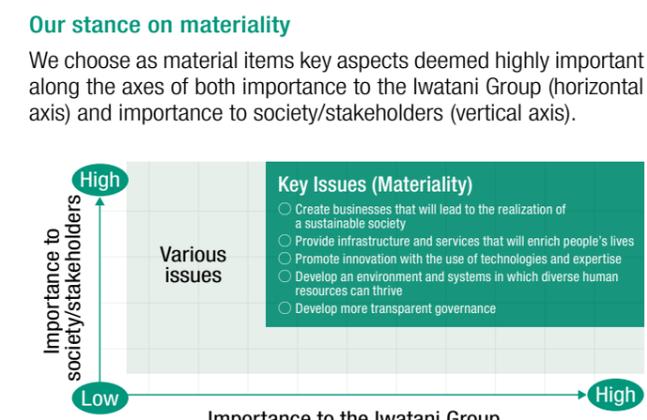
Key Issues for the Realization of the Long-Term Vision

Based on our Corporate Philosophy—Become a person needed by society, as those needed by society can prosper—the Iwatani Group will strive to achieve sustained growth and to deliver solutions to social issues, thereby completing the four component processes of our Long-Term Vision for 2030.

Long-Term Vision	Materiality	Related SDGs	Major Initiatives	Medium-Term Management Plan
<p>Our Vision for FY2030</p> <p>Corporate group that continues to contribute to the creation of a more comfortable space on the Earth</p> <p>Development of a CO₂-free hydrogen supply chain</p> <p>Promotion of a resource-circulating society</p> <p>Provision of infrastructure and services that support local communities</p> <p>Enhancement of the management foundations to promote sustained growth</p>	<p>Create businesses that will lead to the realization of a sustainable society</p> <p>Provide infrastructure and services that will enrich people's lives</p> <p>Promote innovation with the use of technologies and expertise</p> <p>Develop an environment and systems in which diverse human resources can thrive</p> <p>Develop more transparent governance</p>	<p>7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER</p> <p>7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION</p> <p>7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION, 14 LIFE BELOW WATER</p> <p>4 QUALITY EDUCATION, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH</p> <p>5 GENDER EQUALITY, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> Promote commercialization of a CO₂-free hydrogen supply chain Develop and expand low-/zero-carbon solutions Deliver stable supplies of resources and strengthen resource circulating businesses <ul style="list-style-type: none"> Maintain resilient LPG supply chains and strengthen disaster prevention measures Embody Iwatani GateWay concept Extend cartridge gas business overseas and develop new products <ul style="list-style-type: none"> Develop and market technologies for the social implementation of hydrogen Establish and implement green LPG technology Develop applications for and strengthen quality control and safety of industrial gases <ul style="list-style-type: none"> Establish systems to enhance employee engagement Create workplace environments where diversity is accepted and valued Recruit and develop people who respond to change and continue to create value <ul style="list-style-type: none"> Fulfill the functions of the Board of Directors and secure its diversity Promote dialogue with stakeholders Strengthen risk management system 	<p>PLAN27 (FY2023–FY2027)</p> <p>Key period for ensuring the realization of the Long-Term Vision</p> <p>Hydrogen Strategies (See p. 21.)</p> <p>Carbon-free Strategies (See p. 25.)</p> <p>Domestic Energy & Service Strategies (See p. 27.)</p> <p>Overseas Strategies (See p. 29.)</p> <p>Non-financial Strategies Climate Change Response (See p. 53.) Human Resource Strategy (See p. 31.) Technology Strategy (See p. 33.)</p>



Materiality Identification Process



Working toward the Sustainable Development Goals (SDGs)

At Iwatani, we consider a sound understanding of and efforts to achieve the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 essential aspects of identifying materiality. By validating the relationship between each materiality and the 17 Goals and 169 Targets of the SDGs and identifying which SDGs relate to each materiality, the Iwatani Group will contribute to widespread innovations throughout society.



Medium-Term Management Plan: PLAN27

(FY2023–FY2027)

The five-year PLAN27 medium-term management plan addresses the timeframe starting with FY2023.

Theme Establishing a hydrogen energy-based society

Basic Policy Business expansion to achieve “solutions to social issues” and “sustained growth”

Management Targets

- Operating profit**
¥65.0 billion
- ROE**
10% or higher
- ROIC**
6% or higher

Capital Policies

- 5-year cumulative investment**
¥470.0 billion
- Returns to shareholders**
Payout ratio*1 of 20% or higher
Progressive dividend

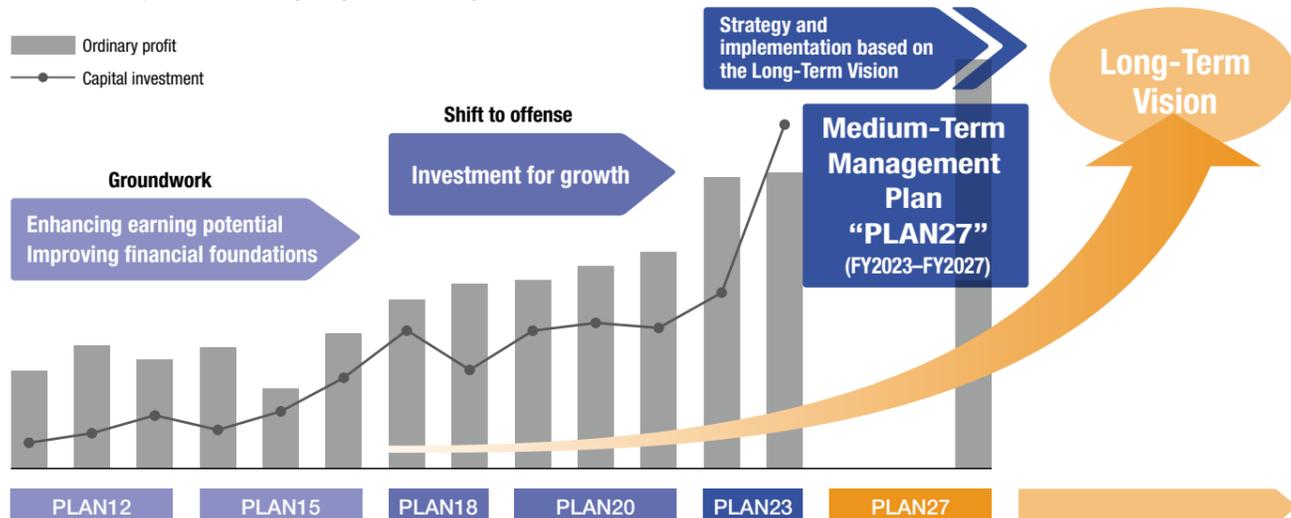
*1 Based on net income (excluding impact of LPG import price fluctuation) FY2027 target

Priority Measures

Hydrogen Strategies (See p.21.) <ul style="list-style-type: none"> Expand liquid hydrogen business that captures growing carbon-free-related demand Develop a CO₂-free hydrogen supply chain 	Carbon-free Strategies (See p. 25.) <ul style="list-style-type: none"> Expand business by promoting low-/zero-carbon solutions business Invest in the realization of a carbon-free society
Domestic Energy & Service Strategies (See p. 27.) <ul style="list-style-type: none"> Expand market share and streamline distribution by utilizing LPG business infrastructure Provide services that contribute to solving social issues of local communities 	Overseas Strategies (See p. 29.) <ul style="list-style-type: none"> Leverage strengths of individual segments to expand business in respective regions
Non-financial Strategies <ul style="list-style-type: none"> Climate Change Response (See p. 53.) Human Resource Strategy (See p. 31.) Technology Strategy (See p. 33.) 	

Progress on and Positioning of the Medium-Term Management Plan

Since FY2000, based on our seven medium-term management plans, we have made steady progress with business structural reforms, improvements in earnings capability, and our financial makeup. Following preceding periods in which we lay the foundations and shifted to an aggressive posture, PLAN27 covers a crucial period for achieving the goals of the Long-Term Vision.



Capital Policies and Returns to Shareholders

Perspective on capital policies

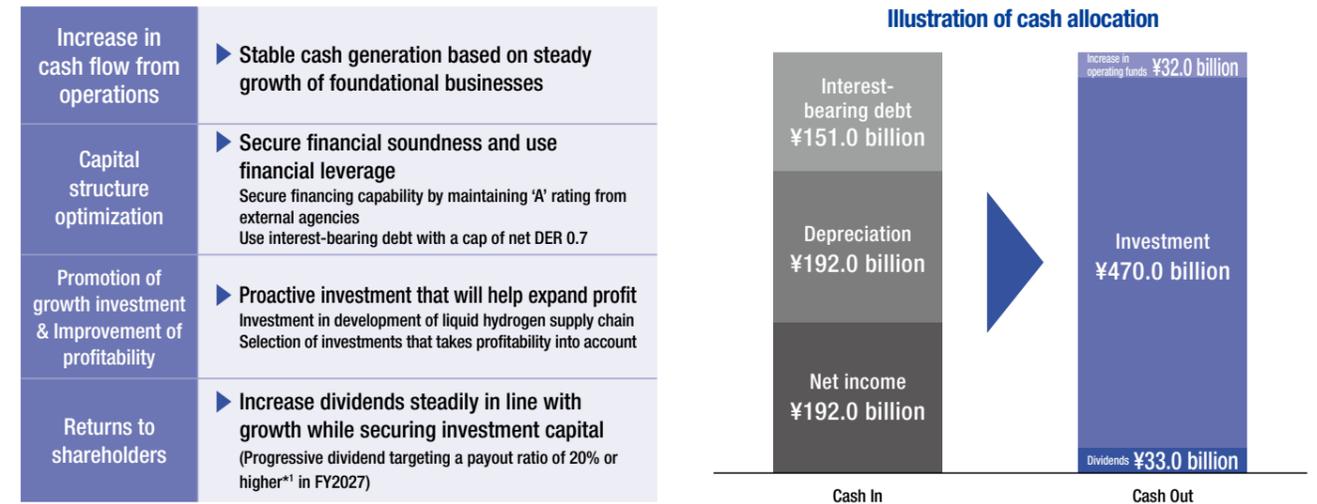
We plan to invest a total of ¥470.0 billion over the course of five years by raising funds from operating cash flows and via interest-bearing debt. We will prioritize investments to achieve sustained growth and realize a hydrogen energy-based society, founded on the premise of steady growth in earnings in our core businesses. To maintain low capital costs, we will draw on interest-bearing debt in place of equity financing. While maintaining our external financial rating of A to secure our fundraising capabilities, we have adopted a policy of using interest-bearing debt up to a maximum net DER of 0.7.

Returns to shareholders

PLAN27 is our first plan to clearly set forth as a target a minimum payout ratio of 20%* and to commit progressive dividend, with no steps backward. We expect to pay dividends of approximately ¥160/share in FY2027, the final year of the plan, based on steady dividend increases that reflect growth in profits.

PLAN27 Basic approach to capital allocation

- Secure financial soundness and use financial leveraging (net DER of 0.7 or less)
- Proactive investment toward the realization of a hydrogen energy-based society and sustained growth
- Progressive dividend with a target payout ratio of 20% or higher*1



Breakdown of Investment Funds

	Amount	Content
Growth investment	¥420.0 billion	
Of which Priority measures	¥320.0 billion	<ul style="list-style-type: none"> Development of CO₂-free hydrogen supply chains Promotion of low-/zero-carbon business Expansion of domestic energy business Growth investments overseas
Of which Foundational businesses	¥100.0 billion	<ul style="list-style-type: none"> Expansion of domestic supply capacity of air separation gases, etc.
Maintenance / Repairs	¥50.0 billion	<ul style="list-style-type: none"> Repairs of LPG plants, etc.

Establishing a Hydrogen Energy-Based Society

Related Key Issues (Materiality)

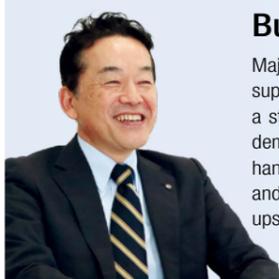


Create businesses that will lead to the realization of a sustainable society



Promote innovation with the use of technologies and expertise

Basic Concept



Building a global supply chain

Major obstacles to achieving a hydrogen energy-based society include generating demand and procuring and securing a stable supply of large volumes of inexpensive CO₂-free hydrogen. On the supply side, we have working to reduce costs and achieve a stable supply through large-scale procurements from abroad and by enhancing our domestic supply infrastructure. On the demand side, we are working with multiple partners to generate new demand for hydrogen. By taking full advantage of the handling technologies developed over many years and a liquid hydrogen supply network tailored to address large-scale transport and storage, we are aiming to deliver hydrogen to customers while playing an active role in hydrogen manufacturing and other upstream processes. In this way, we are working to establish an integrated global supply chain from upstream to downstream.

Manabu Tsuyoshi Member of the Board, Senior Managing Officer, General Manager, Hydrogen Business Division

Expanding the Liquid Hydrogen Business to Capture Growing Demand Generated by Decarbonization Efforts

Iwatani entered the hydrogen business in 1941. Since then, we have worked to help establish a society capable of using hydrogen as an energy source. We have built a nationwide network that integrates all processes, from production to transport, storage, supply, and safety, enabling us to smoothly meet user demand. Amid growing interest in hydrogen for decarbonization applications, we will meet new demand by supplying hydrogen in line with customer needs and developing and offering applications such as mixed-hydrogen burners.

Developing hydrogen-refueling stations

Use

We are making progress on developing the nationwide supply infrastructure needed to support the use of hydrogen, focusing in particular on the business of hydrogen-refueling stations for heavy-duty fuel cell (FC) vehicles, including FC buses and trucks. In February 2023, we established Iwatani Cosmo hydrogen station LLC, a joint venture with Cosmo Oil Marketing Co., Ltd., a company currently making progress on developing Japan's first hydrogen-refueling station to be located inside truck terminals. We will also promote the adoption of hydrogen-refueling stations by promoting self-service stations and cutting costs.



Hydrogen-refueling station for FC buses



Artist's depiction of completed Keihin Truck Terminal Heiwajima Service Station

Supplying liquid hydrogen and equipment for demonstration

Use

Companies involved in the RE100 project to use 100% renewables for energy consumed in business activities are undertaking ever-broadening hydrogen energy demonstrations. At Panasonic Corporation's Kusatsu facility, all power used by the production sections at the fuel cell plant comes from solar cells and pure hydrogen fuel cells made by Panasonic itself. We supply the liquid hydrogen used in this demonstration. We plan to boost supplies of liquid hydrogen for use in demonstration projects like this one.



Supplying liquid hydrogen



H₂ KIBOU FIELD (Kusatsu facility, Panasonic Corporation)

Growing power-generation and mobility applications

Use

To decarbonize thermal power generation facilities powered by natural gas, we are developing and testing technologies for the mixed burning of natural gas with hydrogen and for the burning of hydrogen alone. Having set the goal of full-scale implementation of these technologies, we are making progress on initiatives to establish the supply structures and cost levels needed for real-world power generation. In addition, we plan to expand mobility applications beyond motor vehicles, to include ships, aircraft, railroads, and special-purpose vehicles.



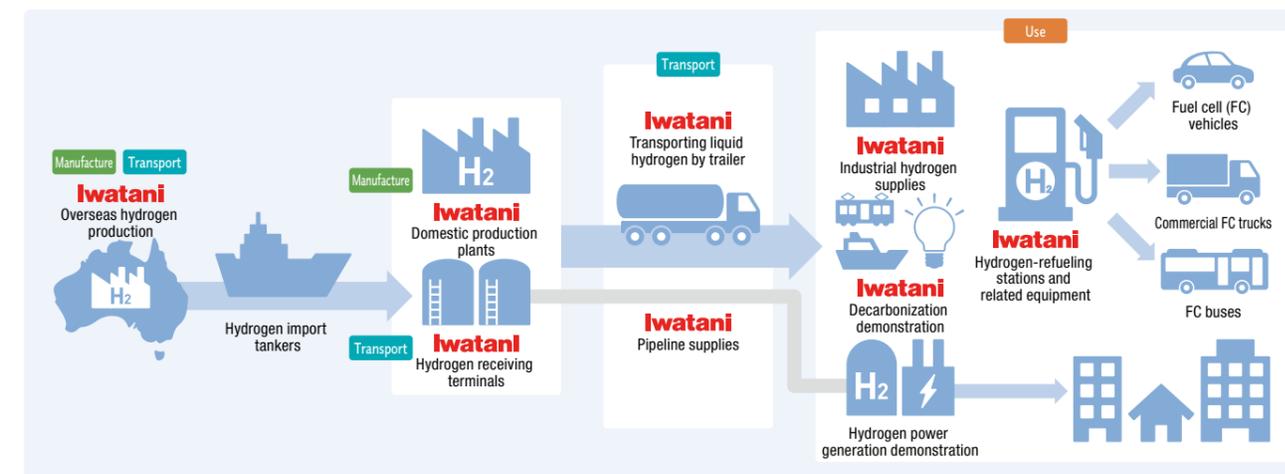
Photo of the Kobe Smart Community Hydrogen Power Generation Project (Port Island), a NEDO subsidized project (undertaken by Obayashi Corporation and Kawasaki Heavy Industries, Ltd.)



© Mitsubishi Heavy Industries, Ltd.
Hydrogen gas turbine

Iwatani's roles in a hydrogen energy-based society

Efforts directed at the use of hydrogen as an energy source are expected to expand. In 2023, Japan's Basic Hydrogen Strategy, a national strategy established by the Japanese government, was revised for the first time in six years. Iwatani will pursue efforts across the entire supply chain from perspectives including the manufacture, transport, and use of hydrogen.



Expanding domestic hydrogen production capacity

Manufacture

To respond to growing domestic hydrogen demand, including demand for decarbonization applications, we must grow domestic hydrogen production capacity during the transition period up to the time full-scale imports from overseas can begin. We are studying new production facilities in addition to those in Osaka, Yamaguchi, and Chiba.



Hydro Edge liquid hydrogen production plant

Hydrogen production through waste plastic gasification

Manufacture

We are currently examining the feasibility of producing hydrogen via the gasification of waste plastic for use in local markets. In May 2023, in partnerships with Toyota Tsusho Corporation, JGC Holdings Corporation, and 26 local governments, universities, and other organizations, we launched the Study Group on Hydrogen Production through Waste Plastic Chemical Recycling. Using waste plastic from industrial sites, households, and other sources in urban areas offers a rapid path to achieving a stable low-cost hydrogen supply. This will help expand the use of hydrogen, move us closer to becoming carbon-free, and promote the circulation of resources across a wide range of fields.



Supply chain model illustration

Further enhancements of liquid hydrogen handling technologies

Transport

The Iwatani Group offers technologies that enable the efficient transport and storage of hydrogen through means including volume reduction, achieved by compression and liquefaction, and hydrogen procurement and supply in line with flow rates, pressures, and other parameters set by customers. In addition, we have production functions and technologies for liquid hydrogen-related facilities within the Group and produce and operate equipment, including ultra-low-temperature liquefied gas storage tanks and tanker trucks. Issues posed by the growing demand for hydrogen energy include the need to expand the scale of related facilities, to increase our capacity to supply gas and equipment, to respond to maintenance demands, and to enhance our transport capacity. We plan to build further on the handling technologies accumulated and refined over the years.



A tanker truck and storage tank, both essential to supplying liquid hydrogen

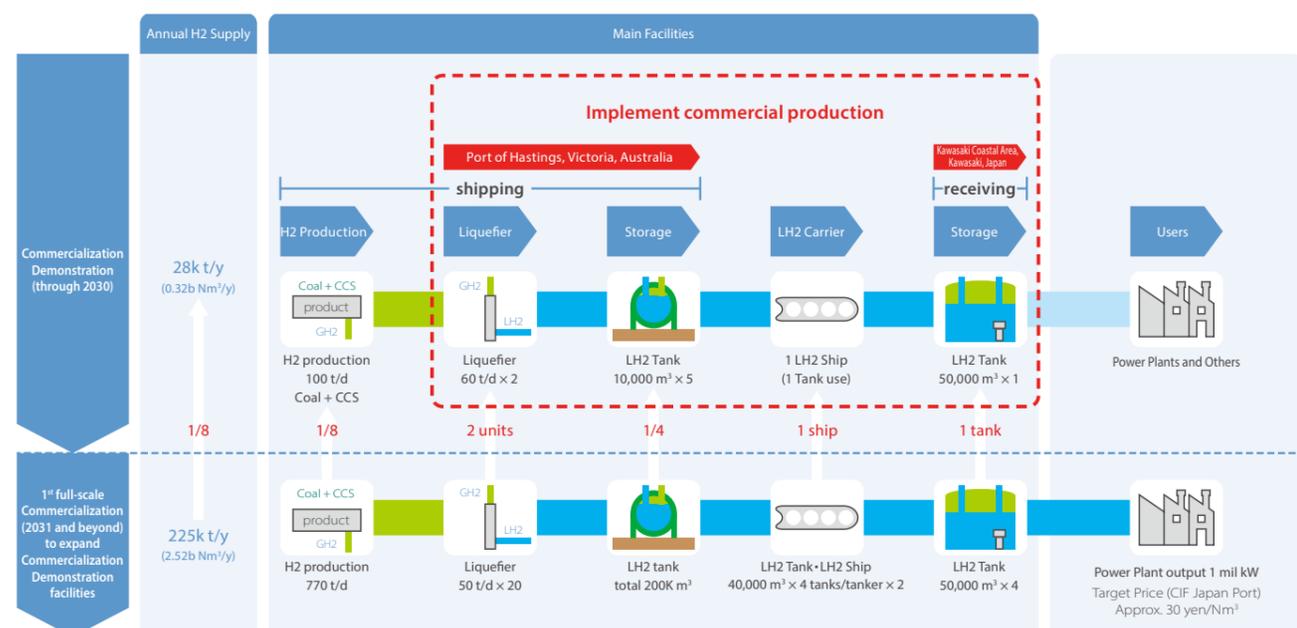
Building a CO₂-free Supply Chain

To establish a hydrogen energy-based society, we must generate demand and make possible the large-scale procurement and stable supply of inexpensive CO₂-free hydrogen. On the supply side, in addition to procuring large volumes of hydrogen from overseas, we will work to cut costs and enable stable supply by enhancing the domestic supply infrastructure. By fully capitalizing on the in-house handling technologies accrued to date and our liquid hydrogen supply network, which is suited to large-scale transportation and storage, we aim both to deliver hydrogen to customers and play an active role in upstream areas such as hydrogen production, in order to create integrated supply chain covering from the upstream to the downstream.

Liquefied Hydrogen Supply Chain Commercialization Demonstration Project (reducing costs through large-scale transport)

To move closer to the full-fledged implementation of a CO₂-free hydrogen supply chain, we applied subsidies from the Green Innovation Fund to establish the world's first hydrogen liquefaction and transport technologies on a demonstrated scale of tens of thousands of tons per year. We tested an integrated international liquid hydrogen supply chain from hydrogen production through liquefaction, shipping, sea transport, and unloading. Given the need to reduce costs through expanded facility scale toward the goal of commercialization in FY2030 and beyond, plans call for the tankers for use in this project to be at least 100 times larger than that used for the HySTRA* feasibility testing. We are responsible for the production of liquid hydrogen overseas and the evaluation of terminals in Japan and abroad as well as coordination with the demand side drawing on our customer base.

* CO₂-free Hydrogen Energy Supply-chain Technology Research Association
The organization implementing the Demonstration Project
Establishment of Mass Hydrogen Marine Transportation Supply Chain Derived from Unused Brown Coal by NEDO



Source: Japan Suiso Energy, Ltd.

Efforts to procure large volumes of green hydrogen

Since 2021, we have undertaken feasibility studies on large-scale production of green hydrogen and exporting it to Japan, in the Australian state of Queensland. In May 2023, to move forward to studies in preparation for a final investment decision, we began front-end engineering design (FEED) together with five firms, one of which is Stanwell, a power company owned by the state. Intended to achieve stable and low-cost production and supply of green hydrogen over the long term, this project is expected to have a production capacity of at least 800 t/day of hydrogen in 2031 and beyond.



Artist's depiction of hydrogen production facility in Aldoga, Australia

Promoting development in preparation for building hydrogen supply systems

To build innovative hydrogen supply systems to meet large-scale demand such as that for power generation, we are proceeding with active development together with our business partners. Joint development projects underway include those on liquid hydrogen pressurizing pumps with Mitsubishi Heavy Industries, Ltd., large-scale liquid hydrogen vaporizers with Sumitomo Precision Products Co., Ltd., and large-scale liquid hydrogen storage tanks with Toyo Kanetsu K.K. We will continue moving forward on development of the machinery, equipment, and technologies needed to build large-scale hydrogen supply chains through business partnerships.

Advancing Joint Efforts Inside and Outside the Iwatani Group

Enhancing manufacturing and engineering functions

Use

We are striving to enhance the structures needed to achieve a stable supply and increase profitability by strengthening our manufacturing and engineering functions. In April 2022, we made Tokico System Solutions, Ltd. a wholly-owned subsidiary. Tokico System Solutions, Ltd. holds technologies for measuring and controlling various gases and other materials and offers strengths in the development and construction of dispensers used at hydrogen-refueling stations, as well as robust business foundations in various other areas, including the manufacture and sale of measurement instruments. We plan to further grow the hydrogen business by generating synergies through joint efforts with its engineering functions. We are also partnering with Cosmo Energy Holdings to apply the technologies and knowledge built up by both partner companies in engineering and other fields related to hydrogen-refueling stations and hydrogen production.



Dispensers provided by Tokico System Solutions, Ltd.

Operating a Liquefied Hydrogen Marine Carrier at the Expo 2025 Osaka, Kansai, Japan

We plan to operate Japan's first liquefied hydrogen marine carrier at the Expo 2025 Osaka, Kansai, Japan (hereinafter referred to as "the Expo"). Unlike conventional internal combustion engine vessels, this vessel will achieve high environmental performance by generating no CO₂ or pollutant emissions during operation, and will also achieve outstanding comfort free of odors, noise, and vibration. This liquefied hydrogen marine carrier is planned as a "floating pavilion" that will transform the trip to and from the Expo into a special experience for attendees from around the world, while also communicating to the world the appeal of hydrogen energy.



Illustration of a liquefied hydrogen marine carrier planned for commercial operation in the Expo

Participation in Hydrogen-related Associations

Hydrogen Council

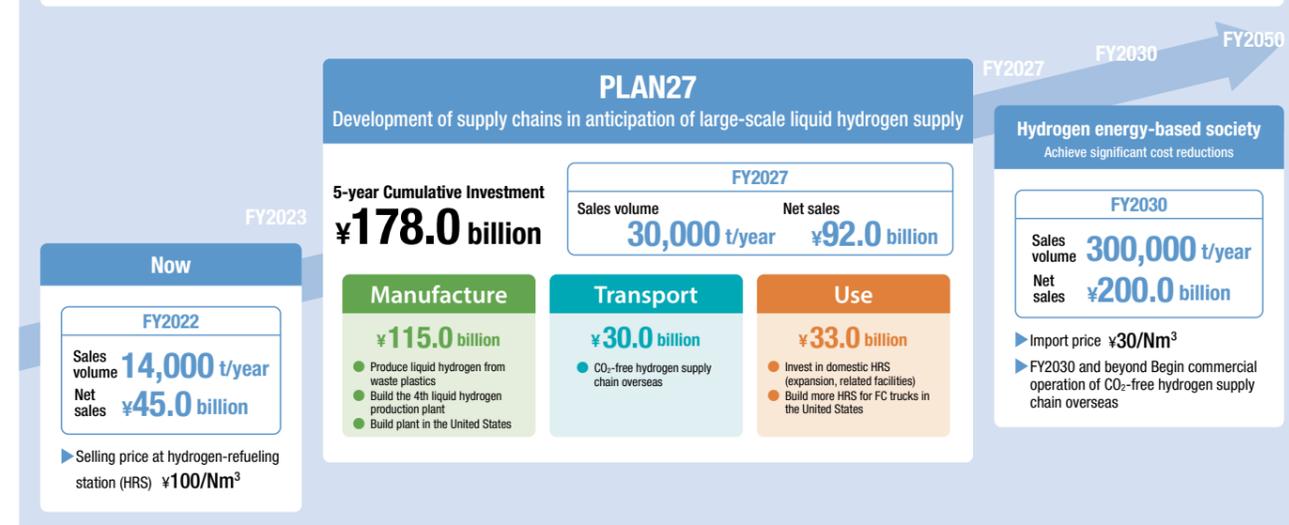
Made up of over 152* leading companies from the energy, transport, and manufacturing sectors around the world, the Hydrogen Council seeks to achieve its shared goals by formulating recommendations for hydrogen use and effective action plans in joint efforts with policymakers, hydrogen-using businesses, international organizations, and citizens' groups in various countries. As a member of the Hydrogen Council's steering committee, Iwatani is active in efforts to expand use of hydrogen in Japan through sharing a global hydrogen vision.

*As of June 2023

Japan Hydrogen Association (JH2A)

Established in December 2020 to develop a hydrogen-based society earlier through various practical projects, the Japan Hydrogen Association (JH2A) started operation as a general incorporated association in April 2022. With a membership of 379 companies and organizations as of May 2023, including not just energy suppliers, automakers, and manufacturers of various types of related equipment but banks, securities firms, and insurers, the JH2A is a truly nationwide organization. As a corepresentative of the JH2A, we are moving ahead with various energetic initiatives in partnership with other members.

Targets of the Hydrogen Strategies – Iwatani Hydrogen Vision



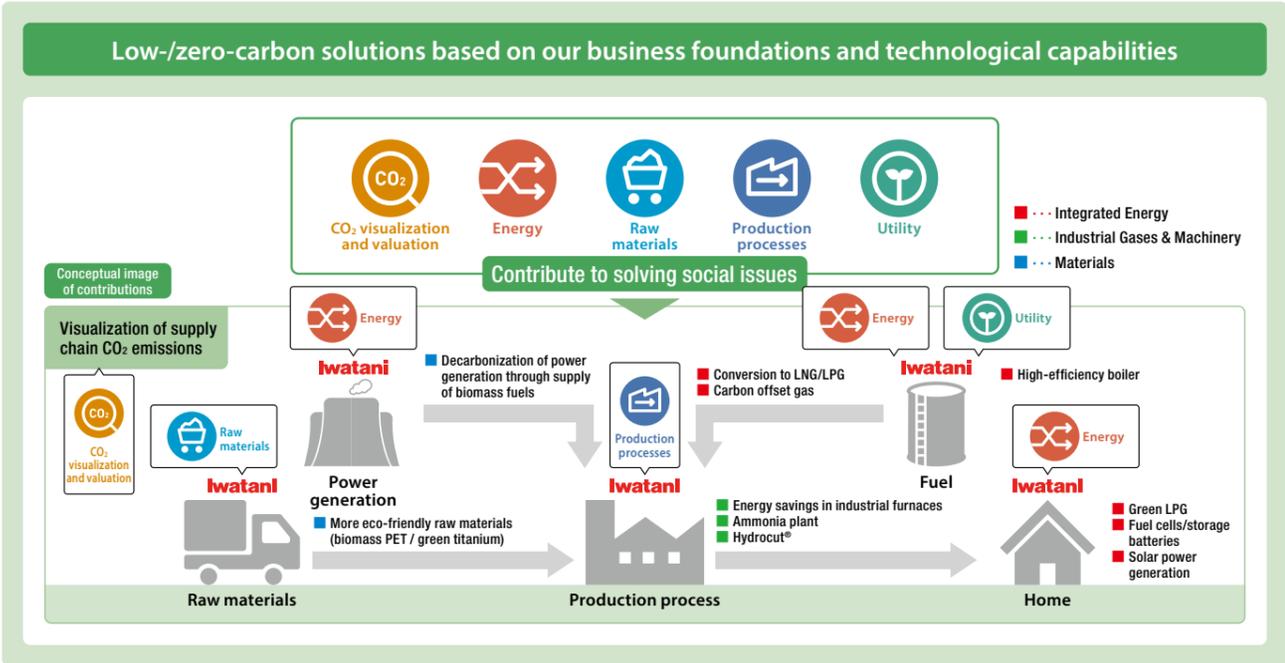
Toward a Carbon-free Society

Related Key Issues (Materiality) Create businesses that will lead to the realization of a sustainable society Promote innovation with the use of technologies and expertise

Basic Policy

Business expansion through helping customers decarbonize their business activities across the entire Iwatani Group

In line with our corporate philosophy, "Become a person needed by society, as those needed by society can prosper," our legacy has to date been to find solutions to social issues. Our mission henceforth is to establish a carbon-free society by leveraging the business infrastructure and technological strengths we have amassed to date to deliver low-/zero-carbon solutions to our customers—from industries to individual consumers—to help reduce CO₂ emissions throughout society while also growing our businesses.



Specific Decarbonization Initiatives

Fuel conversion

- Helping to reduce CO₂ emissions through conversion from heavy oil and kerosene to LPG and LNG
- Enabling proposal of CO₂-reduction solutions in combination with boilers and other equipment



Applications Steam boilers, industrial furnaces, etc.

Biomass fuel

- Importing palm kernel shells (PKS) and wood pellets from Southeast Asia

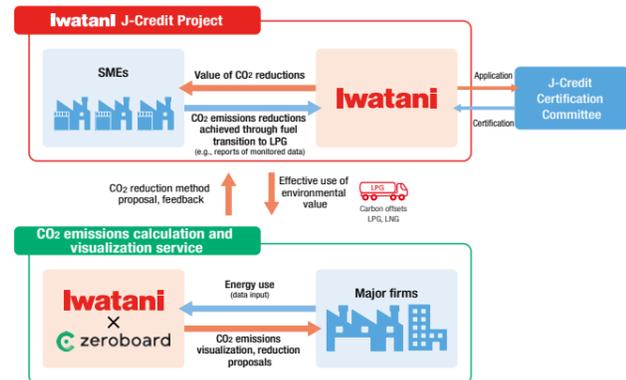


Applications Fuel for biomass power generation

Combining J-Credit scheme and CO₂ emissions calculation/visualization services

- Valuation of CO₂ emissions reductions achieved by customers, as J-Credits
- Providing services to visualize CO₂ emissions generated by a company's activities and the overall supply chain in accordance with international standards under the Greenhouse Gas Protocol

Applications Supporting CO₂ emissions reductions by manufacturing customers



Ammonia facilities

- Sales of denitration ammonia supply equipment to power companies in Japan
- Capable of design, construction, safety management, and other tasks for ammonia supply equipment

Applications Supply equipment for ammonia power generation



Ammonia supply equipment

Green titanium raw materials

- High-purity titanium ore exported from mining concession in Norway
- Zero CO₂ emissions during extraction made possible by renewable energy

Applications Titanium metal, titanium oxide pigments, etc.



A Nordic Mining mine

Hydrocut® eco-friendly mixed fusing gas

- Fusing gas developed and produced by Iwatani by mixing ethylene with hydrogen for fusing and brazing applications
- Ability to cut CO₂ emissions by 84% (compared to acetylene based on LCA calculations)

Applications Steel, shipbuilding, construction, automotive, etc.



Hydrocut®

PET resins with low environmental impact

- Overseas procurement of plant-based PET resins with low environmental impact

Applications Beverage bottles, films, etc.



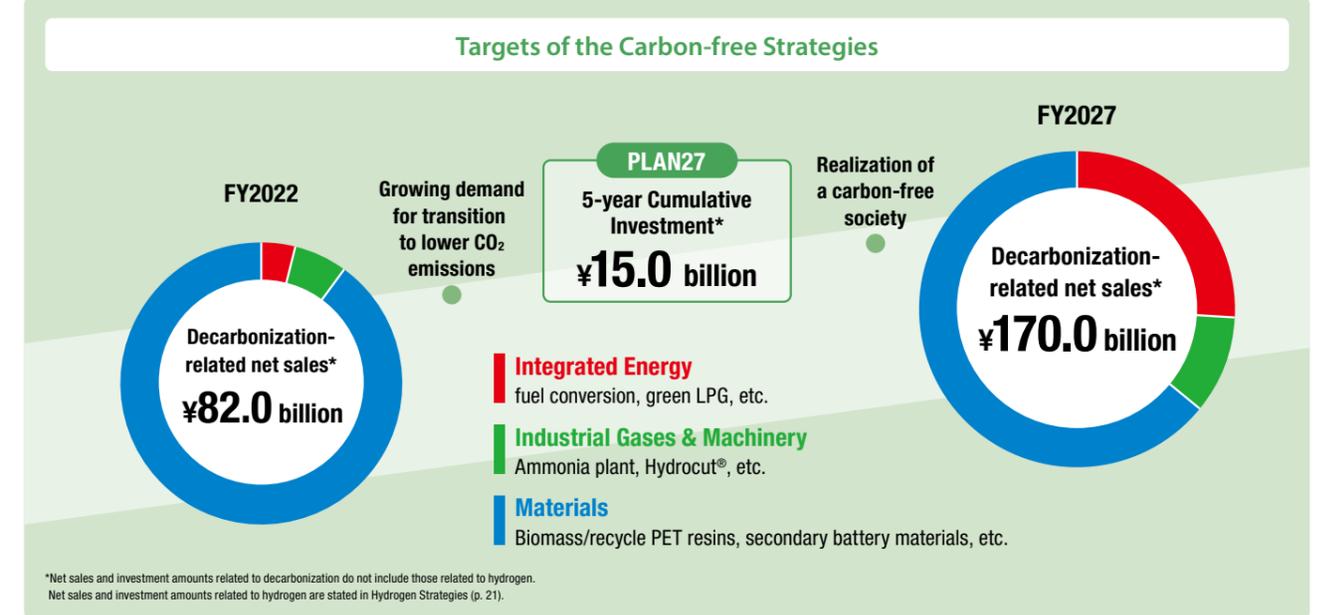
Bottles made from biomass PET resin

Green LPG

- Establishing and rapidly testing new technologies to produce LPG by combining hydrogen with CO₂ (propanation, butanation)
- Establishing technologies to produce LPG from dimethyl ether (DME), which has properties similar to LPG

Applications Supply to LPG customers (general consumers, industrial and commercial customers)

Roadmap toward green LPG production



*Net sales and investment amounts related to decarbonization do not include those related to hydrogen. Net sales and investment amounts related to hydrogen are stated in Hydrogen Strategies (p. 21).

Realizing Sustained Growth by Enhancing Earnings Capabilities and Introducing New Services

Related Key Issues (Materiality)



Basic Policy

Growing retail market share and enhancing earnings capabilities by promoting M&A activities using our nationwide network

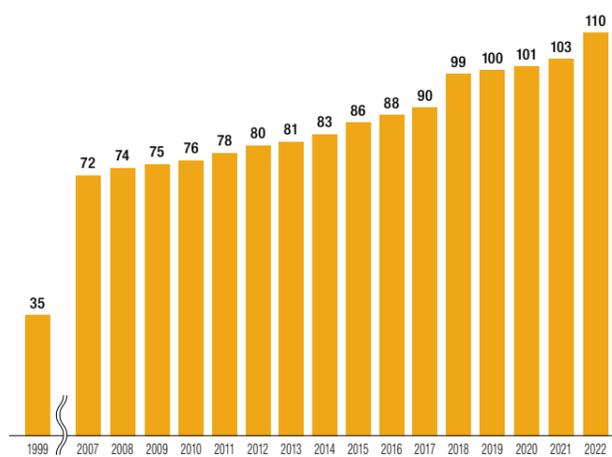
The Iwatani Group began selling LPG nationwide in 1953, as Marui Propane. To maintain stable supplies of LPG lifeline services, we have developed an integrated supply structure, from import through customer delivery, and boast the top nationwide market share in Japan. Concentration of LPG businesses is expected to accelerate as the number of consumer households decreases. Under such conditions, we will aim for further business growth by promoting efforts to strengthen our retail business, centered on merger and acquisition (M&A) activities conducted through now, and streamlining of our LPG business as a whole, including delivery.

Iwatani's LPG sales

	Retail	Wholesale
Industry ranking	No.1 / 16,381 companies	No.1 / 1,100 companies
Market share	4.6%	13.8%
Households using MaruiGas	1.10 million	3.30 million

(As of March 31, 2023)

Historical number of direct sales customers (unit: 10K households)

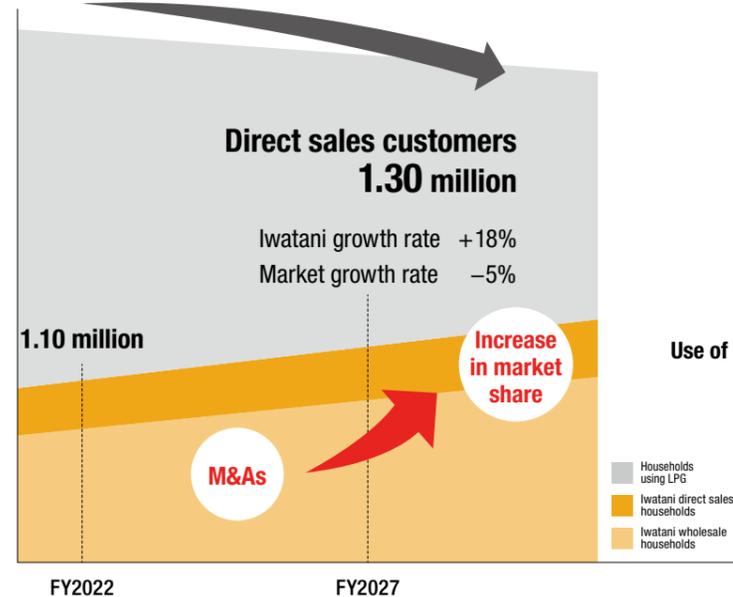


LPG Business Measures

Growing retail market share

Drawing on our nationwide network, the Iwatani Group will set its sights on continuing growth by expanding its market share in the retail sector, primarily through its M&A activities. The LPG market is projected to shrink by about 5% in the years through FY2027; nevertheless, the Iwatani Group will seek to achieve growth of 18% in direct sales customers, targeting a figure of 1.30 million households. To grow the retail business, we will leverage our nationwide network of 110 supply facilities and the Iwatani Group's strengths in delivery, safety, and sales networks to grow the wholesale customer base and to build relationships to contribute to business succession and M&A activities.

Households



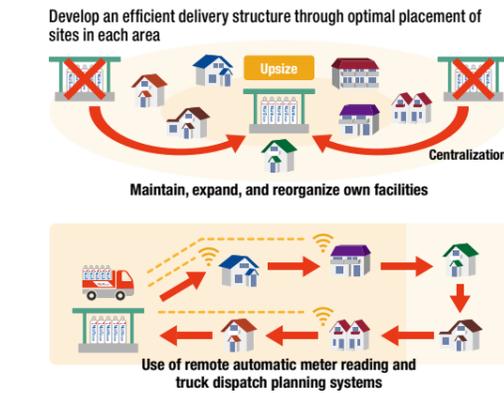
Create virtuous cycle for enhancing customer base



Streamlining delivery

The Iwatani Group operates a logistics structure that delivers gas to households in every corner of Japan. We will cut business costs to grow earnings while implementing the measures necessary to maintain a stable supply. We will also expand delivery facilities through mergers and consolidations as well as by updating delivery facilities to be more disaster-resistant. In this way, we will streamline delivery structures and draw on remote meter-reading systems and delivery route planning systems to achieve more efficient delivery. Partnerships with other companies (delivery subcontracting) in specific regions are also under consideration, to build comprehensive and efficient delivery structures and establish strong stable delivery networks on which customers can rely.

Iwatani initiatives



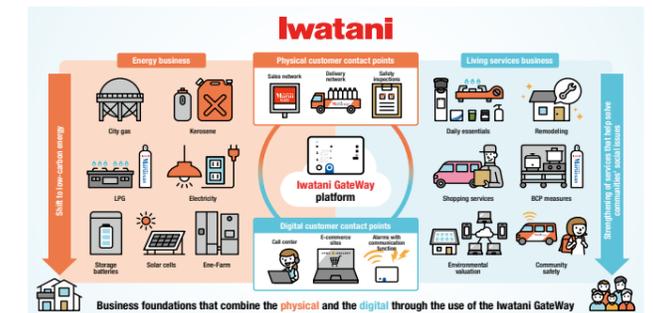
Initiatives with other companies



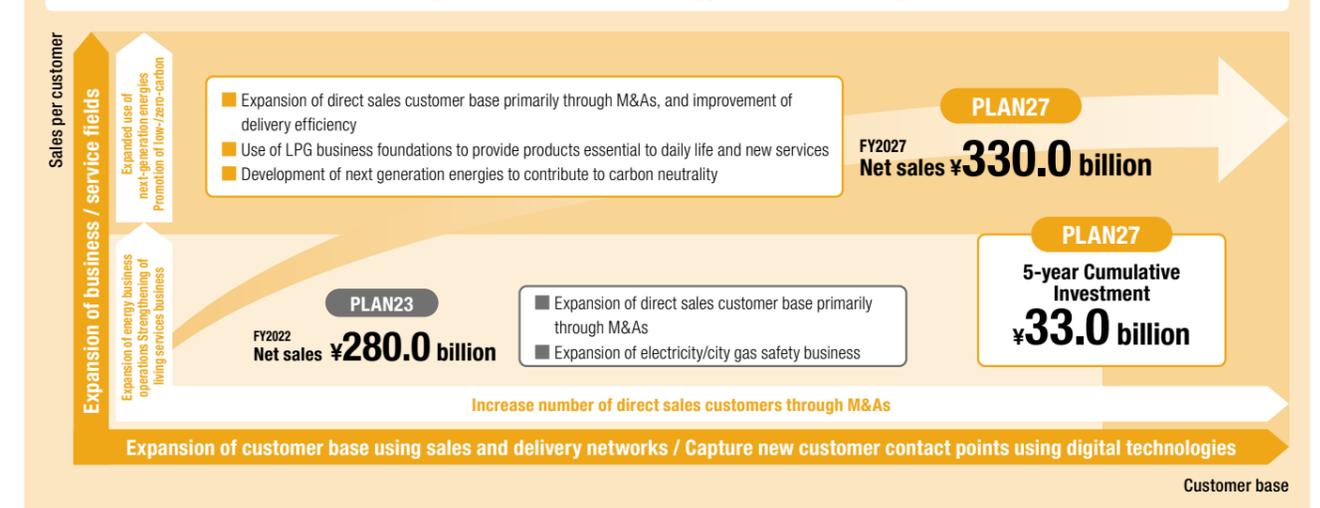
Creating New Services to Support Communities

Evolving into an energy & living total service provider essential to customers and communities

Drawing on our supply infrastructures for delivering LPG nationwide, we are moving forward with efforts to advance solutions to social issues within each region. In addition to supplying energy such as solar PV and green LPG to contribute to decarbonization, we use the Iwatani GateWay IoT platform to provide services supporting everyday life, including community safety and shopping services, to help address shrinking populations, aging, and other community issues. By providing comprehensive solutions to community issues, including the need to become carbon-free, we plan to evolve into an energy & living total service provider while building the infrastructures to contribute still further to society as an essential member of our communities, essential to our customers.



Targets of the Domestic Energy & Service Strategies



The Iwatani Group: Expanding Internationally

Related Key Issues (Materiality)



Basic Policy

Leveraging our domestic business foundations to grow our international businesses

To date, the Iwatani Group has grown its businesses by providing products and services to domestic customers. Based on strengths amassed over the years, including the expertise of the Integrated Energy Business in fuel conversion and industry decarbonization, our Industrial Gases & Machinery Business boasts industrial gas production and sales networks and the capacity to promote machinery and equipment solutions, while our Materials Business can procure environmental products and implement the measures needed to maintain a stable supply of mineral resources. Drawing on our strengths and domestic business foundations, we will continue identifying business opportunities and pursuing market development on the international stage.

China

Business environment → Mega production/consumption market

Strategy → Sales expansion of key products

- Expand sales channels for portable gas cooking stoves/cassette gas canisters
- Expand production plants for air separation gases and hydrogen
- Expand supply facilities for specialty gases, such as helium
- Strengthen sales of industrial gases in growth fields
- Expand raw materials business in growth fields



Southeast Asia

Business environment → Fast-growing market

Strategy → Business expansion by increasing production and supply facilities

- Expand sales and production facilities for portable gas cooking stoves/cassette gas canisters
- Develop new business based on supply and safety expertise in LPG and LNG
- Expand supply facilities for specialty gases, such as new refrigerants and helium
- Expand manufacturing plant for air separation gases
- Expand manufacturing functions of metal processing business
- Expand procurement sources for biomass fuel



Australia

Business environment → Rich in energy and resources

Strategy → Explore procurement source

- Expand investment in development of liquid hydrogen supply chain
- Develop new mining lot for mineral sands
- Use carbon credits from afforestation activities



Africa

Business environment → Rich in resources

Strategy → Explore new procurement sources for resources

- Expand procurement sources for mineral resources, such as rare earths and rare metals

- Integrated Energy
- Industrial Gases & Machinery
- Materials

Key Points of International Business Development

Response to changes in world affairs

- Further strengthen stable supply system / Diversification of procurement sources
- Identify growth potential and changes in industrial structure in each region

Priority areas for expanding business foundation

- China: Delve deeper into mega market
- Southeast Asia: Expand production and supply facilities for growing markets with increasing populations
- Other regions: Venture into American market (world's largest industrial gases market)

North America

Business environment → World's largest industrial gases market

Strategy → Expand business, including through M&As

- Expand sales of cartridge gas products for outdoor market
- Consider entering LPG market through dealership acquisitions, etc.
- Expand HRS business
- Strengthen production and sales of air separation gases
- Expand supply facilities for helium and other specialty gases



Europe

Business environment → Eco-conscious market

Strategy → Creation of resource circulation-based business

- Create resources and metal recycling/processing businesses
- Supply parts and raw materials to environment-related industries



Targets of the Overseas Strategies

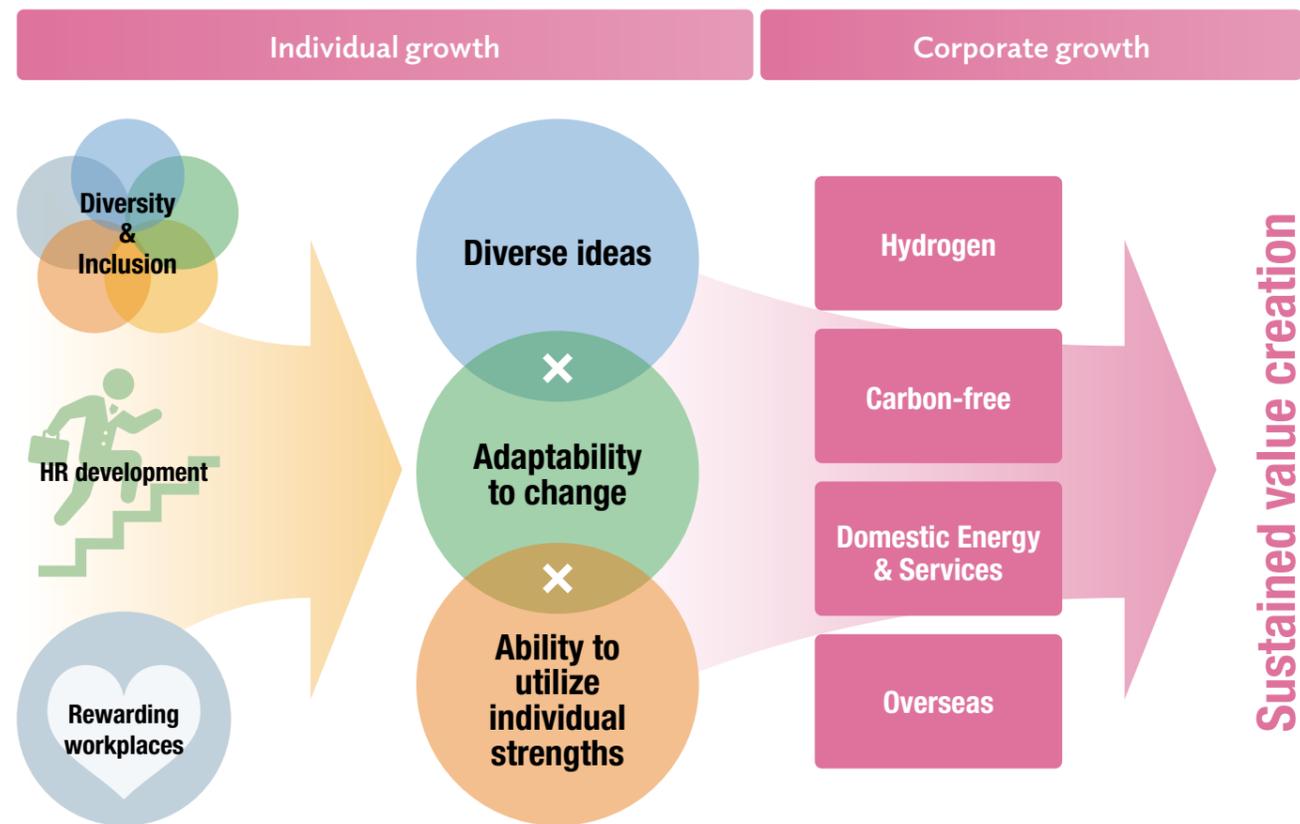


Building an Organization in Which Diverse Individuals Can Thrive While Growing on Their Own

Basic Policy

Realizing a virtuous circle of organizational growth through recruitment, development, and active participation of our people

The source of sustained value creation is human resources. Our goal is to be an organization in which each and every employee can thrive and grow. To do so, we will hire diverse human resources, including international human resources, those with IT skills, and those with external experience, regardless of gender, and build an environment that accepts and accommodates their values and allows them to demonstrate their individual abilities to the fullest. We support the autonomous career development of our employees to maximize their abilities, while strengthen employee satisfaction and motivation by realizing flexible work styles. Through this cycle of overall organizational growth based on securing, training, and utilizing human resources, we will continue to deliver value to the world by growing our businesses and putting our strategies into practice.



Diversity and Inclusion

Diversity management that draws out the full capabilities of diverse employees will enable Iwatani to continue meeting societal needs. Accordingly, we are pursuing various initiatives to promote diversity and inclusion, under the slogan “Toward an organization of acceptance and mutual respect of diverse values.”

Major initiatives

- Organizational culture**: To be an organization capable of continuing to create new value, we are promoting efforts in areas such as workplace promotion of women and people with disabilities, participation by men in raising children, and more diverse work styles. We are increasing employee understanding of diversity and inclusion through internal training on the subject.
- Promoting women in the workplace**: Through proactive hiring of women, support for balancing work and life events, and broader choices of work styles, we are enhancing efforts to promote the role of women in the workplace. As of March 31, 2023, women made up 6.0% of managers, and we are implementing a wide range of initiatives including measures targeting younger and midlevel staff to increase the percentage of women in management. In addition, under our Plan of Action for a General Employer we are making progress on building workplaces in which women can demonstrate their individuality and capabilities to the fullest.
- Employment and promotion of people with disabilities**: We are proactively hiring employees with disabilities through both new graduate and midcareer hiring programs. As of March 2023, those with disabilities accounted for 2.78% of employees—a level higher than the percentage required by law. We are also making progress on improving working environments and providing various kinds of support to enable employees with disabilities to demonstrate their capabilities to the maximum.



HR Development

Support for employees' autonomous career development, which is essential to ensuring that our human resources can continue to meet society's needs as called for in our corporate philosophy, is one of our priorities. We plan to use the new training center under construction in Kobe to implement a reformed training structure to encourage autonomous career development.

	Mandatory training	Elective/selective training	Other experience
Younger employees	Become a Member Training	Lead the Self Training	
Mid-level employees	Assessment Training 1		
Managerial level	Assessment Training 2	Lead the Team Training	External training Various business skills and management skills Examples: • Critical thinking • Accounting • Organizational/HR management, etc.
	Lead the Society Training		

Concepts of the training system to encourage autonomous career development



Rewarding Workplaces (fulfilling working environments)

To build workplaces in which diverse individuals can thrive, it is essential to secure psychological safety and realize flexible work styles to balance work with life events. To support this balance between work and life events, we are enhancing systems related to flexible work styles and childcare and long-term care, as well as fostering an appropriate organizational culture.

Programs related to flexible work styles	Details
Remote working program	Employees may work remotely from home or elsewhere under certain conditions.
Program for taking leave in hourly units	Employees can take annual paid leave, child nursing-care leave, and short-term nursing-care leave flexibly in hourly units.
Other leave programs	Refreshment leave (awarded as special leave to those who have been employed for a certain number of years), summer vacation (awarded separately from annual paid leave), bereavement leave, transfer leave, etc.

Programs related to work/life balance	Details
Shortened working hours	Enables employees with children through the third grade of elementary school to shorten their designated working hours
Childcare/babysitting subsidies	Subsidies for childcare by partner babysitting firms and childcare facilities
Partner maternity leave	Up to three days of special leave for spousal childbirth
Early return support allowance	Pays the actual cost of childcare services, up to 50,000 yen/month, when an employee returns from childcare leave before the child reaches the age of 12 months.

- Examples of efforts to foster a culture of sound work/life balance**
 - Publishing childcare and long-term care handbooks
 - Posting reports on childcare leave by fathers and reports on balancing work with childcare on the internal bulletin board
 - Participation in joint events with other companies (on supporting subordinates with children and women's careers)

Targets of the Non-financial Strategies (Human Resource Strategy)

Items	Indicators	Targets	FY2022 results
Diversity & Inclusion	Ratio of female managers	10% or higher	6.0%
HR Development	Annual training costs per employee	¥150 thousand	¥86 thousand
Rewarding Workplaces	Percentage of childcare leave taken by male employees	100%	30.6%

External Evaluations

Platinum Kurumin
We have earned Platinum Kurumin certification for our efforts to support balancing work and family life.



Eruboshi
We have earned Two-Star Eruboshi certification for our efforts to promote women in the workplace.



Enhance Technological and Safety Capabilities That Leverage Iwatani's Strengths

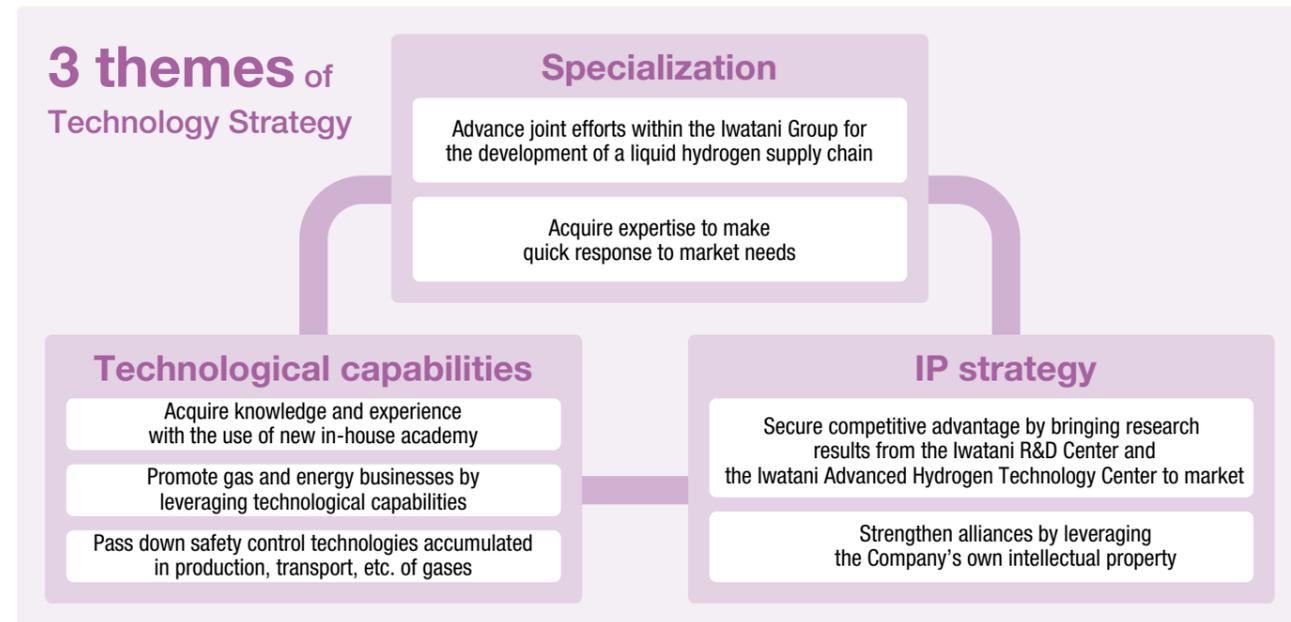
Related Key Issues (Materiality)



Basic Policy

Enhancing the technological and safety capabilities needed to grow the Gas & Energy businesses

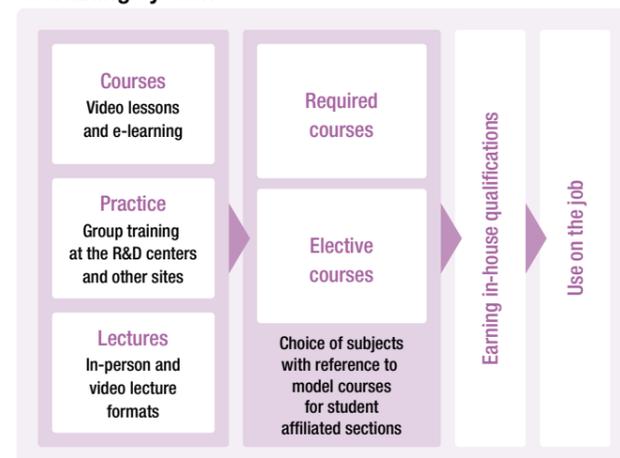
Key to growing our core Gas & Energy businesses and leveraging the strengths in hydrogen business is enhancing our technological and safety capabilities. Toward this end, we have identified technology strategies among our non-financial strategies. We are striving to demonstrate technical capabilities and engineering functions as our expertise; to enhance and pass down technical capabilities; and to improve our earnings abilities by leveraging intellectual property. By demonstrating our technological and safety capabilities, we will fulfill our everyday business operations more safely and efficiently and propose solutions well-suited to customer needs, thereby promoting the creation of new businesses and new value.



Internal University of Technology and Safety

In October 2023, to build on the knowledge and capabilities in technology and safety fundamental to our gas business, we will open an internal university. This facility will train human resources capable of providing powerful support for Iwatani's strengths in safety and technology through programs that allow any employee, regardless of job description or age, to master the advanced skills needed in workplaces across business fields, including LPG, industrial gases, and hydrogen.

Training system



The Technology & Engineering Division: The Core of Group Engineering Functions

Established in April 2015 as a cross-functional organization serving the entire Iwatani Group, the Technology & Engineering Division is involved in tasks across the entire sphere of engineering: from business research through project management, design, operations, safety, and quality assurance. The division also cooperates with sales sections to address customer carbon neutrality topics and needs through engineering.

Sample projects

- Planning and installing hydrogen supply facilities for major customers aiming for decarbonization
- Hydrogen supply/filling equipment for the liquefied hydrogen marine carrier at the Expo 2025 Osaka, Kansai, Japan
- Development and study of filling equipment for liquefied hydrogen powered vehicles
- Ammonia-supply equipment to reduce NOx emissions from thermal power stations
- Overseas filling and shipping equipment for special gases and other materials



Liquid hydrogen filling equipment for the hydrogen-engine Toyota Corolla

Iwatani R&D Center: Pursuing Its Mission to Further Develop Our Technologies

The Iwatani R&D Center aims to be an R&D site that is open to the public. Building on Iwatani's strengths as both a trading company and a manufacturer, the R&D Center carries out R&D across a wide range of areas, from fundamental research through development of applications and products, by fusing at a high level its information capabilities, which enable us to identify society's needs, and the unique technological capabilities, based on gas technology, that we have built up over the years. Leveraging the unique R&D structure built by handling a wide range of gases and our unique capacity to propose innovative systems based on years of experience, we create new value alongside our customers and partner companies, as well as universities, public institutions, and government agencies.

Advanced welding technologies and demonstrations

At the Iwatani R&D Center, equipped with welding demonstration rooms, we propose unique technologies and products in areas such as welding robots and shield gases to meet diverse needs at welding worksites in terms of automation, quality improvements, and cost cutting. We undertake experiments to evaluate shield gases, welding materials, and other substances on customer request. We are developing technologies for hydrogen cutting to contribute to decarbonization and welding technologies using collaborative robots.



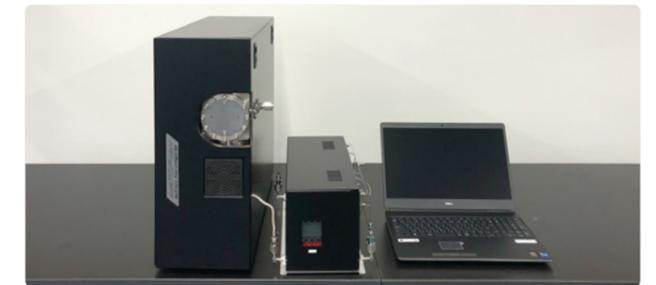
Welding robots

Technologies for joining dissimilar metals

Amid growing demand for air conditioning due to global warming, we are pursuing R&D on technologies for joining copper and stainless steel as an alternative to pure copper, in response to growing global demand for that metal. Currently, in cooperation with customers, we are pursuing various efforts, including durability testing and the expansion of applications to develop products using this technology.

Hydrogen analysis equipment for hydrogen-refueling stations

Hydrogen-refueling stations analyze the densities of 14 ingredients to prevent admixture of impurities when filling fuel cell vehicles. The Iwatani R&D Center has developed equipment based on time-of-flight mass spectrometry (TOF-MS), which is more efficient and affordable than traditional analytical methods. The Group is planning the full-fledged introduction of this technology in FY2023, as we aim to contribute to realizing a hydrogen energy-based society by enhancing our technological capabilities Groupwide.



TOF-MS analysis equipment

Life Science Research Laboratory

We are developing technologies and equipment for cell storage and transport to leverage the gas application and low temperature control technologies we have developed in the field of industrial gases to contribute to the industrial development of regenerative medicine technologies. In February 2023, we established an onshore aquaculture facility at the Iwatani R&D Center, where we are developing optimal onshore aquaculture systems capable of stable production using oxygen gas. (See Industrial Gases & Machinery Business, p. 41.)

Iwatani Advanced Hydrogen Technology Center: Exploring the Possibilities of Hydrogen

Opened in October 2021, the Iwatani Advanced Hydrogen Technology Center accelerates the development of new technologies related to decarbonization—including green hydrogen and green LPG, as well as hydrogen-related technologies—needed to establish a hydrogen energy-based society. As a technology center of Iwatani, Japan's sole supplier of liquid hydrogen, this facility is equipped with a testing environment unmatched in Japan and is capable of handling liquid hydrogen at extreme low temperatures of -253°C and hydrogen gas at high pressures of up to 135 MPa.

Equipment related to hydrogen energy

The center undertakes R&D on technologies essential to hydrogen-refueling stations. It uses some of Japan's most advanced testing equipment for liquid hydrogen and ultra high pressure hydrogen gas for purposes including evaluation of the suitability of metals and other materials for use with hydrogen and durability testing of equipment. Through these means it is examining ways to reduce costs and increase the safety of building hydrogen-refueling stations and pursuing research that will contribute to regulatory revisions. It is also focusing on new technological development in areas such as developing equipment and capture of cold heat from gasification of liquid hydrogen for reuse—efforts targeting the coming age of large-scale hydrogen supplies.



Testing equipment for liquid hydrogen



Testing equipment for ultra high pressure hydrogen gas

Integrated Energy



Driving the transformation into our role as an energy & living total service provider

The Integrated Energy Business sells household and commercial LPG delivered nationwide under the MaruiGas brand name, as well as industrial LPG and LNG for factory use. Together with efforts to grow market share based on the promotion of M&A activities that draw on our nationwide network, we will evolve into an energy & living total service provider.

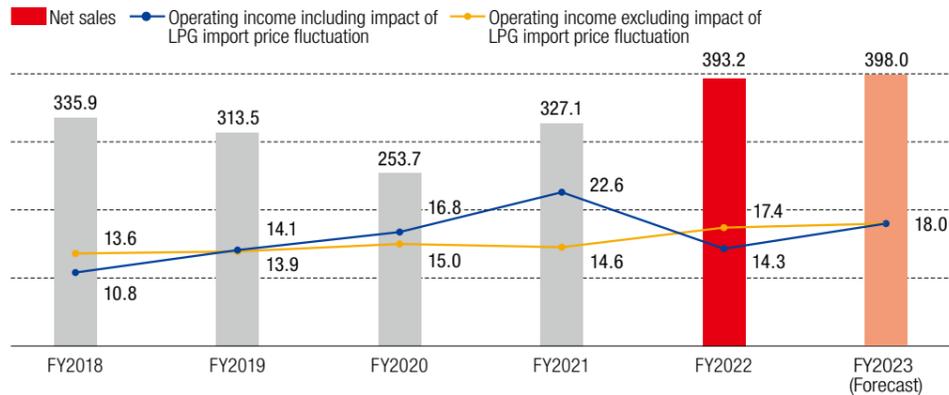
Hirozumi Hirota Senior Managing Officer, Member of the Board
General Manager, Integrated Energy Business Group

Main products

- LPG
- Electricity, city gas (safety inspection)
- Gas equipment, products essential to daily life, health foods
- Portable gas cooking stoves, cassette gas canisters

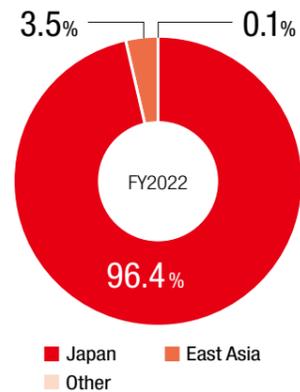
Business highlights and position

Trends in net sales and operating income (¥ billion)



* The Accounting Standard for Revenue Recognition and other accounting standards have been applied since FY2021. Figures shown for FY2020 have been restated through the retroactive application of these accounting standards.
* Business segment categories were revised with the FY2023 corporate reorganization. Figures for FY2022 reflect these segment changes.

Sales composition by region



Sales composition

Segment net sales ¥393.2 billion (FY2022)

Segment	Percentage
LPG (consumers)	49%
LPG (industrial)	13%
Gas supply equipment, gas appliances	19%
Other fuel-related	11%
Portable gas cooking stoves, cassette gas canisters	7%
LPG (international)	1%

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

LPG

From LPG import to delivery to households

Strengths, Opportunities, Risks

Strengths

1 LPG last-mile services, stable supply structure

- As a leading player in the LPG field, we operate a stable supply structure for deliveries to customers across Japan, including five import terminals, 110 filling stations, and 130 distribution centers.
- We support living and business continuity planning (BCP)—for example, promoting the adoption of LPG-powered emergency generators—to ensure disaster preparedness.
- In the event of a disaster, the MaruiGas Disaster Relief Corps, made up of Marui-Kai members from across Japan, rushes to the scene to inspect and restore LPG service.

Opportunities

- Growing demand for fuel conversion in response to the rising need to reduce CO₂ emissions
- Structural changes amid the decarbonization movement within the LPG industry
- Growing need for solutions to community issues

2 Capacity to propose optimal energy mixes for decarbonization purposes

- We propose comprehensive solutions only Iwatani can provide, including fuel conversion to LPG and LNG, green LPG, hydrogen, ammonia, and renewable energy.

3 Business infrastructure for solutions to community issues

- Our broad-ranging support structure for solving the issues faced by communities and customer households draws on a sales force of approximately 3,200 persons at about 280 sales offices across Japan, together with the digital solutions made possible by the Iwatani GateWay platform.

Risks

- Declining demand for energy due to changing community demographic trends
- Delays in raising the adoption of renewable energy

Business Capital Serving as Sources for Value Creation

Nationwide real contact network and LPG dealership organization (Marui-Kai)

- A nationwide network, from import terminals to filling stations
- Disaster-resistant core LPG centers in communities across Japan
- A network of sales and distribution facilities across Japan
- Expanding the customer base through our brand power and strengths in safety

Sales offices	Distribution centers
● Approx. 280 sites	● Approx. 130 sites
● Approx. 3,200 employees	● Approx. 1,600 employees
	● Approx. 1,300 vehicles

Japan's largest and most unique nationwide private sector disaster prevention organization (MaruiGas Disaster Relief Corps)

- A nationwide disaster prevention organization established jointly with distributors to ensure rapid LPG recovery in response to disasters
- Made up of some 3,600 qualified gas technicians from various companies
- Conducting annual concurrent nationwide drills to maintain and strengthen disaster response capabilities



The Iwatani GateWay digital platform, used for solutions to community issues across Japan

- An IoT platform for connecting with customers
- A new infrastructure for providing services and value to support consumer lifestyles



Cassette gas canister production plants designed for safe, reliable quality control and stable supply

- Quality control and brand power based on integrated production and sales structures
- The capacity to develop new products reflecting customer needs
- Structure for stable supply using domestic and international manufacturing facilities

Number of cassette gas canisters sold in China

Total domestic and international sales volume (FY2022)

Product	Sales Volume
Portable gas cooking stoves	4.291 million
Cassette gas canisters	157 million

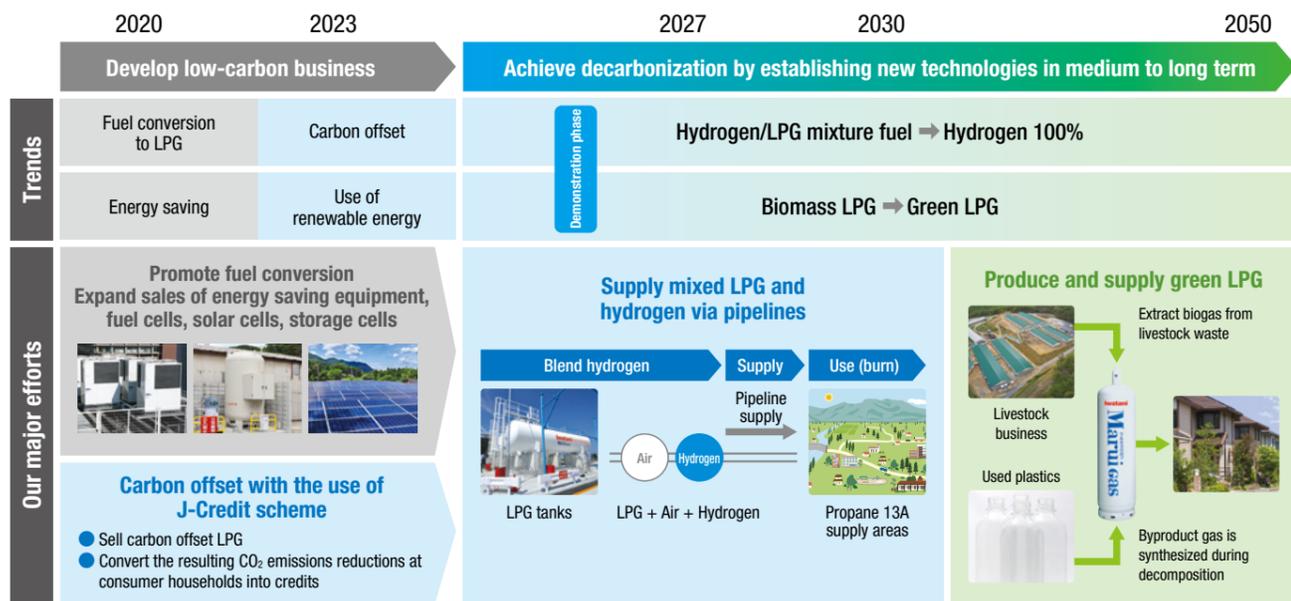
Major Initiatives

* Growth measures for the LPG business are described under Domestic Energy & Service Strategies (p. 27).

Contributing to a carbon neutral society and striving to decarbonize LPG

In addition to proposing solutions in areas such as fuel conversion from heavy oil and other fuels to LPG and LNG, which generate fewer CO₂ emissions, and energy-saving equipment, Iwatani has launched services to generate, and return to customers, environmental value from the CO₂ emissions reductions achieved through these services. To meet the needs of highly eco-conscious customers, we sell carbon offset LPG using the J-Credit scheme and propose the use of solar power and other renewable energy sources, as we support a wide range of customer decarbonization efforts.

We are developing next-generation energy for the future. Among these efforts, we are focusing on the development of green LPG, a key topic for the LPG industry as a whole as society makes progress on decarbonization. We are proceeding with various green LPG development initiatives, including those focusing on technologies for the production of LPG from hydrogen and CO₂ and from biogas extracted from wastes generated by the livestock business. We intend to lead the LPG industry toward the implementation of green LPG.



Proposing life products and services to meet customer needs

We have a nationwide LPG customer base and sell products for business continuity planning (BCP) needs, including LPG emergency power generators and gas heat pumps (GHPs), as well as products that contribute to decarbonization via three types of power cells (storage cells, solar cells, and fuel cells) and high-efficiency water heaters. We offer the essentials of daily life, including our own

ALALA (natural household detergents) and Natural Mineral Water from Mt. Fuji (water delivery) brands. We also offer services that improve quality of life, including remodeling and community safety services. We help make the lives of our customers even better by providing the products and services needed by our customers and communities.



Using our domestic brand and product strengths to grow the cartridge gas business in Japan and around the world

In 1969, for more than half a century since we introduced Cassette-Feu, Japan's first hose-free portable cooking stove, our cartridge gas business has earned trust and helped support consumer home dining needs through portable gas cooking stoves and cassette gas canisters. We plan to grow into a brand recognized around the world via various measures, including the development of new products and new fields targeting growing needs for outdoor, emergency, and other uses and efforts focusing on international business growth.

Yasushi Sakai Senior Managing Officer
General Manager, Cartridge Gas Division

Measures to achieve domestic market growth

In Japan, we will seek to stimulate existing demand by introducing products with outstanding designs and features while growing demand in new applications and fields, utilizing our own manufacturing plants and other resources. We will focus on product development to meet emerging and growing needs related to outdoor recreational activities and for emergency use.

	FY2022 sales	FY2027 sales target	vs. FY2022
Portable gas cooking stoves	2.2 million	3.4 million	+54%
Cassette gas canisters	98 million	130 million	+32%

New product development and sales for outdoor use



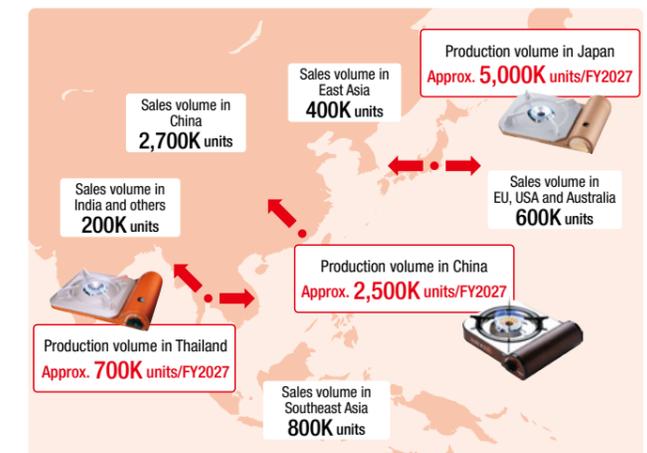
Introducing products with outstanding designs and features



Business growth in international markets

Since we began manufacturing and selling portable gas cooking stoves and cassette gas canisters in Zhuhai, China, in 1996, our international business growth has focused on the China market. In addition to our operations in China, in April 2023, we opened a new portable gas cooking stove plant in Thailand. This facility will serve as a base for promoting competitive products developed over a long history of sales in Japan in various markets, including Taiwan and Southeast Asia, areas where consumer demand is expected to grow. We will also introduce new products in the United States, which has a large market for outdoor goods.

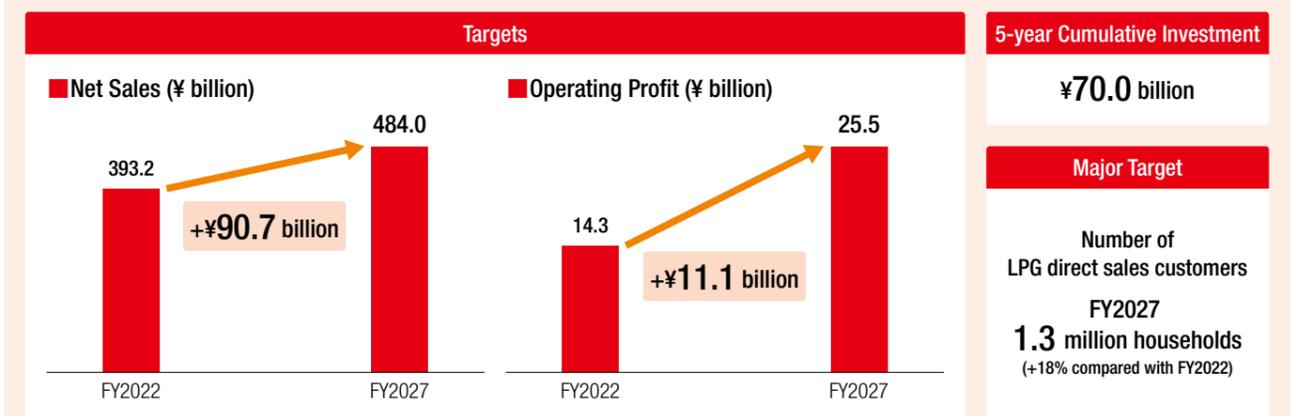
Portable gas cooking stove production facilities and major regional sales plans



FY2027 overseas sales targets

Portable gas cooking stoves	4,700K units (+118% compared with FY2022)
Cassette gas canisters	120,000K units (+96% compared with FY2022)

PLAN27 medium-term management plan targets



Industrial Gases & Machinery



Targeting a position as a major industrial gas player in global markets by advancing into growth markets

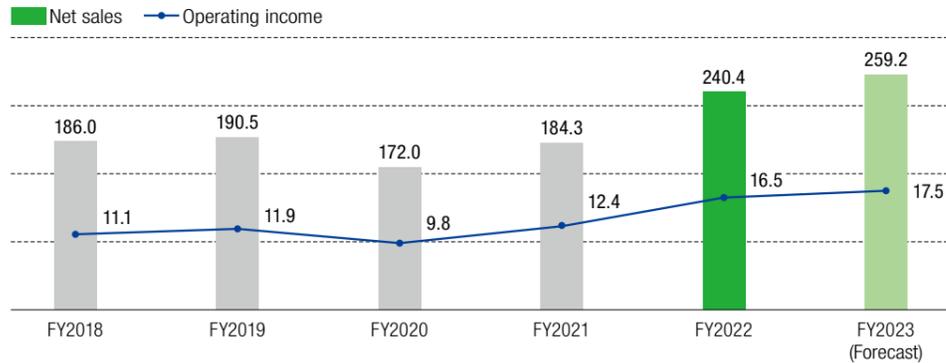
The Industrial Gases & Machinery business consists of the Industrial Gases business, whose products include air separation gases (oxygen, nitrogen, and argon), hydrogen, helium, carbon dioxide, semiconductor material gases, and medical gases, and the Machinery business, which includes production and supply equipment for a wide range of gases, factory automation systems, welding equipment, semiconductor manufacturing equipment, and environmental equipment. We support the industry by proposing solutions to meet customer needs, drawing on the technological capabilities accumulated over many years and our wide-ranging lineup of gas and machinery products.

Yasuhisa Ueda Senior Managing Officer, General Manager, Industrial Gases Division

- Main products**
- Industrial gases (air separation gases, hydrogen, helium, carbon dioxide, etc.)
 - Gas production and supply equipment, industrial machinery

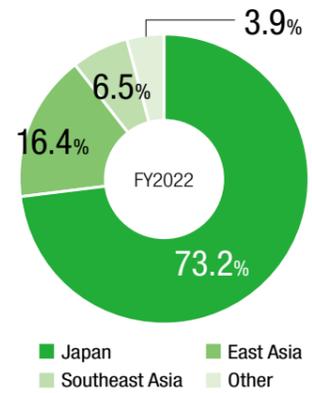
Business highlights and position

Trends in net sales and operating income (¥ billion)



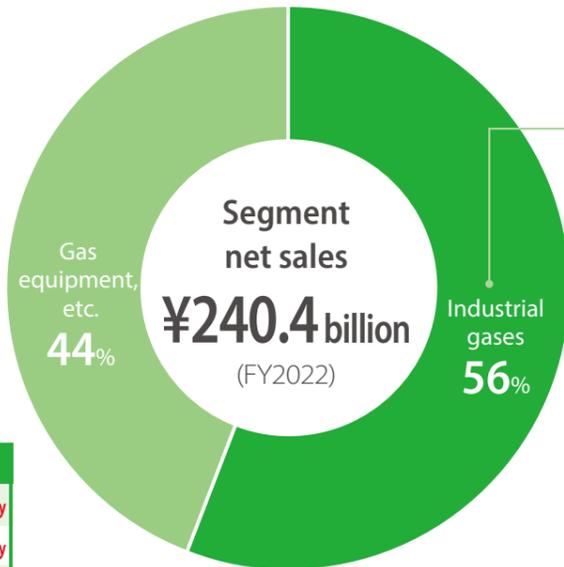
* The Accounting Standard for Revenue Recognition and other accounting standards have been applied since FY2021. Figures shown for FY2020 have been restated through the retroactive application of these accounting standards.

Sales composition by region



Sales Breakdown

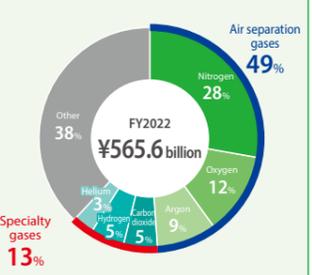
Gas facilities and other



Breakdown by gas type



Industrial gases market size in Japan



Market share of specialty gases in Japan

- 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 2023, Company estimates

Strengths, Opportunities, Risks

Strengths

- Business development based on stable procurement and stable supply as a producer**
 - Helium: Competitive strength in global markets based on our multiple procurement sources, use of own containers, etc.
 - Hydrogen: Handling in house all activities from production through transport, storage, use, and maintenance
 - Air separation gases: Building a stable nationwide supply structure based on our advanced ISO 9001-certified quality management structure
- Years of experience, expertise, and handling technologies in hydrogen**
 - See Hydrogen Strategies on p. 21.

Opportunities

- Advancing automation, labor saving, and decarbonization in manufacturing
- Market expansion in China, Southeast Asia, and the United States

- Capacity to propose solutions to specific customer challenges**
 - A wide range of gas application technologies, including low-carbon and zero-carbon solutions
 - Capacity to propose comprehensive solutions with integration of diverse industrial gases and machinery and equipment
- Technological development capabilities of the Iwatani R&D Center and the Iwatani Advanced Hydrogen Technology Center**
 - See Non-financial Strategies – Technology Strategy on p. 34.

Risks

- Evolving domestic and international industrial structures
- Country-specific risks, policy trends, and other aspects

Business Capital Serving as Sources for Value Creation

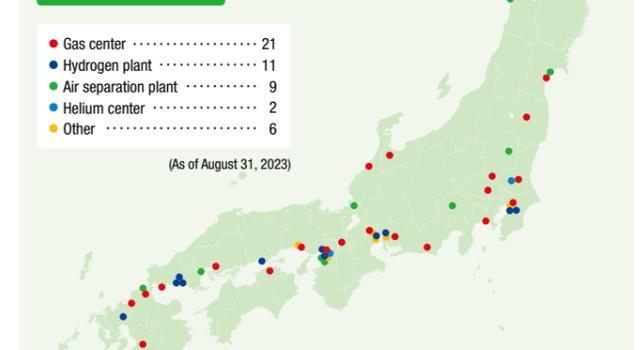
Safe, precise, and speedy gas supply and service network

- Building stable domestic and international supply chains from production through supply
 - Establishing regional maintenance structures
 - Customizing gas supply systems depending on customer needs
 - Ensuring stable supply through procurement from two sources: Qatar and the US
 - Establishing a distribution network centered on Japan and Asia using our own helium containers
- Helium**
- Ensuring stable supply through procurement from two sources: Qatar and the US
- Hydrogen**
- Building structures for stable supply of compressed hydrogen and liquid hydrogen

Global network



Domestic network



Applications technologies capable of handling diverse gases in accordance with their properties

- Capacity to propose solutions backed by the gas handling technologies, extensive track record in their adoption, and integrated capabilities from design through maintenance accumulated over many years
 - Continuing development of new gas technologies while responding swiftly to customer needs and issues
- Example: Hydrocut® hydrogen-based premixed fusing gas that significantly reduces CO₂ emissions; high-density oxygen solution equipment, which is seeing increasing use in inland aquaculture; liquid nitrogen and storage containers used to freeze and store regenerative medical products such as cells



Comprehensive abilities combining gases with machinery

- The Iwatani Group can provide services from gas supply through machinery and equipment for using gas
- Our extensive product lineup and broad-ranging domestic and international networks, in addition to years of expertise, support customer production activities



Major Initiatives

Business growth in priority regions

To achieve medium- to long-term business growth, the Industrial Gases business is actively expanding in the markets of North America, China, and Southeast Asia, while strengthening its revenue foundations in Japan.

We are entering North America, among the largest industrial gas markets, by leveraging our special strengths in hydrogen, helium, and specialty gases. We are growing our businesses actively through M&A activities, including the acquisition of a North American industrial gases dealership in 2019 and the January 2023 acquisition of Aspen Air U.S., LLC, which manufactures and sells air separation gas.

We plan to accelerate this expansion by enhancing the industrial gases sales and moving forward with strategic investments.

In the markets of China and Southeast Asia, which are experiencing rapid economic growth, we are investing to strengthen our position as a producer and expanding our air separation unit (ASU) and helium center networks in response to growing demand. Our goal is to achieve further business growth by enhancing our existing supply chains still further and boosting sales centered on air separation gases, helium, and specialty gases.

Japan

Focus on growth fields such as decarbonization demand
Expand sales of machinery and equipment (decarbonization and automation)

- Business environment** Rising energy costs, growth of decarbonization field, changes in industrial structure
- Investment** Growth investment in existing and new businesses



Helium container

United States

Full-scale entry into market through M&As of industrial gas businesses and further business expansion

- Business environment** World's largest industrial gases market
- Investment** Development of industrial gas plants M&As of industrial gases dealerships



Aspen Air US, LLC

Four Priority Regions

China

Expand business area and product range

- Business environment** Mega market that continues to grow
- Investment** Expansion of industrial gas plants (venture inland)



Air separation plant (Jiaxing Iwatani Industrial Gases Co., Ltd.)

Southeast Asia

Enhance supply capacity of industrial gases and expand product range
Expand sales of machinery and equipment (robotics and semiconductor related)

- Business environment** Market expansion due to population growth
- Investment** Expansion of industrial gas plants to meet growing demand M&As of industrial gases dealerships



Helium center (Iwatani Corporation (Thailand) Ltd.)

Tackling new growth areas

The Industrial Gases & Machinery Business focuses not just on decarbonization, but on regenerative medicine and onshore aquaculture. In the area of regenerative medicine, we are focusing on establishing industry standards in areas such as cell storage and distribution, based on joint research with universities and joint efforts with our business partners, centered on research facilities at the Iwatani R&D Center.

We are working to expand our businesses into the field of onshore aquaculture, drawing on the oxygen dissolving technologies amassed over the years, to promote fish breeding and raising. In February 2023, we set up a research facility at the Iwatani R&D Center, where we plan to grow our businesses in the aquaculture field by increasing knowledge of onshore aquaculture and thereby to deliver solutions to social challenges such as food shortages.



Cell culture



Onshore aquaculture facility



The Machinery Division will drive business growth

The Machinery Division is expanding sales of various types of machinery, from welding, cutting, and industrial robotics machinery through electronic components production equipment, equipment related to semiconductors, medical and pharmaceutical products, and the environment, and machine tools. Drawing on our extensive domestic and international networks, the comprehensive capabilities of the Iwatani Group in gas supply and other areas, our wide-ranging product lineup, and years of expertise in machinery adoption and solutions, we help customers overcome various challenges.

Hiroyuki Yano Managing Officer
General Manager, Machinery Division

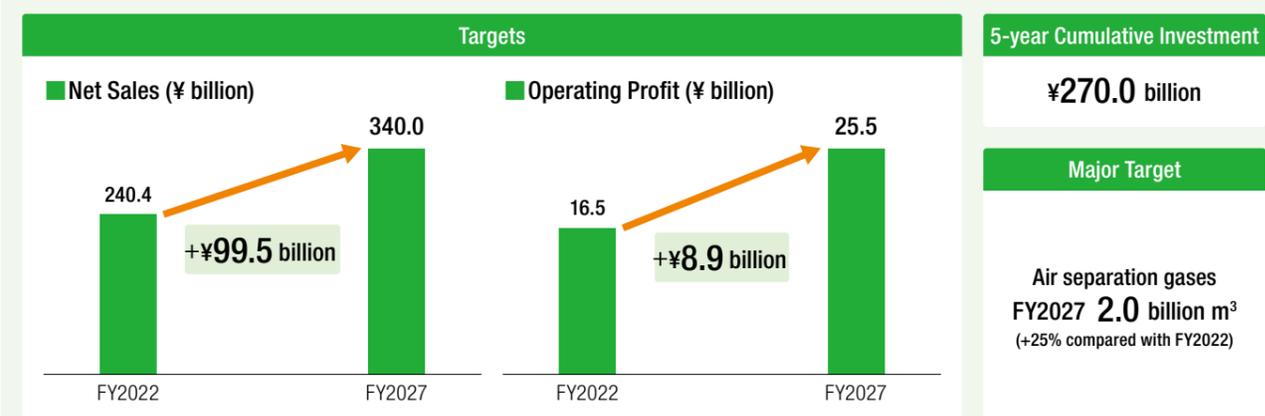
The Machinery Division is active in machinery and equipment related to production lines, including welding machinery and robotics. Among its strengths is the capacity to directly ascertain what customers need even before production activities begin. In addition to identifying customer needs and proposing optimal machinery at the stage at which customers are considering production, we are able to propose solutions across a wide range of areas, including gas supply, maintenance, and supply of materials.

Striving for optimal solutions to customer challenges, we seek to grow the Iwatani Group's businesses. We also receive numerous inquiries about decarbonization of production lines, and we are responding in cooperation with partner companies through means including development of machinery using hydrogen in production processes. Taking advantage of the Iwatani Group's special strengths, we will boost corporate value through new product development and expansion of the scope of business.

Iwatani's machinery lineup



PLAN27 medium-term management plan targets



Materials



Contributing to a resource-circulating and carbon-free society by expanding our lineup of eco-friendly products

The Materials business was an early actor in developing mineral resources, including mineral sands, and related applications. Our emphases are procurement and development of functional plastics, advanced metals, and other resources essential to the environmental, electronics, and automotive fields. It also contributes to the realization of a carbon-free society through biomass fuels and other sustainable eco-friendly products.

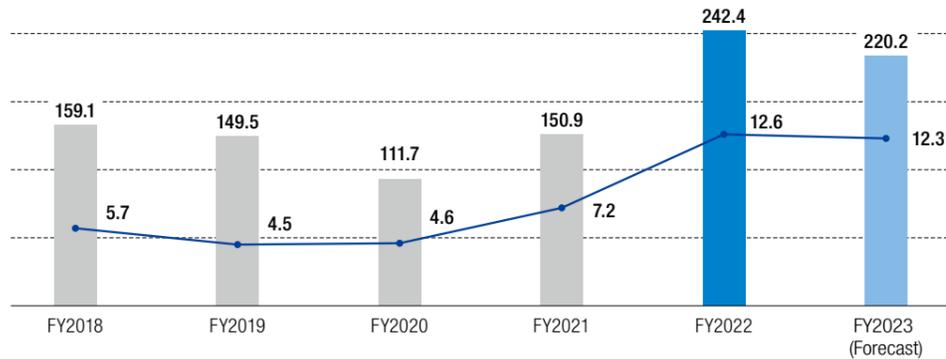
Kenji Motoori Senior Managing Officer, General Manager, Materials Division

Main products

- Eco-friendly PET resins (biomass PET resins, aluminum-catalyst PET resins)
- Biomass fuels
- Battery-related materials (lithium, cobalt)
- Mineral sands (titanium ore, zircon sand)
- Stainless steel
- Metal processing products
- Functional films

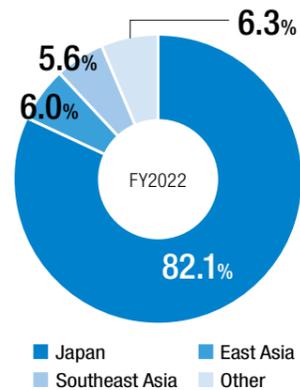
Business highlights and position

Trends in net sales and operating income (¥ billion)



* The Accounting Standard for Revenue Recognition and other accounting standards have been applied since FY2021. Figures shown for FY2020 have been restated through the retroactive application of these accounting standards.
* Business segment categories were revised with the FY2023 corporate reorganization. Figures for FY2022 reflect these segment changes.

Sales composition by region



Breakdown of sales

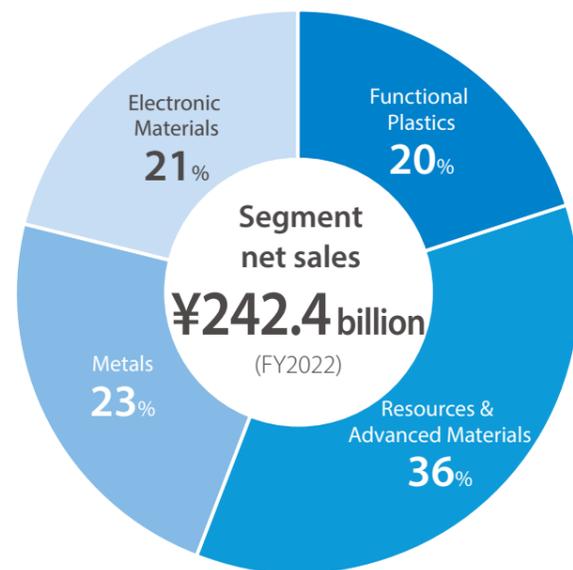
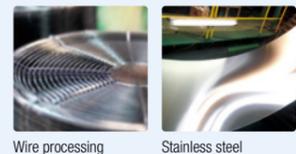
Electronic Materials

- Battery-related materials
 - Display materials
- Related industries: Electronics, automotive batteries, etc.



Metals

- Stainless steel
 - Precision stainless steel
 - Aluminum
 - Non-ferrous materials
 - High alloys
 - Metalworking products
- Related industries: Electronic components, air conditioning equipment, etc.



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.



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.



Strengths, Opportunities, Risks

Strengths

- Strong customer network**
 - A strong customer base including leading players with high motivation to achieving carbon-free society and control over markets
- Stable supply structure**
 - Stable procurement capabilities based on strong ties to overseas suppliers and our in-house sources
- Proposing state-of-the-art products**
 - Capacity to propose products that draw on high-value-added advanced technologies to address the needs of society and our customers

Opportunities

- Demand shift toward eco-friendly products during the stage of transition to a carbon-free society
- Rising demand for rare resources
- Growth of China, Southeast Asia, and other emerging markets

Risks

- Market contraction for existing products due to rising environmental awareness
- Rising costs of development, production, procurement, logistics, etc.
- Supply risks associated with rising geopolitical risks and natural disasters

Business Capital Serving as Sources for Value Creation

Business infrastructure in mineral sands

- Ownership of mining concession in Australia
- Building a stable supply structure by diversifying supply sources
- Leading share of sales in Japan in combination with procurement from major resource firms



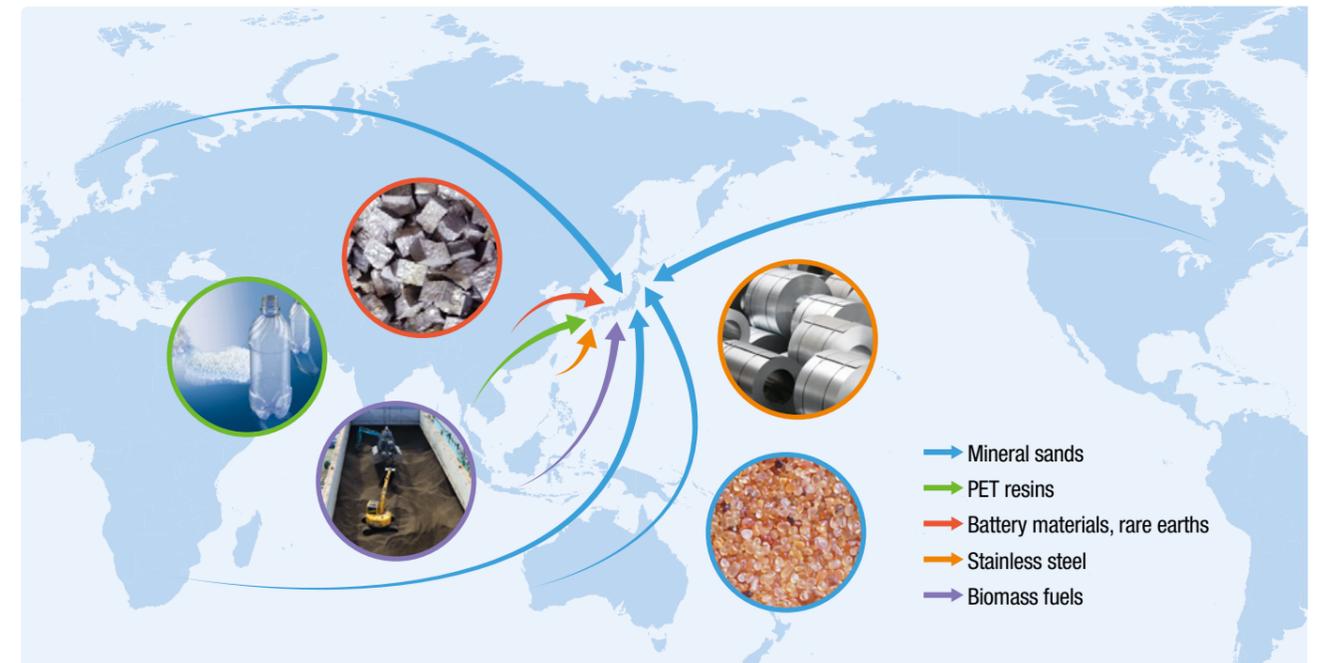
Overseas metal processing plants

- Developing an integrated production structure from raw materials through processing, to target emerging markets (Thailand, China)
- Product development/processing functions to meet customer needs (air conditioning equipment, automotive parts and materials)



Strong ties to suppliers

- Building an extensive network to realize stable procurement from suppliers around the world



Major Initiatives

Growing the environmental solutions business

The Materials Business seeks to balance environmental protection and business growth by providing solutions to customers that will help build a resource-circulating society. A resource-circulating society is one that respects natural cycles and avoids placing burdens on the environment. To reduce consumption of natural resources and minimize environmental impact, we have focused

to date on sales of raw materials with low environmental impacts (i.e., eco-friendly PET resins, biomass fuels, and battery-related materials). As we transition from a low-carbon to a zero-carbon society, we are striving to enhance sales of products and materials with low environmental impact (environmental products) and to develop resource recycling structures.

Enhancing sales of environmental products

In addition to strengthening sales of products and materials with low environmental impact, such as aluminum catalyst biomass PET resins, biomass fuels, and battery-related materials, we are also working to grow our supply chains and enhance our procurement

capabilities. Leveraging the strong supplier networks built to date in Japan and around the world, we will develop new products by actively promoting efforts to build a resource-circulating society.

● Eco-friendly PET resins

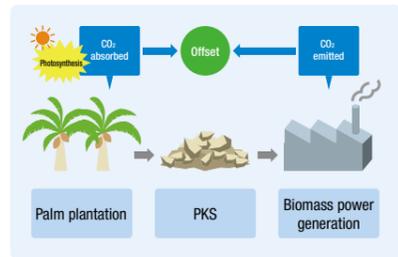
We are focusing on selling biomass PET resins made from plant-based materials, in place of fossil-based materials and aluminum catalyst PET resins that are easily recyclable, as eco-friendly PET resins. Amid rising environmental awareness, demand for these resins is growing, centered on PET bottles for beverages.

● Biomass fuels

We supply palm kernel shells (PKS), a byproduct of the palm oil production process, and wood pellets produced from thinned lumber and other materials, as fuel for use in power generation. Biomass power generation is drawing attention as a renewable energy source that offers the potential to realize carbon neutrality, with no effect on CO₂ levels.

● Battery-related materials

Rechargeable batteries are widely used in various applications, including smartphones and electric vehicles (EVs), as batteries that can be recharged and reused repeatedly. We sell imported raw materials, including cobalt and lithium, to battery manufacturers in Japan. These materials are used as electrode materials for rechargeable batteries. In the future, we plan to grow sales of various new materials, including nickel, while actively developing new battery parts and materials.



Aluminum catalyst biomass PET resins

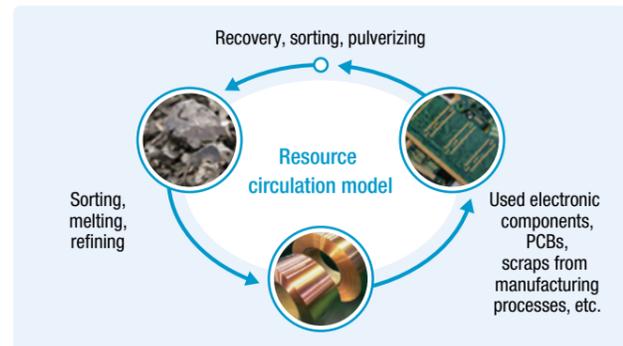
Wood pellets

Rechargeable batteries for electric vehicles

Building a resource circulation framework

● Reclaimed metals business

Amid various challenges, including resource depletion and rising costs affecting underground resources and growing demand for copper due to the spread of EVs and 5G telecommunications, attention is focusing on urban mining to reclaim copper and other materials from the printed circuit boards (PCBs) found in smartphones, computers, and other devices. In partnership with nationally authorized suppliers in India and Southeast Asia, we are developing resource circulation businesses to achieve stable recovery, refining, rolling, and recycling of metals from used PCBs and other sources. We will contribute to an eco-friendly society by recycling metals from products already produced.



Investments in vital mineral resources

Mineral resources are vital to various applications, including renewable energy equipment and EVs, which are expected to see increased use as we transition to a carbon-free society. Securing stable supplies of mineral resources, which are distributed unevenly among nations, is a pressing issue. We will build more resilient supply chains by enhancing procurement and production functions to meet booming international demand and by promoting green initiatives in response to domestic customer needs for environmental value.



Australian mineral sands concession

Growing the metal processing business

Backed by climate change, the air conditioning business is expected to record continued growth in Asian markets. At the same time, demand is expected to increase for activities related to the transition to energy-saving heat pump water heating systems in markets like Europe and North America. In light of these expectations for continuing growth in demand, we have enhanced the production capacity of our wire processing plant in Thailand. To meet future customer needs, we will enhance our manufacturing and processing functions and grow the metal processing business still further.



Air conditioner exterior unit fan guards

Promoting development and commercialization of advanced materials

Our acrylic foam shock-absorbing materials are widely used in the organic electroluminescent panels used in smartphones. The nonmagnetic stainless steel foil we produce at our plant in China is used in state-of-the-art foldable smartphones. We plan to focus on the development of materials for use in next-generation mobility (electric and fuel-cell vehicles), for which demand is expected to grow rapidly. Our goal is to contribute to a carbon-free society through the development and supply of state-of-the-art materials.

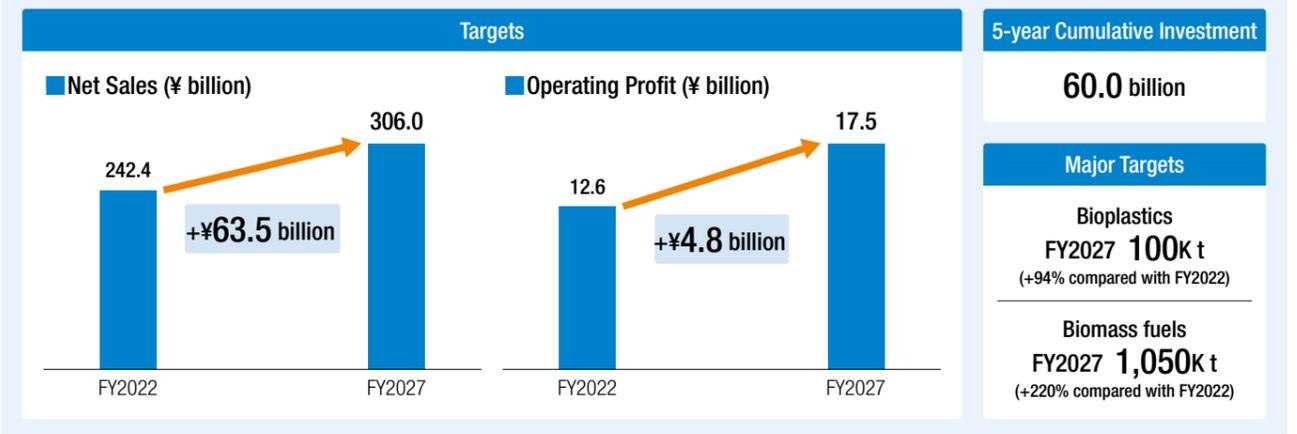


Functional films (vehicle display materials)



Non-magnetic stainless-steel foil (foldable smartphone components)

PLAN27 medium-term management plan targets



Develop More Transparent Governance

Business Execution and Oversight System

Board of Directors

Responsible for Iwatani's business decision-making and oversight, the Board of Directors consists of 13 members (including five Outside Members of the Board). Together with swift, appropriate decision-making and oversight based on comprehensive and active deliberation in the Board of Directors, the Outside Members of the Board strengthen the functions of the Board by enhancing and improving the transparency of decision-making and the effectiveness of oversight from standpoints independent of company management and based on extensive experience and knowledge of corporate governance.

Executive Officer System

Iwatani strives to stimulate the activities of the Board of Directors by introducing the posts of executive officers to speed up decision-making and delegate authority. In accordance with management policies decided on by the Board of Directors, executive officers are delegated authority by the representative member of the Board to devote themselves to business execution in compliance with relevant instructions and orders. Through adopting this system, we are promoting more efficient management by enhancing decision-making on corporate strategies and oversight functions by the Board of Directors.

Board of Corporate Officers

Once a month, Iwatani's Board of Corporate Officers, whose membership consists of full-time Members of the Board, executive officers, and full-time corporate auditors, meets to share information and facilitate communication in addition to deliberating on important matters related to business execution.

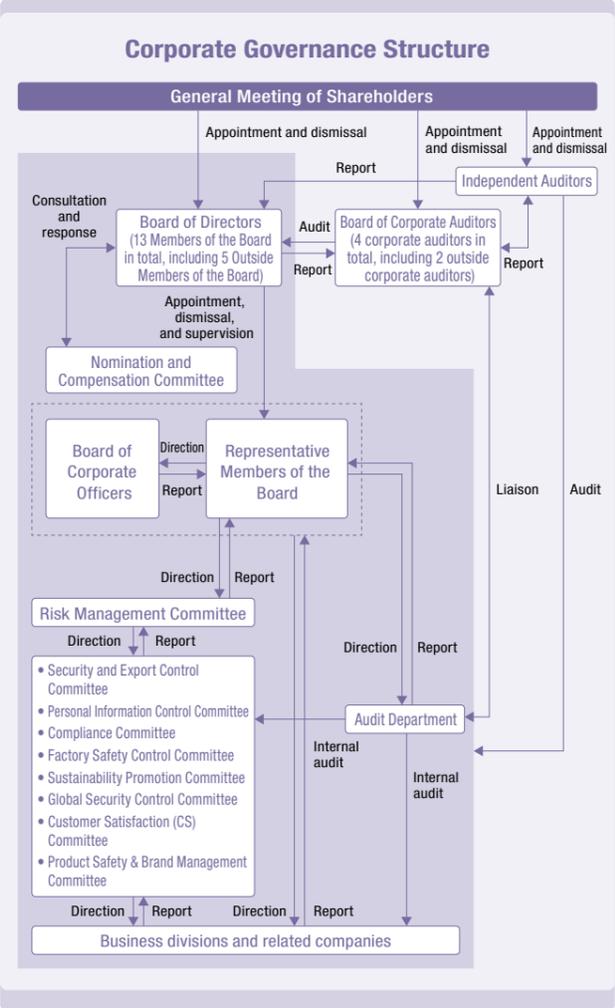
Nomination and Compensation Committee

Iwatani has established a voluntary Nomination and Compensation Committee as an advisory body to the Board of Directors. This body consists of three or more Members of the Board, a majority of whom, including the chair, are Outside Members of the Board. The goal is to enhance fairness, transparency, and objectivity in procedures related to decision-making on the appointment, dismissal, and compensation of Members of the Board and auditors and to strengthen corporate governance, through consultation with this Committee.

Audit System

Iwatani has adopted a company structure with a board of corporate auditors. The Board of Corporate Auditors consists of four corporate auditors (including two outside corporate auditors). Full-time corporate auditors attend all meetings of the Board of Directors and the Board of Corporate Officers meetings, and outside corporate auditors also attend Board of Directors meetings, to ensure full oversight of Members of the Board' execution of their duties. Corporate auditors are appointed with a focus on matters such as their specialized knowledge of finance, accounting, and the law and their knowledge and experience related to our businesses. Outside corporate auditors in particular are appointed based on the requirements for independent Members of the Board identified by financial instruments exchanges. Our audit system is based on multifaceted perspectives. The Audit Department has been established to conduct internal audits. Its periodic internal audits, implemented in close cooperation and communication with corporate auditors, consider whether the business activities throughout the Group are being performed appropriately and efficiently.

- ### Basic Policies
1. We will create an environment that allows shareholders to exercise their rights properly and will endeavor to ensure equality among shareholders.
 2. We will respect the rights and positions of employees, customers, business partners, creditors, local communities and other stakeholders and endeavor to collaborate with them properly.
 3. We will make appropriate disclosure in accordance with legislation. For the purpose of ensuring transparency, we will endeavor to offer information other than the information to be disclosed pursuant to the legislation.
 4. We will make impartial, transparent and swift decisions in an effort to ensure that the Board of Directors will properly fulfill its functions and duties.
 5. We will endeavor to hold constructive dialogs with shareholders for continuous growth and increase in corporate value.



Corporate Governance Report:
<https://www.iwatani.co.jp/eng/sustainability/governance/corporate-governance/pdf/governance.pdf>
List of officers:
<https://www.iwatani.co.jp/eng/company/profile/officer.html>

Risk Management System

The Iwatani Group has established a Risk Management Committee to ensure integrated management of risks across all Group companies. Specialized individual committees set up beneath the Risk Management Committee address main anticipated risks such as compliance risks and plant safety risks, to enable comprehensive responses to corporate risks, both apparent and potential. The Risk Management Committee holds regular meetings overseen by the chairperson, reports to management, and strives to manage risks groupwide, including risks related to compliance with applicable laws and regulations. Special individual committees meet regularly to monitor the status of compliance and efforts related to the risks. The individual chairpersons of these committees report on the content of their meetings to the Risk Management Committee.

Specialized individual committees

Committee	Goals, overview
Security and Export Control Committee	Enhancing management structures for compliance with the Foreign Exchange and Foreign Trade Act and preventing improper exports
Personal Information Control Committee	Comprehensive protection of personal information
Compliance Committee	Comprehensive compliance with laws and regulations
Factory Safety Control Committee	Formulating priority measures on high-pressure gas safety and other matters
Sustainability Promotion Committee	Deliberating on important matters related to sustainability including climate change
Global Security Control Committee	Comprehensive international risk management
Customer Satisfaction (CS) Committee	Increasing customer satisfaction
Product Safety & Brand Management Committee	Examining the safety and compliance of products handled, establishing the image of the Iwatani brand, and maintaining and increasing brand value

Compliance

Iwatani acts with uncompromising respect for the letter and the spirit of applicable laws and regulations and fulfills its social responsibilities based on free and fair competition. In 1998, to prevent corporate misconduct, we established the Iwatani Code of Corporate Ethics as "a norm to be observed in all aspects of business activities on the basis of sharing the management philosophy, morality and values among management team members and employees in the group." We publicize this code throughout the Company and Group companies to raise awareness of compliance groupwide, and also revise it to reflect recent changes in the social conditions in which we do business as well as amendments in laws and regulations.

Compliance Committee

The Compliance Committee is set up under the Risk Management Committee to comprehensively promote legal and regulatory compliance by enforcing and enhancing compliance structures in Iwatani Group business activities. It reports on compliance to the Risk Management Committee via the Compliance Committee chairperson and to the management team via the Risk Management Committee chairperson.

We have also established a whistleblowing program to enhance compliance through the rapid discovery and rectification of improper actions. We have established a structure whereby reports from employees and others concerning organizational or individual actions in violation of laws or regulations can be addressed properly. Under this system, the Compliance Committee investigates the facts of the matters reported and, as necessary, takes swift corrective and preventive action. Contact points for whistleblowing reports from employees and others have been set up both inside and outside the Company. Response is based on advice from independent experts. Rules prohibiting retributive and disadvantageous treatment safeguard the rights of whistleblowers.

Prohibition of bribery and corruption

The Behavioral Guidelines in the Iwatani Code of Corporate Ethics prohibit giving and receiving business-related entertainment or gifts beyond social and international norms. They strictly prohibit actions that qualify or may be construed as bribery of public officials or quasi-public officials (e.g., employees of local governments, independent administrative agencies, or auxiliary organs), in Japan or overseas, in connection with doing business. By formulating guidelines such as these and striving to raise awareness among individual employees, we strive to prevent bribery and corruption.

Internal awareness-raising activities

In addition to sharing our management philosophy, ethics, and values through the Iwatani Code of Corporate Ethics—a set of norms with which Group management and employees must comply in various aspects of business activities—we also implement compliance training to raise awareness of compliance. This training ensures that all employees fully understand the importance of compliance, including compliance with the Antimonopoly Act and other laws and regulations, through lectures by attorneys as guest lecturers.

Executive Officers (As of June 21, 2023)

1 Akiji Makino Chairman and CEO

Career history, status, responsibilities

March 1965	Joined the Company	June 1998	Member of the Board, Executive Vice President, the Company
June 1988	Member of the Board	April 2000	President
June 1990	Executive Director	June 2004	Executive Officer
June 1994	Senior Executive Director	June 2012	Chairman and CEO (current position)
April 1996	President, Iwatani Industrial Gases Corporation		
June 1996	Retired from Member of the Board		

Reasons for appointment

Mr. Akiji Makino, as President since April 2000 and as Chairman and CEO since June 2012, has exercised his excellent management skill and leadership to yield significant results for the enhancement of the corporate value of the Group.



Shares held
68,200 shares

2 Toshio Watanabe Vice Chairman

Career history, status, responsibilities

March 1968	Joined the Company	April 2001	Senior Executive Director
April 1996	General Manager, Related Businesses Department	April 2003	Member of the Board, Executive Vice President
	General Manager, General Affairs & Personnel Department	June 2004	Executive Officer
June 1996	Member of the Board	June 2006	Representative Executive Vice President
April 2000	Executive Director	June 2012	Vice Chairman (current position)

Reasons for appointment

Mr. Toshio Watanabe, as Representative Executive Vice President since June 2006 and as Vice Chairman since June 2012, has strengthened the corporate governance with excellent risk management to yield significant results for the enhancement of the corporate value of the Group.



Shares held
46,300 shares

3 Hiroshi Majima President

Career history, status, responsibilities

April 1981	Joined the Company	April 2014	Executive Director
June 2010	Executive Officer	April 2017	Senior Executive Director
April 2011	Managing Officer	April 2019	Member of the Board, Vice President
April 2012	General Manager, Electronics & Machinery Division	April 2020	President (current position)
June 2012	Member of the Board		
June 2012	Executive Officer		

Reasons for appointment

Mr. Hiroshi Majima has extensive work experience in the Industrial Gases & Machinery Business and the Information Technology Planning division, and the Corporate Planning & Coordination division. Since April 2020, he has exercised his excellent leadership as President to yield significant results for the enhancement of the corporate value of the Group.



Shares held
20,200 shares

4 Makoto Horiguchi Vice President, Member of the Board

Career history, status, responsibilities

April 1979	Joined the Company	April 2019	Member of the Board, Senior Managing Officer Industrial Gases Division; Hydrogen Division; Machinery Division
June 2012	Executive Officer	April 2020	Member of the Board, Vice President (current position) Responsible for sales (current position)
April 2015	Managing Officer	April 2022	New Product Development Department; Market Research Department (current position)
June 2016	Member of the Board		
June 2016	Executive Officer		
	General Manager, Industrial Gases & Machinery Business Group		
April 2017	Executive Director		Chairman, Risk Management Committee (current position)

Reasons for appointment

Mr. Makoto Horiguchi has extensive work experience in the Industrial Gases & Machinery and Global Businesses. Since April 2020, he has been responsible for sales as Member of the Board, Vice President to yield significant results for the enhancement of the corporate value of the Group.



Shares held
18,800 shares

5 Itaru Okawa Senior Managing Officer, Member of the Board

Career history, status, responsibilities

April 1985	Joined The Sanwa Bank, Limited. (currently MUFG Bank, Ltd.)	April 2019	Member of the Board, Managing Officer Information Technology Planning Department; Accounting Department (current position)
June 2014	Joined the Company	April 2020	Member of the Board, Senior Managing Officer (current position)
April 2015	General Manager, Accounting Department		
June 2015	Executive Officer		
April 2016	Managing Officer	June 2022	Logistics Department; Business Administration Department (current position)
June 2017	Member of the Board		
June 2017	Executive Officer		

Reasons for appointment

After filling several key posts in a bank, Mr. Itaru Okawa joined the Company in June 2014 and has managed the Accounting Department. Since April 2020, he, as Member of the Board and Senior Managing Officer, has been in charge of the Logistics, Business Administration, Legal, and Accounting divisions to yield significant results for the enhancement of the corporate value of the Group.



Shares held
15,200 shares

6 Manabu Tsuyoshi Senior Managing Officer, Member of the Board

Career history, status, responsibilities

April 1989	Joined the Company	June 2020	Member of the Board, Managing Officer
June 2017	Executive Officer	April 2022	Member of the Board, Senior Managing Officer (current position)
April 2018	Managing Officer		
April 2019	General Manager, Hydrogen Division (current position)		

Reasons for appointment

Mr. Manabu Tsuyoshi has extensive work experience in the Hydrogen and Global Businesses. Since April 2022, he, as Member of the Board and Senior Managing Officer, has been in charge of the Hydrogen division to yield significant results for the enhancement of the corporate value of the Group.



Shares held
9,000 shares

7 Hiroshi Fukushima Senior Managing Officer, Member of the Board

Career history, status, responsibilities

April 1987	Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry)	November 2019	Joined the Company, Managing Officer Safety & Environment, Hydrogen Energy
June 2013	Director for Technology Affairs and Advanced Capacity Building Strategy, Minister's Secretariat	December 2019	Senior Managing Officer
July 2015	Deputy Director-General, Manufacturing Industries Bureau	April 2020	Responsible for Energy Division and Industrial Gases Division; Safety & Environment, Hydrogen Energy
June 2016	Director-General for Commerce and Distribution Policy (Industrial Safety)	April 2022	General Manager, Technology & Engineering Division, Iwatani R&D Center, Iwatani Advanced Hydrogen Technology Center; Hydrogen Energy (current position)
July 2017	Director-General for Technology Policy Coordination and Industrial and Product Safety, Minister's Secretariat	June 2022	Member of the Board, Senior Managing Officer (current position)
		April 2023	Sustainability Management Department; Security (current position)

Reasons for appointment

After filling key posts in the Ministry of Economy, Trade and Industry including Director-General for Technology Policy Coordination and Industrial and Product Safety, Minister's Secretariat, Mr. Hiroshi Fukushima joined the Company in November 2019 and was in charge of Safety & Environment and Hydrogen Energy. Since June 2022, he, as Member of the Board and Senior Managing Officer, has been in charge of the Technology & Engineering division, Iwatani R&D Center, Iwatani Advanced Hydrogen Technology Center, Sustainability Management division, Safety, and Hydrogen Energy to yield significant results for the enhancement of the corporate value of the Group.



Shares held
3,300 shares

8 Hirozumi Hirota Senior Managing Officer, Member of the Board

Career history, status, responsibilities

March 1980	Joined the Company	January 2021	Senior Managing Officer, the Company; General Manager, Energy Division; Daily Commodity Division, Cartridge Gas Division
June 2007	Executive Officer	April 2021	General Manager, Integrated Energy Business Group; General Manager, Energy Division
June 2009	Member of the Board	June 2022	Member of the Board, Senior Managing Officer (current position)
April 2011	Executive Director		
April 2013	Senior Executive Director		
June 2017	Retired from Member of the Board, the Company Chairman, Iwatani Logistics Corporation Chairman, Iwatani Liquefied Gas Terminal Co., Ltd.		

Reasons for appointment

Mr. Hirozumi Hirota has extensive work experience in the Industrial Gases & Machinery and Integrated Energy Businesses. Since June 2022, he, as Member of the Board and Senior Managing Officer, has been in charge of the Energy and Daily Commodity divisions to yield significant results for the enhancement of the corporate value of the Group.



Shares held
14,600 shares

9 Shinji Murai

Outside Member of the Board

Career history, status, responsibilities

April 1973	Assistant Professor, School of Engineering, Osaka University	April 2006	Specially Appointed Fellow, Japan Science and Technology Agency Center for Research and Development Strategy
August 1987	Professor, School of Engineering, Osaka University		
August 1999	Professor, School of Engineering, Osaka University; Dean, School of Engineering, Osaka University; Dean, Graduate School of Engineering, Osaka University	April 2009	Executive Director/Vice President, Nara Institute of Science and Technology
March 2002	Professor Emeritus, Osaka University (current position)	April 2013	Professor Emeritus and Specially Appointed Professor, Nara Institute of Science and Technology (current position)
July 2003	Senior Fellow, Japan Science and Technology Agency Center for Research and Development Strategy	April 2013	Senior Advisor, the Company, General Manager, Iwatani R&D Center
April 2005	Executive Director, Nara Institute of Science and Technology	June 2016	Member of the Board, the Company (current position)

Reasons for appointment

Mr. Shinji Murai has extensive experience and great knowledge and insight as research institution manager and university professor. Since 2016, he, as Outside Member of the Board, has supervised the Company's management properly from an independent position and has given meaningful advice on management policies and strategies. He has also made efforts as Chairman of the Nomination and Compensation Committee to ensure transparency, objectivity and fairness of the director election and compensation. The Company expects him to continuously carry out his duties as an Outside Member of the Board properly and adequately, and to give advice to the Company for raising the technological capabilities and further expanding the research and development.



Shares held
5,800 shares

10 Shosuke Mori

Outside Member of the Board

Career history, status, responsibilities

April 1963	Joined The Kansai Electric Power Co., Inc.	June 2005	President and Representative Director, The Kansai Electric Power Co., Inc.
June 1997	Member of the Board, The Kansai Electric Power Co., Inc.		
June 1999	Executive Director, The Kansai Electric Power Co., Inc.	June 2010	Chairman and Representative Director, The Kansai Electric Power Co., Inc.
June 2001	Executive Vice President, The Kansai Electric Power Co., Inc.	June 2019	Member of the Board, the Company (current position)

Reasons for appointment

Mr. Shosuke Mori has engaged in the management of corporations supporting societal infrastructure including electricity, information communication and urban development. He also served as Chairman of Kansai Economic Federation (public interest incorporated association). He has extensive experience and broad insight regarding corporate management as a whole. Since 2019, he, as Outside Member of the Board, has supervised the Company's management properly from an independent position and has given meaningful advice on management policies and strategies. He has also made efforts as a member of the Nomination and Compensation Committee to ensure transparency, objectivity and fairness of the director election and compensation. The Company expects him to continuously carry out his duties as an Outside Member of the Board properly and adequately and to give advice on environmental initiatives and global business, contributing to the enhancement of the corporate value of the Company.



Shares held
2,700 shares

11 Hiroshi Sato

Outside Member of the Board

Career history, status, responsibilities

April 1970	Joined Kobe Steel, Ltd.	April 2009	President, Kobe Steel, Ltd.
June 1996	Member of the Board, Kobe Steel, Ltd.	April 2013	Chairman, Kobe Steel, Ltd.
June 1999	Managing Officer, Kobe Steel, Ltd.	April 2016	Member of the Board, Senior Advisor to the Board, Kobe Steel, Ltd.
June 2000	Member of the Board, Managing Officer, Kobe Steel, Ltd.		
June 2002	Member of the Board, Senior Managing Officer, Kobe Steel, Ltd.	June 2016	Senior Advisor to the Board, Kobe Steel, Ltd.
June 2003	Senior Executive Director, Kobe Steel, Ltd.	April 2018	Advisor, Kobe Steel, Ltd. (current position)
April 2004	Representative Executive Vice President, Kobe Steel, Ltd.	June 2021	Member of the Board, the Company (current position)

Career history, status, responsibilities

Mr. Hiroshi Sato has engaged in the management of a corporation with a wide range of business domains including materials centering around iron and steel, machinery and energy, and has extensive experience and broad insight regarding corporate management as a whole. Since 2021, he, as Outside Member of the Board, has supervised the Company's management properly from an independent position and has given meaningful advice on management policies and strategies. He has also made efforts as a member of the Nomination and Compensation Committee to ensure transparency, objectivity and fairness of the director election and compensation. The Company expects him to continuously carry out his duties as Outside Member of the Board properly and adequately and to give advice on business administration including affiliates management and plants management, contributing to the enhancement of the corporate value of the Company.



Shares held
1,700 shares

12 Hiroyuki Suzuki

Outside Member of the Board

Career history, status, responsibilities

August 1980	Joined Maruichi Steel Tube Ltd.	April 2003	President, Maruichi Steel Tube Ltd.
June 1983	Member of the Board, Maruichi Steel Tube Ltd.	June 2003	President and Executive Officer, Maruichi Steel Tube Ltd.
June 1990	Executive Director, Maruichi Steel Tube Ltd.	June 2013	Chairman and CEO, Maruichi Steel Tube Ltd. (current position)
June 1997	Senior Executive Director, Maruichi Steel Tube Ltd.	June 2022	Member of the Board, the Company (current position)
June 1999	Representative Executive Vice President, Maruichi Steel Tube Ltd.		

Reasons for appointment

Mr. Hiroyuki Suzuki has engaged in the management of a general pipe manufacturer developing a wide range of production and sales of pipes home and abroad. He also served as Representative Director of Kansai Association of Corporate Executives (general incorporated association). Since 2022, he, as Outside Member of the Board, has supervised the Company's management properly from an independent position and has given meaningful advice on management policies and strategies. He has also made efforts as a member of the Nomination and Compensation Committee to ensure transparency, objectivity and fairness of the director election and compensation. The Company expects him to continuously carry out his duties as Outside Member of the Board properly and adequately and to give advice on global business development, contributing to the enhancement of the corporate value of the Company.



Shares held
900 shares

13 Yuki Saito

Outside Member of the Board

Career history, status, responsibilities

October 2006	Registered as an attorney Joined Sakura Law Office	January 2012	Partner, Sakura Law Office (current position)
		October 2015	Part-time judge (domestic relations conciliator)
		June 2023	Member of the Board, the Company (current position)

Reasons for appointment

Although Ms. Yuki Saito has no experience of direct involvement in corporate management, she has extensive experience as an attorney and deep insight into legal matters. From 2023, The Company expects her to properly supervise the Company's management from an independent position as Outside Member of the Board and to give advice on management policies and strategies as well as on enhancement of corporate governance, contributing to the enhancement of the corporate value of the Company.



Shares held
0 shares

Audit & Supervisory Board Members

1 Toyofumi Ohama

Audit & Supervisory Board Member (Full-time)

Career history, status

March 1972	Joined the Company
June 1996	Member of the Board
June 1999	Retired from Member of the Board; Senior Associate Director
April 2004	General Manager, Corporate Planning & Coordination Department; General Manager, Overseas Business Administration Department
June 2004	Member of the Board
April 2006	Executive Director
June 2008	Audit & Supervisory Board Member (Full-time) (current position)



Shares held
21,500 shares

2 Naoki Iwatani

Audit & Supervisory Board Member (Full-time)

Career history, status

April 1990	Joined the Company
June 2009	Executive Officer
April 2011	Deputy General Manager, Energy Division (in charge of the east)
June 2011	Member of the Board
April 2015	Executive Director Business Administration Department, Audit Department Chairman, Risk Management Committee
April 2019	Member of the Board, Senior Managing Officer
June 2022	Audit & Supervisory Board Member (Full-time) (current position)



Shares held
19,900 shares

3 Yoshinori Shinohara

Audit & Supervisory Board Member (Outside)

Career history, status

February 1963	Registered as a Certified Public Accountant (current position)
July 1969	Senior Partner, Yamato Accounting Office (subsequently merged into Asahi & Co.)
May 1999	Deputy President, Asahi & Co. (presently KPMG AZSA LLC)
June 2001	Senior Partner and Senior Advisor, Asahi & Co.
August 2002	Representative Director, Shinohara Management and Economics Research Institute Co., Ltd. (current position)
June 2015	Audit & Supervisory Board Member of the Company (current position)



Shares held
7,400 shares

4 Yasushi Yokoi

Audit & Supervisory Board Member (Outside)

Career history, status

March 1982	Registered as Certified Public Accountant (current position)
May 2001	Representative Partner, Asahi & Co. (currently KPMG AZSA LLC)
July 2008	Board Member, KPMG AZSA & Co. (currently KPMG AZSA LLC)
July 2010	Board Member, General Manager of Osaka 2nd Business Division, KPMG AZSA LLC
July 2012	Senior Executive Board Member in charge of Diversity and General Manager, Nagoya Office, KPMG AZSA LLC
June 2021	Audit & Supervisory Board Member of the Company (current position)



Shares held
1,100 shares

Skill Matrix

		Corporate management	Financial accounting	Legal affairs / risk management	HR / talent development	Sales / marketing	Global	R&D	Production engineering	ESG / sustainability	IT / digital
Chairman and CEO	Akiji Makino	●		●		●	●			●	
Vice Chairman	Toshio Watanabe	●	●	●	●						
President	Hiroshi Majima	●		●		●	●			●	●
Member of the Board	Makoto Horiguchi					●	●				
Member of the Board	Itaru Okawa		●	●							●
Member of the Board	Manabu Tsuyoshi					●	●	●	●		
Member of the Board	Hiroshi Fukushima			●				●	●	●	
Member of the Board	Hirozumi Hirota			●	●	●					
Outside Member of the Board	Shinji Murai						●	●	●	●	
Outside Member of the Board	Shosuke Mori	●				●	●			●	
Outside Member of the Board	Hiroshi Sato	●						●	●	●	
Outside Member of the Board	Hiroyuki Suzuki	●				●	●			●	
Outside Member of the Board	Yuki Saito			●	●					●	

Climate Change Response

Basic Concept

Recognizing climate change and other global environmental issues as important management challenges, the Iwatani Group considers harmony with the environment to be essential to our corporate activities and continuity. Toward this end, we are striving to reduce the environmental impact of various business activities. We have declared our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)* and joined the TCFD Consortium, and we have assessed and identified, and are verifying responses to and disclosing, climate-related risks and opportunities based on the TCFD Framework.



* The TCFD was established by the Financial Stability Board (FSB) at the request of the G20 countries to study matters such as climate-related disclosure.

Governance

Iwatani has established a Sustainability Management Department. This unit will be responsible for planning measures to promote sustainability and disseminate awareness of sustainability issues throughout the Group, including overseas. Iwatani has also established the Sustainability Promotion Committee under the Risk Management Committee, which coordinates risk management Groupwide. The Sustainability Promotion Committee deliberates on matters such as risks, opportunities, action policies, and targets related to climate change and checks on the progress of related results. As part of the oversight structure, the Board of Directors receives periodic reports and is also briefed on important matters as they arise to ensure appropriate supervision.



Risk Management (Assessment and Process of Identification and Management)

We are proceeding with efforts to strengthen our response to climate change risks and our efforts to address climate change opportunities by assessing these risks and opportunities along the two axes of probability of occurrence and impact on business. In addition, we assess the business impact of climate change in stages, based on the extent of the potential financial impact. In particular, we assess the future business environment via scenario analysis from a long-term perspective and in light of the unique characteristics of climate change.



Strategy (Scenario Analysis)

We have chosen the Integrated Energy Business, Industrial Gases & Machinery Business, and Materials Business as the businesses subject to scenario analysis. These businesses are more likely to be affected by climate change. We then identified the following two scenarios, based on data and other materials from the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC). Both are prestigious international agencies referenced in the TCFD recommendations.

Scenarios	2°C scenario	4°C scenario
Potential societal outcomes	In this scenario, bold policies and technological innovations will be pursued to move toward carbon neutrality and to achieve the ambitious medium- and long-term targets currently advocated by each country. Average temperature increases through the end of this century are kept to less than 2°C. The social changes associated with the transition to a decarbonized society are very likely to affect business activities and results. In this scenario, certain physical impacts will be generated, alongside the significant impact of enhanced regulations and other factors accompanying the transition to a decarbonized society.	In this scenario, society is characterized by economic and social growth accompanied by the continuing extensive development of fossil fuel sources and the continuance of resource- and energy-intensive lifestyles. Average temperatures rise by approximately 4°C by the end of the century, generating the high likelihood that climate change will affect business activities and results. In this scenario, significant physical impacts will be generated.
Reference scenarios	<ul style="list-style-type: none"> Transition Physical 	<ul style="list-style-type: none"> Announced Pledges Scenario (IEA WEO 2022) Net Zero Emissions by 2050 Scenario (IEA WEO 2022), etc. SSP1-2.6 (IPCC AR6), etc. SSP5-8.5 (IPCC AR6), etc.

Results of Scenario Analysis ①

Based on a consideration of future market trends and the scenarios identified in the Integrated Energy Business, Industrial Gases & Machinery Business, and Materials Business subjected to scenario analysis, we sought to predict the financial impact in 2050 in relation to the priority factors. The quantitative information used in scenario analysis is based on scenarios from the IEA, IPCC, and other sources. This information entails numerous uncertainties.

Scenario	2°C scenario		Financial impact
Business	Integrated Energy Business		
Timeframe	2050		
Key risks and opportunities	Risk	Significant decline in demand for fossil fuels due to changing consumer awareness accompanying the adoption of fossil fuel surcharges, emissions credit trading, and other policies and regulations aimed at establishing a decarbonized society	Large
	Risk	Widening physical damage to production facilities due to natural disasters	Low
	Opportunity	Growing demand for energy-saving equipment—for example, Ene-Farm devices and hybrid water heaters—as awareness of energy conservation and decarbonization grows in the household sector	Moderate
	Opportunity	Increased demand for equipment for disaster preparedness accompanying efforts to enhance disaster countermeasures and business continuity planning (BCP)	Low
Overview of the anticipated business environment	Opportunity	Major potential business opportunities associated with the development and adoption of green LPG	Large ¹
	Under the 2°C scenario, various factors—for example, sharp tax hikes due to the introduction of carbon taxes or unexpected growth in customers transitioning to non-fossil fuels—may have significant consequences for the Integrated Energy Business, which handles LPG. At the same time, changes may create major business opportunities for the Group, which could be capitalized on by promoting the development and adoption of LPG decarbonization technologies. The changes may also present opportunities for further growth by increasing sales of energy-saving equipment and emergency power supplies and developing the CO ₂ visualization business and new businesses based on the Iwatani Gateway platform.		

Scenario	2°C scenario		Financial impact
Business	Industrial Gases & Machinery Business		
Timeframe	2050		
Key risks and opportunities	Risk	Higher costs for electricity and decarbonization measures at industrial gas plants with the growing adoption of carbon taxes, emissions credit trading, and other policies and regulations	Moderate
	Risk	Widening physical damage to production facilities due to natural disasters	Low
	Opportunity	Large-scale growth in both domestic and international demand for hydrogen, mainly as a fossil fuel alternative; significant growth in demand for hydrogen-related equipment as hydrogen demand grows	Large ²
Overview of the anticipated business environment	While the 2°C scenario assumes higher costs for electricity and decarbonization measures at industrial gas plants, as carbon taxes and other policies are adopted progressively, it also presents the potential for rapid growth in the hydrogen business due to sharp growth in demand for hydrogen as a fossil fuel alternative; for use as a raw material for various synthetic energy fuels; and for use in other applications. In addition, steady demand growth is expected for various industrial gases such as oxygen, nitrogen, argon, and helium to parallel economic growth.		

¹ Analysis includes the consequences of measures beyond measurements of the potential impact of climate change under the scenario.
² There is potential for very high growth opportunities depending on the extent of progress on climate change response.

Financial impact
 Large: Equivalent to at least several tens of billions of yen in net sales / Moderate: Equivalent to several billions to several tens of billions of yen in net sales / Low: Equivalent to several billions of yen in net sales

Scenario	2°C scenario		Financial impact
Business	Materials Business		
Timeframe	2050		
Key risks and opportunities	Risk	Higher costs for electricity and decarbonization measures, mainly in the resource and metal processing businesses, with the growing adoption of carbon taxes, emissions credit trading, and other policies and regulations	Moderate
	Risk	Widening physical damage to production facilities due to natural disasters	Low
	Opportunity	Growing demand for lithium, cobalt, and other rechargeable battery materials with growing use of EVs and stationary batteries	Large
	Opportunity	Growth in the metal processing business for air conditioners in response to the growing use of home air conditioners mainly in emerging markets, as well as the switch to electric heating systems and shift to energy-efficient models	Moderate
	Opportunity	Growing demand for PKS, wood pellets, and other biomass fuels as alternatives to fossil fuels	Moderate
Overview of the anticipated business environment	The 2°C scenario assumes higher costs for electricity and decarbonization measures, mainly in the resource and metal processing businesses, as carbon taxes and other policies are adopted progressively. On the other hand, it also raises the possibility of growing demand for rechargeable battery materials and biomass fuels and expanding opportunities in the business of processing metals for air conditioner use. In addition, it raises the possibility of further growth through the development and promotion of business activities related to 100% biomass PET resins, biodegradable resins, and plastic recycling.		

Scenario	4°C scenario		Financial impact
Business	All businesses		
Timeframe	2050		
Key risks and opportunities	Risk	Lower productivity due to rising temperatures	Moderate
	Risk	Lower LPG sales due to rising temperatures	Low
	Risk	Higher costs of responding to disasters	Low
	Risk	Increased loss of profits due to growing frequency of disasters	Low
Overview of the anticipated business environment	Opportunity	Higher sales of disaster response and BCP equipment, including LPG-powered emergency generators	Low
	The 4°C scenario assumes higher acute risks, which bring sudden damage, and higher chronic risks, which have ongoing and chronic impacts on business activities. At all production and filling facilities, our LPG and industrial gas businesses identify maximum flooding risk levels based on hazard maps published by local governments and implement the necessary countermeasures. In addition to physical countermeasures, we strive to strengthen the maintenance of BCP manuals, undertake disaster drills, and promote safety awareness through everyday safety activities. Having established the only nationwide disaster relief team in the private sector energy industry, the LPG business strives to maintain and strengthen its disaster response capabilities. We are also at work installing LPG-powered emergency generators and auto gas-filling facilities at major sites. We believe we have achieved a degree of risk resilience even under the 4°C scenario.		

Results of Scenario Analysis ②

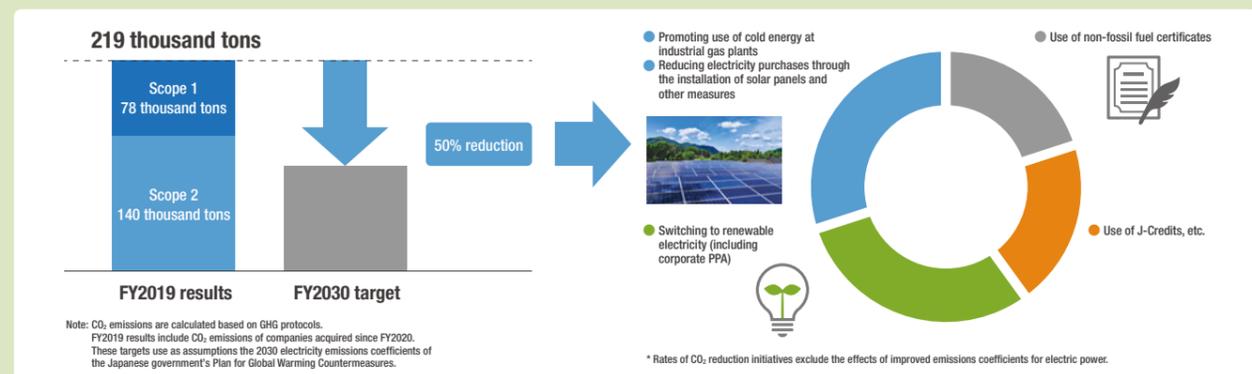
The results of scenario analysis are applied in examining medium- to long-term business strategies, making steady progress on initiatives that make our businesses more resilient, and addressing growth opportunities. As climate change response moves ahead, we recognize the potential for changes in the assumptions underlying our scenarios. Thus, we will continue to update scenarios and analyses as necessary, based on information on scenarios published by external agencies.

Major responses to identified risks and opportunities

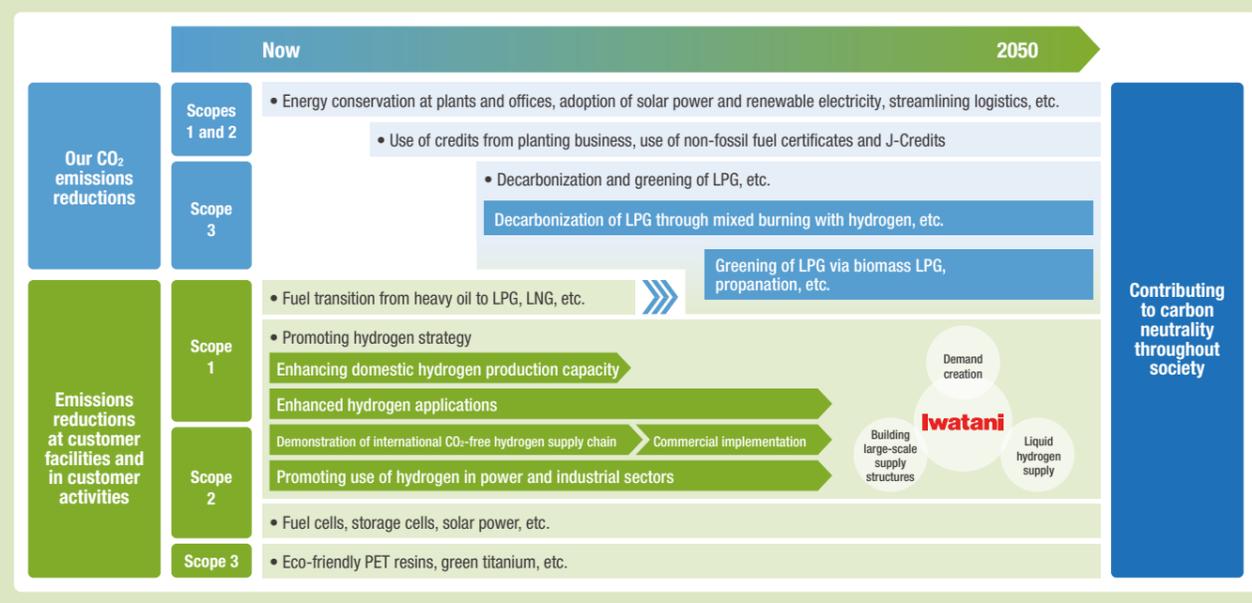
- Production and supply of green LPG (See p. 26.)
- J-Credit generation from customer CO₂ emissions (See p. 25.)
- Supply of mixed hydrogen and LPG (See p. 37.)
- Liquefied Hydrogen Supply Chain Commercialization Demonstration Project (See p. 23.)
- Enhancement of manufacturing and engineering functions (See p. 24.)
- Eco-friendly PET resins (See p. 45.)

Targets of the Non-financial Strategies (Climate Change Response)

The Iwatani Group has announced its goal of achieving carbon neutrality by FY2050, targeting as a milestone to be reached by FY2030 reductions of 50% in CO₂ emissions compared to FY2019 levels by the Iwatani Group in Japan. We aim to achieve our reduction targets for FY2030 through various measures, including the utilization of unused cold energy and the installation of solar panels at industrial gas plants; switching to renewable energy, including corporate PPA; and applying J-Credits that we ourselves generate. Where reductions are difficult, we will consider use of non-fossil fuel certificates.



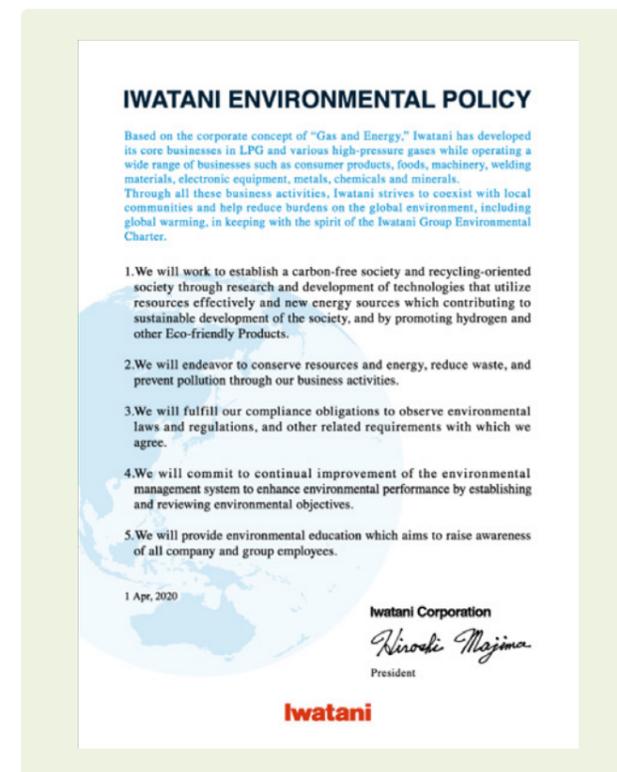
To achieve carbon neutrality by 2050, we will reduce CO₂ emissions in our business activities and contribute to the reduction of CO₂ emissions in society as a whole through the expansion of our hydrogen and other businesses.



Promoting Environmental Management

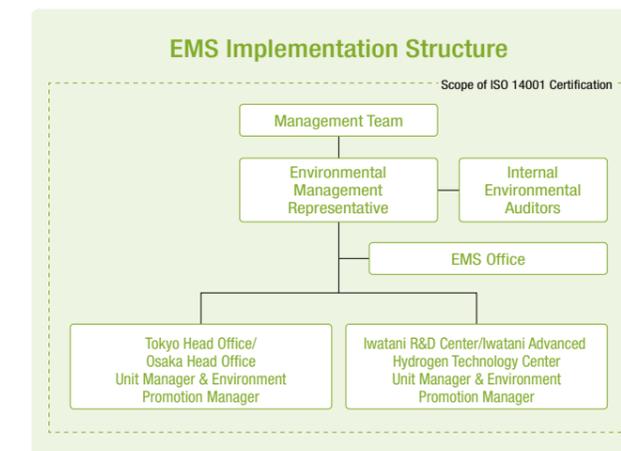
Under the Iwatani Environmental Policy, we employ an environmental management system and strive to contribute to solutions to environmental challenges.

Environmental Policy



Environmental Management System (EMS)

Iwatani has earned ISO 14001 certification for its head offices in Tokyo and Osaka, the Iwatani R&D Center, and the Iwatani Advanced Hydrogen Technology Center. These facilities account for more than 60% of all Iwatani personnel. While block branches and branch offices fall outside the scope of this certification, they operate in compliance with ISO 14001 under the guidance of the head office product divisions in charge.



- To raise employee awareness of environmental issues, in addition to the environmental training held at the beginning of each fiscal year, we provide environmental training as part of the training for newly hired employees and managers and in e-learning programs.
- No violations of environmental laws and regulations occurred in FY2022 (including the Waste Management and Public Cleansing Act, the Act on the Rational Use of Energy, and the Poisonous and Deleterious Substances Control Act)
- Internal environmental audits were performed twice in FY2022 (in September 2022 and February 2023). We also underwent periodic review by the High Pressure Gas Safety Institute of Japan in October 2022; our operational status was rated "fine."

SDGs/Environmental Goals and Results in FY2022, Environmental Goals for FY2023

We set environmental goals every year as part of our EMS. In FY2022, we achieved three of four goals, the exception being "Reductions in environmental impact generated by companywide energy consumption in accordance with regulations on individual businesses under the amended Act on the Rational Use of Energy."

No.	Items	FY2022 Environmental Goals and Results		Achievement
		Goals	Results	
1	Expanded use of eco-friendly products	30 points	33 points	○
2	Promoting SDGs/environmental activities	6,000 points	10,070 points	○
3	Reductions in environmental impact generated by business vehicles: Introduction of low emission vehicles	25 vehicles	54 vehicles	○
4	Reductions in environmental impact generated by companywide energy consumption in accordance with regulations on individual businesses under the amended Act on the Rational Use of Energy	Improvements in companywide energy consumption efficiency (1% improvement in average efficiency over FY2018–FY2022 five-year period)	2.6% up in average efficiency over FY2018–FY2022 five-year period	×

No.	FY2023 Environmental Goals	
1	Promoting activities to realize a sustainable society	① Business expansion to realize a hydrogen energy-based society ② Expanding the development and promotion of decarbonization solutions ③ Enhancing efforts to achieve a resource-circulating society
2	Promoting reductions in the Iwatani Group's CO ₂ emissions	① Promoting decarbonization initiatives ② Promoting logistics efficiency improvements and decarbonization ③ Reducing our environmental impact through use of digital technologies and business efficiency improvements
3	Thorough compliance	① Complying with environmental laws and regulations

Achievement: ○=100% achieved; △= 60% or more achieved; × = less than 60% achieved

Supply Chain Management and Human Rights

Businesses today face growing demand to fulfill their social responsibilities—not just in their own activities, but throughout the supply chain, including suppliers. In response, Iwatani is enhancing risk management, including respect for human rights, across the entire supply chain, to build more sustainable supply chains.

Supply Chain Management

Based on our corporate philosophy—become a person needed by society, as those needed by society can prosper—we provide a wide range of products and services for everyday life and for industry, including energy, industrial gases, and materials. To remain a company needed by society, we will communicate the Iwatani Group Supply Chain Conduct Policy to our suppliers and to other business partners, thereby establishing and maintaining sustainable supply chains.

Iwatani Group Supply Chain Conduct Policy

- 1. Respect for Human Rights**
We act at all times based on a profound respect for human rights, and make every effort to avoid inhumane practices such as discrimination, harassment, abuse, and child labor.
- 2. Respect for the Rights of Employees to Organize and Engage in Collective Bargaining**
We respect the rights of our employees to organize and engage in collective bargaining.
- 3. Preventing Forced Labor and Unfair Wages**
We do not tolerate practices involving forced labor, and act to comply with statutory minimum wage standards and to prevent unfair wage practices.
- 4. Ensuring Occupational Health and Safety**
We provide safe, sanitary, and healthy working environments that help maintain the physical and mental health of our employees. We prepare and disseminate emergency plans for disasters, accidents, and other emergencies.
- 5. Environmental Conservation**
We strive to achieve harmony with the natural environment and to safeguard against environmental issues through efforts that address climate change, biodiversity, and other environmental issues.
- 6. Legal and Regulatory Compliance, Fair Trade, and Anti-corruption**
We comply with the letter and spirit of all applicable domestic and foreign laws and standards, seek to uphold fair trade practices, and seek to avoid and safeguard against corrupt practices.
- 7. Improving the Quality, Safety, and Reliability of Products and Services**
We work ceaselessly to improve the quality, safety, and reliability of our products and services.
- 8. Information Disclosure**
We are committed to disclosing information regarding all of the above topics in a timely and appropriate manner.

Human Rights

Iwatani Code of Corporate Ethics calls for all “to respect human rights, and refrain from any form of discrimination and harassment.” We are focusing on enhancing programs and training to develop an environment in which each and every employee can work in confidence while demonstrating their individual abilities to the fullest. Based on our support for international human rights standards, we have also established the Iwatani Group Human Rights Policy to promote human rights initiatives both within the Iwatani Group and externally.

Iwatani Group Human Rights Policy

- 1. Scope**
This policy applies to all officers and employees of the Iwatani Group. Additionally, we strive to ensure that all business partners and other stakeholders understand and comply with this policy.
- 2. Support and Respect for International Agreement on Human Rights**
We support various human rights declarations and guidelines, including the United Nations International Bill of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. We are committed to pursuing our business activities in strict accordance with the UN Guiding Principles on Business and Human Rights.
- 3. Human Rights Due Diligence**
Through due diligence efforts to monitor human rights issues, we strive to identify, prevent, and mitigate any negative human rights impacts of the Iwatani Group’s operations.
- 4. Correction and Remediation**
Should our business activities have or contribute to negative impacts on human rights, we will fulfill our responsibility to take appropriate corrective and remedial steps.
- 5. Dialogue and Discussion**
Through the initiatives based on this policy, we will pursue and seek to maintain an attentive two-way dialogue with all stakeholders.
- 6. Training and Education**
We will provide the training and education needed to ensure that officers and employees understand this policy and to ensure that this policy takes firm root within the company.
- 7. Information Disclosure**
We will disclose appropriate information on our human rights initiatives based on this policy on our website and elsewhere.

Safety and Security Initiatives

As an enterprise engaged in business along the axes of gas and energy, Iwatani recognizes the importance of safe supply of LPG and industrial gases to customers, ensuring that they can use them with peace of mind. We consider safety itself to be the core of our business operations, and we focus on safety initiatives accordingly. In addition to making appropriate revisions to standards targeting safer, more efficient safety management, we support safe business activities by ensuring the efficacy of safety measures through emergency response drills, internal audits and guidance on improvement measures at plants.

The Group’s Own Integrated High-pressure Gas Safety Management Standards

Based on the safety technologies and expertise accumulated over the years in the LPG business, we have established our own integrated high-pressure gas safety management standards (Iwatani Safety Spec., or ISS), which we use to strengthen safety operations. The ISS standards are considered implementation rules under the Safety Rules for High-Pressure Gas established in 1966, systematically describing all related safety details. Through repeated revisions based on the knowledge and expertise attained in activities such as gas production and transport, we will contribute to the growth of the LPG and industrial gas businesses based on the Group’s own standards.



Gas transport and delivery instruction based on ISS

Preparing safety management standards

Gas Distribution Emergency Response Network

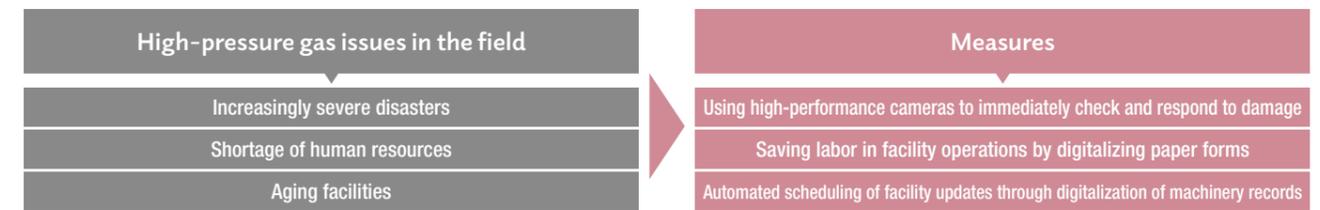
As one practical measure under these management standards, we are developing an emergency response network to enable rapid response to emergencies, including accidents and other problems that may arise during the transport of gases such as LPG and liquid hydrogen. We maintain safe transport systems through measures based on the ISS standards, including truck evacuation locations, setting up mobilization structures reflecting the initial response manual, and periodic on-site drills.



Emergency response drill for a tanker truck accident

Developing an Integrated Safety Management Structure Using Digital Technologies

To improve safety, we are seeking to develop an integrated safety management structure by 2030. We will build a structure that ensures safer, more stable supply of gas to customers by totaling and analyzing data concerning safety and operations from across the Group. Drawing on our safety systems, we will develop data on and systematize advanced safety management technologies built up through activities such as gas production and transport and pass them along to future generations.



Using cameras to check on the state of damage through the safety system



Plant facility inspection using tablets



Using a computer system to manage all plant facilities

Health and Productivity Management and Occupational Health and Safety

We regard our human resources to be the source of value creation through business growth and implementation of strategies. As such, Iwatani identifies HR strategies* in the non-financial strategies of the PLAN27 medium-term management plan. To maintain and improve the health of employees—an essential part of making the most of our human resources—we focus on ensuring safe working environments and helping employees stay in good health, from a health and productivity management point of view.

* See Non-financial Strategies – Human Resource Strategy, p. 31.

Health and Productivity Management Declaration

In 2022, we announced our Health and Productivity Management Declaration to demonstrate our stance on health and productivity management initiatives to our stakeholders. We will continue to promote initiatives to protect the safety and health of our employees and their families based on the following declaration.

Health and Productivity Management Declaration

Since its founding in 1930, Iwatani Corporation has done business in line with its corporate philosophy: “Become a person needed by society, as those needed by society can prosper.” As always, our goal is to achieve sustained growth and strengthen corporate value by meeting key needs in our society.

To achieve these goals, it is essential that our all employees have the mental and physical well-being. Based on the conviction that our employees are our most important asset, we strive to create safe working environments and promote the health of our employees and their families. We remain committed to creating new value and contributing to society by making it possible for all our employees to do their best in healthy and harmonious workplaces.

Kiroshi Majima
President



Specific Initiatives

Measures to support the health of employees and their families

To support employee health management, we provide annual health checkups for employees 34 and younger and annual comprehensive medical checkups for those 35 and older. We also provide guidance by industrial physicians and health management staff based on the results of these checkups to encourage health management by individual employees. In addition, we support the health of employees' families through a subsidy program for health checkups for dependents aged 35 and older, as well as health checkups for dependents 40 and older, with a special focus on metabolic syndrome.

Stress checks and mental health initiatives

Based on the perspectives of stress management and mental health, we conduct annual stress checks. These are followed by population analysis to contribute to workplace environmental improvements, in cooperation with industrial physicians. Other initiatives intended to prevent mental health issues include setting up an external hotline and raising awareness through various opportunities, including training for new employees and tiered training.

Reducing long working hours

To maintain employee health and to enrich their work/life balance, we have introduced no-overtime days and a system that shuts down computers automatically as a tool for controlling working hours. We check on long hours through interviews in cooperation with industrial physicians as part of our efforts to maintain employee mental and physical health.

Promoting club activities and participation in sporting events

We support employee health and stimulate interactions among employees by supporting the activities of internal recreational clubs. We also contribute to community health promotion events and sponsoring athletic events, including the Osaka Marathon and the Princess Ekiden, the qualifying long-distance relay race for the All Japan Industrial Teams Women's Ekiden.

ESG Data

Environment

Material balance (Iwatani Group*)		FY2020	FY2021	FY2022	
Inputs	Electricity (thousand kWh)	305,406	344,793	336,325	
	Steam (Gj)	11,858	11,875	17,197	
	Fuels (GJ)	LPG	151,709	153,305	140,036
		City gas/LNG	89,010	54,235	58,809
		Diesel	206,471	175,902	174,239
		Gasoline	150,439	147,307	143,405
		Kerosene	12,369	13,797	13,359
		Bunker A	6,056	8,868	8,009
	Paper (t)*2	251 (95%)	232 (96%)	224 (98%)	
	Water (thousand m ³)*2	954 (95%)	1,001 (96%)	1,007 (90%)	

*1 Totals include domestic consolidated subsidiaries and two equity-method affiliates using large volumes of energy in addition to domestic Iwatani Corporation business sites.
 *2 Where estimates are included, the percentage of announced figures consisting of actual measurements are indicated in parentheses.
 *3 Recycled paper volumes include paper resources other than those for business use, including newspapers, magazines, and wrapping paper.
 *4 CO₂ emissions from electricity use, included in Scope 2 figures for FY2020, are calculated on a location basis, while those for FY2021 and FY2022 are calculated on a market basis.
 *5 Totals include overseas consolidated subsidiaries and representative offices.

Society

Iwatani Corporation (nonconsolidated)		FY2020	FY2021	FY2022
Employees	Male	951	953	960
	Female	355	366	391
	Women (%)	27.2	27.7	28.9
Managers	Male	565	575	639
	Female	38	40	41
	Women (%)	6.3	6.5	6.0
Average age (years)		39.3	39.6	39.7
Average annual salary (¥ thousand)	Male	10,241	10,329	10,952
	Female	5,523	5,542	5,466
	Total	8,959	9,001	9,413
New-graduate hires	Male	42	35	37
	Female	42	28	33
	Women (%)	50.0	44.4	47.1
Midcareer hires	Male	2	3	8
	Female	4	0	3
	Women (%)	66.7	0.0	27.3
Average years of continuing service	Male	16.9	17.2	17.0
	Female	11.8	11.8	11.7
	Total	15.5	15.7	15.5
Turnover rate*6 (%)	Male	1.7	2.3	3.2
	Female	7.3	4.4	6.4
	Total	3.2	2.9	4.1
Average overtime hours per month		11.3	12.7	13.7
Percentage taking childcare leave	Male	3.2	13.0	30.6
	Female	100.0	100.0	83.3
Percentage taking annual paid leaves*7		54.6	52.1	48.8
Percentage of employees with disabilities		2.17	2.26	2.78
Occupational illnesses or injuries (fatalities in parentheses)		0	0	0
Fatalities due to occupational illness or injury		0	0	0
Training participants		252	388	456
Training hours/person		11	12	13
Training costs (¥ thousand)		72,201	117,013	116,227

*6 Includes only employees who resigned for personal reasons.
 *7 While figures for the years through FY2021 were calculated including five days of summer vacation, due to a change in the definition used in calculations, those for FY2022 and later do not include the days of summer vacation. (Calculation using the definition used until FY2021: 56.8%)

Material balance (Iwatani Group)		FY2020	FY2021	FY2022		
Outputs	Recycled (paper) (t)*3	186	156	171		
	Industrial waste (t)*1	5,808	5,722	11,024		
	Wastewater (thousand m ³)*1*2	845 (95%)	887 (95%)	903 (88%)		
	CO ₂ emissions (t)	In Japan	Scope 1*1	81,570	85,208	85,935
			Scope 2**4	132,928	151,247	141,976
		Overseas	Scope 1*5	–	–	37,686
Scope 2*5			–	–	121,454	

Scope 3 CO ₂ emissions		FY2020	FY2021	FY2022
Total of the following categories (t)		8,559,372	8,846,895	10,764,421
Category 1	Purchased goods and services	2,936,522	3,181,419	4,233,523
Category 2	Capital goods	20,428	25,324	71,139
Category 3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	–	–	44,090
Category 4	Upstream transportation and distribution	–	–	57,073
Category 5	Waste generated in operations	16,242	15,988	30,837
Category 6	Business travel	1,321	1,325	1,480
Category 7	Employee commuting	4,738	4,734	5,309
Category 8	Upstream leased assets	–	–	–
Category 9	Downstream transportation and distribution	–	–	–
Category 10	Processing of sold products	–	–	–
Category 11	Use of sold products	5,465,635	5,492,873	6,197,114
Category 12	End-of-life treatment of sold products	–	–	–
Category 13	Downstream leased assets	386	353	327
Category 14	Franchises	–	–	–
Category 15	Investments	114,099	124,878	123,529

Underlined figures have been independently certified by SOCOTEC Certification Japan K.K.
 * Category 4 emissions are based on the specified-shipper calculation scope and method under the calculation, reporting, and publication system.
 * Category 8 emissions are omitted from the calculations because emissions from use of leased assets are calculated under Scopes 1 and 2.
 * Category 9 emissions are omitted from the calculations due to the difficulty of ascertaining actual conditions because of the diversity of shipping and delivery operations.
 * Category 10 emissions are omitted from the calculations due to the difficulty of ascertaining actual conditions because of the diversity of subject products.
 * Category 12 emissions are omitted from the calculations due to the difficulty of ascertaining actual conditions because of the diversity of subject products.
 * Category 14 emissions are omitted from the calculations due to the lack of subject activities.

Governance

Iwatani Corporation (nonconsolidated)	FY2020	FY2021	FY2022
Members of the Board	12	12	12
Outside Members of the Board	2	3	4
Independent Members of the Board (included in above)	2	3	4
Outside Members of the Board (%)	16.7	25.0	33.3
Board of Directors meetings	16	16	15
Member of the Board attendance rate (%)	97.9	99.0	99.4
Audit and Supervisory Board members	4	4	4
Outside Audit and Supervisory Board members	2	2	2
Independent Audit and Supervisory Board members (included in above)	2	2	2
Audit and Supervisory Board meetings	13	13	13
Average attendance rate in Audit and Supervisory Board meetings (%)	100.0	78.8	100.0
Members of Nomination and Compensation Committee	–	5	6
Members of Nomination and Compensation Committee who are Outside Members of the Board	–	3	4
Nomination and Compensation Committee meetings	–	3	1
Average attendance rate in Nomination and Compensation Committee meetings (%)	–	100.0	100.0

Social Contribution Activities

Through its support for cultural activities, research and development, international exchange, and technological aid, Iwatani contributes to society.

Joint Efforts with the Activities of the NHK Symphony Orchestra

Iwatani has worked with the NHK Symphony Orchestra, which performs around the world, as a special supporting corporate member since 1987. This reflects our support for the Orchestra's stated purpose, "To augment Japan's music and artistic standards through symphonic music performances and to achieve its social and cultural mission." We help provide communities with opportunities to experience classical music by sponsoring the NHK Symphony Orchestra summer concert series every year.



Iwatani is a special supporting corporate member of the NHK Symphony Orchestra.

Support for the Japan Chamber Music Foundation

Iwatani supports the Japan Chamber Music Foundation, established to communicate the wonders of chamber music to Japan and the world. We support activities including the Osaka International Chamber Music Competition, in which groups of young musicians from around the world compete, and the Osaka International Chamber Music Festa, which is freed from the classical music-only genre constraint by allowing folk music and other genres from around the world.

Sponsoring the Music Competition of Japan

The Music Competition of Japan is the music competition with the longest history in Japan. It was launched in 1932 with the aims of encouraging highly talented musicians and raising the level of Japan's music scene. We have supported this competition since 2011 due to its social, educational, and artistic importance.

Improving and Promoting Welding Skills in Asia

Iwatani supports various efforts to improve welding skills in Asia, including the Dalian City - Iwatani Japan-China Welding Technology Seminar and Contest, held for ten years starting in 1997; the Iwatani Welding Seminars held in Hanoi, Jakarta, and other locations since 2007; and the Iwatani-API/IWS Welding Contest held jointly with the Indonesian Welding Society (IWS) in suburban Jakarta from 2016 through 2019. We remain committed to supporting improved welding skills in Asian nations through these activities.



The Iwatani-API/IWS Welding Contest prize-giving ceremony

A Comfortable Planet - All Japan Elementary School Essay Contest

Iwatani has sponsored the All Japan Elementary School Essay Contest since 2010, reflecting our corporate slogan: Creation of a more comfortable space on the Earth is what Iwatani wishes and strives for. The contest is open to elementary school children from across Japan. In 2022, its 13th year, the contest attracted 6,502 entries from 727 schools. We will continue helping to raise the level of children's interest in energy and the environment through this contest.



Technology Promotion through the Iwatani Naoji Foundation

The Iwatani Naoji Foundation

With the goal of improving the lives of the public and promoting international mutual understanding through sustained progress in science and technology, the Iwatani Naoji Foundation encourages and provides subsidies for research and development, supports international exchange, and undertakes human resource development activities.

Iwatani Subsidies for Science and Technology Research; Iwatani Naoji Commemorative Award; Iwatani Scholarship for International Students

The Iwatani Subsidies for Science and Technology Research provide research grants of up to 2 million yen per project for outstanding research projects involving energy and the environment. In FY2022, this program awarded a total of 142.11 million yen to 72 projects. The cumulative total through FY2022 was 2,191.47 million yen, awarded to 1,094 recipients. The Iwatani Naoji Commemorative Award honors outstanding achievements in research and development on energy and the environment. This award consists of a commemorative certificate, a medal, and an additional prize of 5 million yen. Through now, it has presented a total of 110 million yen to 47 winners. The Iwatani Scholarship for International Students, a program providing financial support to self-financed graduate students from East Asia and Southeast Asia enrolled in programs in the natural sciences, awarded a scholarship of 1.8 million yen per year to each of 14 students. To date, this program has provided 498 students with a cumulative total of 947.04 million yen in scholarships.



Recipients of the 49th Iwatani Subsidies for Science and Technology Research

Athletics Club

Established in April 2017, the Iwatani Athletics Club welcomed head coach Hisakazu Hirose, who has trained numerous long-distance runners over the years. In January 2019, we welcomed Athens Olympic gold medalist Mizuki Noguchi as a Club advisor. In 2022, the Club took 7th place in the Princess Ekiden, the qualifying long-distance relay race for the All Japan Industrial Teams Women's Ekiden (Queen's Ekiden) for the second consecutive year. Team member Ayano Shiomi won the 800 m event, while Madoka Nakano took the fifth place in the 10,000 m event, in the Japan Association of Athletics Federations (JAAF) Athletics Championships. Ayano Shiomi was selected to represent Japan at the Asian Athletics Championships in 2023. Based on its cornerstone interests in contributing to society and communities through athletic activity and training efforts for some of Japan's leading athletes, the Club is working hard to achieve its goal of first place in the All Japan Industrial Teams Women's Ekiden.



Sponsoring the Japan International Birdman Rally

Since 2010, as a program to commemorate our 80th anniversary, we have sponsored the Japan International Birdman Rally, a contest to see which human-powered aircraft can fly the farthest. We support this contest as its concept coincides with our business goal of realizing a clean-energy society.



Hydrogen Awareness-Raising Activities

Our responsibilities include pioneering the future and passing on technologies for a new era to the next generation. Through courses about hydrogen energy held across Japan and experimentation using water electrolysis and miniature fuel-cell vehicles, we give children opportunities to experience clean hydrogen energy.



The Support Team for Your Community Helps Keep Communities Safe

Members of the Marui-Kai, an organization of LPG distributors belonging to Iwatani's nationwide LPG network, draw on their individual sales and distribution networks to carry out activities under the *Anata-no Machi-no Sapototai* (Support Team for Your Community) banner and to help keep their communities safe and secure. These activities include participation in programs such as the *Ugoku Kodomo 110-Ban* (Mobile Emergency Call Center for Kids) and *Kodomo 110-Ban no Mise* (Store Acting as Emergency Call Center for Kids) initiatives. Their goal is to contribute to the community by reporting and assisting lost children and exchanging greetings and communication with members of the community while engaging in LPG delivery and everyday business operations.



Relief Fund Aids Disaster-Affected Areas

In 2009, Iwatani and Saudi Arabia's national oil company Saudi Aramco established the Saudi Aramco-Iwatani Emergency LP Gas Relief Program, which provides free portable gas stoves and cassette gas canisters to locations affected by major natural disasters, as relief supplies. This fund has been mobilized eight times through now, in response to disasters such as the Great East Japan Earthquake and damage caused by the August 2021 typhoons, when Iwatani delivered portable gas stoves, cassette gas canisters, and Natural Mineral Water from Mt. Fuji in response to requests from local governments in the affected areas.



Relief supplies for areas affected by the July 2020 torrential downpours



Relief supplies for areas affected by the August 2021 typhoons

Financial Highlights

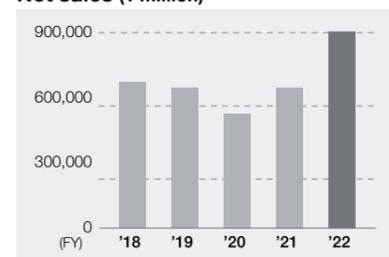
	FY2018	FY2019	FY2020 ^{*1}	FY2021 ^{*1}	FY2022 ^{*1}
Fiscal year					Million yen
Net sales	715,085	686,771	562,223	690,392	906,261
Gross profit	170,613	176,259	176,244	191,762	212,925
Operating profit	26,456	28,728	29,352	40,076	40,035
Ordinary profit	29,952	32,270	34,152	46,413	47,011
Profit before income taxes	29,438	32,197	34,755	45,943	47,322
Profit attributable to owners of parent	19,221	20,994	23,030	29,964	32,022
Comprehensive income	15,955	20,780	35,450	31,491	38,002
Investments ^{*2}	33,232	34,639	33,777	40,030	70,008
Depreciation ^{*3}	17,098	18,394	19,278	22,986	26,492
R&D expenses	2,428	2,494	2,261	1,917	2,056
Cash flow from operating activities	39,117	40,264	48,779	13,075	51,471
Cash flow from investing activities	(23,693)	(30,885)	(28,831)	(31,939)	(60,286)
Cash flow from financing activities	(13,614)	(3,587)	(7,052)	8,038	11,032
End of fiscal year					Million yen
Total assets	457,603	469,715	512,015	558,479	656,003
Fixed assets	259,768	265,942	289,905	299,008	352,814
Interest-bearing debt	126,359	126,577	96,161	111,160	139,454
Net interest-bearing debt	106,411	101,052	57,379	81,184	105,723
Net assets	173,986	191,152	253,586	280,307	312,230
Per-share data ^{*4}					Yen
Profit attributable to owners of parent	390.62	426.63	428.36	520.98	556.69
Shareholders' equity	3,361.91	3,703.65	4,245.33	4,696.56	5,249.53
Cash dividend applicable to the period	65	95 ^{*5}	75	85	95
Ratios					%
Operating profit to net sales	3.7	4.2	5.2	5.8	4.4
ROE	12.0	12.1	10.8	11.7	11.2
ROA	6.6	7.0	7.0	8.7	7.7
Equity ratio	36.1	38.8	47.7	48.4	46.0

*1: The Accounting Standard for Revenue Recognition and other accounting standards have been applied since FY2021. Figures shown for FY2020 have been restated through the retroactive application of these accounting standards.

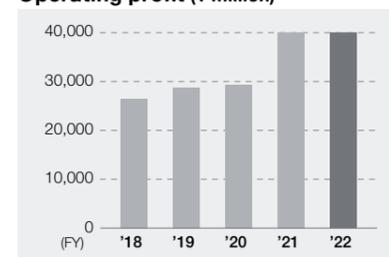
*2: Figures through FY2020 include property, plant and equipment, intangible assets (excluding goodwill), and investment securities. Figures since FY2021 include property, plant and equipment, intangible assets (including goodwill), and investment securities. *3: Figures since FY2021 include amortization of goodwill.

*4: Figures provided under per-share data reflect the effects of the reverse stock split (5:1) implemented in October 2017. *5: Includes commemorative dividend of ¥20.

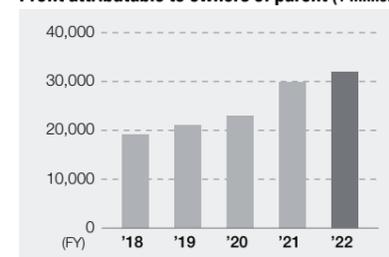
Net sales (¥ million)



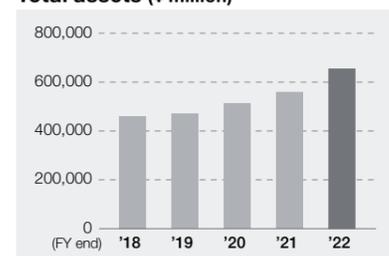
Operating profit (¥ million)



Profit attributable to owners of parent (¥ million)



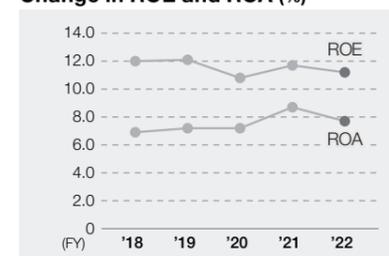
Total assets (¥ million)



Shareholders' equity (¥ million)



Change in ROE and ROA (%)



Company Data

(As of March 31, 2023)

Company Overview

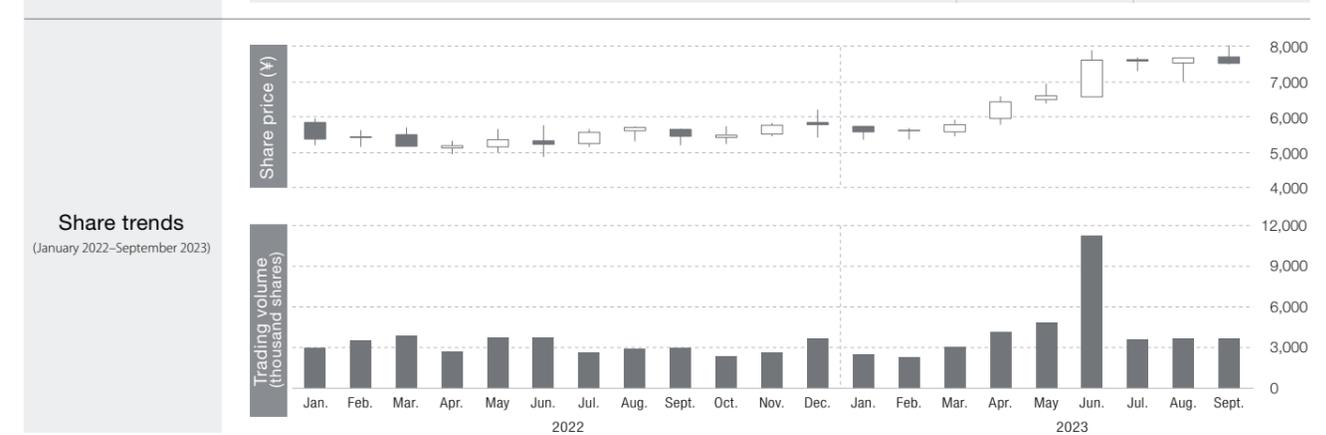
Name	Iwatani Corporation	Established	February 2, 1945
Head offices	Osaka Head Office 6-4, Hommachi 3-chome, Chuo-ku, Osaka 541-0053, Japan Tel: 81-6-7637-3131 Tokyo Head Office 21-8, Nishi-Shimbashi 3-chome, Minato-ku, Tokyo 105-8458, Japan Tel: 81-3-5405-5711		
Paid-in capital	35,096 million yen		
Business sites	50 (45 in Japan, five overseas)		
Employees	1,351	Consolidated employees	11,351
Fiscal year ends	March 31		
Domestic network	Head offices: two; block branches, branches: 43 Research and other facilities: Iwatani R&D Center, Iwatani Advanced Hydrogen Technology Center, Biwako Conference Center, Shiga Training Center		
Overseas network	Five representative offices, three holding companies, 26 trading-company subsidiaries, 38 operating companies		
Consolidated subsidiaries	106 companies		
Website	https://www.iwatani.co.jp/eng/		

Share information

Shares listed on	Prime Market, Tokyo Stock Exchange	Total shares issued and outstanding	57,579,463 shares (excluding 982,186 shares of treasury stock)
Shareholders' registry management agent	Mitsubishi UFJ Trust and Banking Corporation		

Distribution of shares by shareholder type	Total shares issued and outstanding (excluding treasury stock)			
	57,579,463 shares			
	Financial institutions 30.7%	Individuals and others 24.4%	Foreign corporations and others 22.7%	Other corporations 21.1%
				Securities firms 1.1%

Shareholder	Shares held (thousand)	Percentage of shares held ^{*1}
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,953	12.08
The Iwatani Naoji Foundation	4,132	7.18
Custody Bank of Japan, Ltd. (Trust Account)	2,527	4.39
Government of Norway	2,186	3.80
MUFG Bank, Ltd.	1,336	2.32
Resona Bank, Ltd.	1,177	2.05
Tetsu Iwatani Co., Ltd.	1,000	1.74
Iwatanisangyou Senyukai ^{*2}	933	1.62
Nippon Life Insurance Company	898	1.56
Iwatani Enyukai ^{*3}	786	1.37



*1: Shareholding ratios are calculated excluding treasury stock (982,186 shares).

*2: Iwatanisangyou Senyukai is Iwatani's employee stock ownership program.

*3: Iwatani Enyukai is a stock ownership program for companies engaged in long-term transaction relationships with Iwatani.

Iwatani

Iwatani Corporation

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Published in October 2023



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