

Iwatani

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

INTEGRATED REPORT 2024



Slogan

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

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 the business philosophy of our founder Naoji Iwatani. Inspired as an agricultural school student by Charles Darwin's ideas, he founded his philosophy based on the principle that only companies capable of evolving and adapting to the world around them can survive in the marketplace.

After revolutionizing home fuel sources and dramatically reducing the amount of work required of homemakers in the kitchen, our core LPG business today is popular among both consumers and industry as a clean energy source that can be relied on even in emergencies. Industrial gases, another core business, is a vital social infrastructure essential to industrial development, used in the manufacture of nearly all of the products we see around us. Hydrogen, for which our founder worked to develop a market from scratch since 1941, today is fast taking root in society beyond industrial applications as the ultimate energy source for a decarbonized society.

Countless social challenges remain to be solved, including environmental issues such as global warming. Iwatani continues striving to achieve a sustainable, cyclical, and decarbonized society by constantly creating and providing the innovations and solutions needed by society.

Contents

Introduction

- P.01 Corporate Philosophy
- P.02 Contents
- P.03 To Our Stakeholders
- P.04 Iwatani's History
- P.05 Message from the President

Value Creation Process

- P.10 Value Creation Process
- P.11 Value Creation Capital
- P.12 Key Issues for Realizing the Long-Term Vision (Materiality)

Medium-Term Management Plan

- P.15 Medium-Term Management Plan: PLAN27 (2023 to 2027)
- P.16 Capital Policies and Returns to Shareholders
- P.18 Hydrogen Strategies
- P.23 Carbon-Free Strategies
- P.25 Domestic Energy & Service Strategies
- P.27 Overseas Strategies

ESG

- P.30 Climate Change Response
- P.33 Promoting Environmental Management
- P.34 Human Resource Strategy
- P.37 Supply Chain Management and Human Rights
- P.38 Health and Productivity Management and Occupational Health and Safety
- P.39 Technology Strategy
- P.42 Safety and Security Initiatives
- P.43 Social Contribution Activities
- P.45 Corporate Governance
- P.47 Messages from Outside Member of the Board
- P.48 Executive Officers
- P.52 IR Activities

Business Segment Strategies

- P.54 Three Business Fields
- P.56 Integrated Energy Business
- P.60 Industrial Gases & Machinery Business
- P.64 Materials Business

Data

- P.69 ESG Data
- P.71 Financial Highlights
- P.72 Company Data

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, 2023 through March 31, 2024, the Group fiscal year. Some information also refers to events before and after this period.

Published September 2024

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.

To Our Stakeholders

Contributing to Society as a Trusted Company by Creating New Value



Chairman and CEO

President

Akiji Makino Hiroshi Majima

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. 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. The 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.

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.

Iwatani's History

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

The gas and energy businesses enrich our lives, support social progress, and lay a path to an enriched future. LPG, portable gas cooking stoves, helium, and hydrogen are examples.

As one of the first to identify the need for and the possibilities of gas and other energy sources, Iwatani has established stable supply networks and developed new products and technologies for using gas and other energy sources.

We will continue to make significant strides toward the future by ceaselessly pursuing the challenges of innovation to meet the world's needs, chiefly in the areas of gas and energy.

1930

Iwatani Naoji Shoten founded



1953

Marui Propane introduced



1969

Cassette-Feu (a hose-free portable cooking stove) introduced



1997

Acquired our first mineral sands operator in Australia



2013

First procurement of helium from Qatar



2019

Start of hydrogen-refueling station operations in the United States



2022

Feasibility testing of the world's first sea transport and loading/unloading of liquid hydrogen between Australia and Japan



Courtesy: HySTRA

1945

Iwatani Corporation established



1958

Osaka Hydrogen Industries Co., Ltd. (now Iwatani Industrial Gases Corporation) established



1980

Sakai LPG Import Terminal completed



2006

Hydro Edge Co., Ltd. commences operating Japan's largest liquid hydrogen production plant.



2014

Iwatani Hydrogen Refueling Station Amagasaki, Japan's first commercial hydrogen-refueling station, opens.



2021

Iwatani GateWay service introduced



The graph depicts the trend in net sales.

Launching Japan's first sales of propane gas for household use

In the past, the job of a homemaker was highly laborious, involving bringing firewood to the stove and dealing with soot and smoke. In 1953, Iwatani became the first company to make propane gas available for household use in the Japan market, based on our founder Naoji Iwatani's idea that increased use of propane would free homemakers from soot. With the completion of the Sakai LPG Import Terminal in 1980, our first import terminal, we secured the rights to import LPG and established a position as a leading supplier in the industry.

From a hydrogen pioneer to a leading supplier of hydrogen

Our first encounter with hydrogen took place in 1941, when we began supplying the gas to take advantage of surplus hydrogen produced in factories. We began supplying liquid hydrogen for use in rocket fuel in 1978 as a new energy application beyond its traditional industrial uses. In 2006, Hydro Edge, one of the world's largest liquid hydrogen production plants, began operating. Since then, we've made steady contributions to establishing a hydrogen energy-based society, including opening more than 50 hydrogen-refueling stations and constructing supply chains for CO₂-free hydrogen.

Message from the President

President **Hiroshi Majima**



In front of a model of the hydrogen fuel cell ship *Mahoroba*

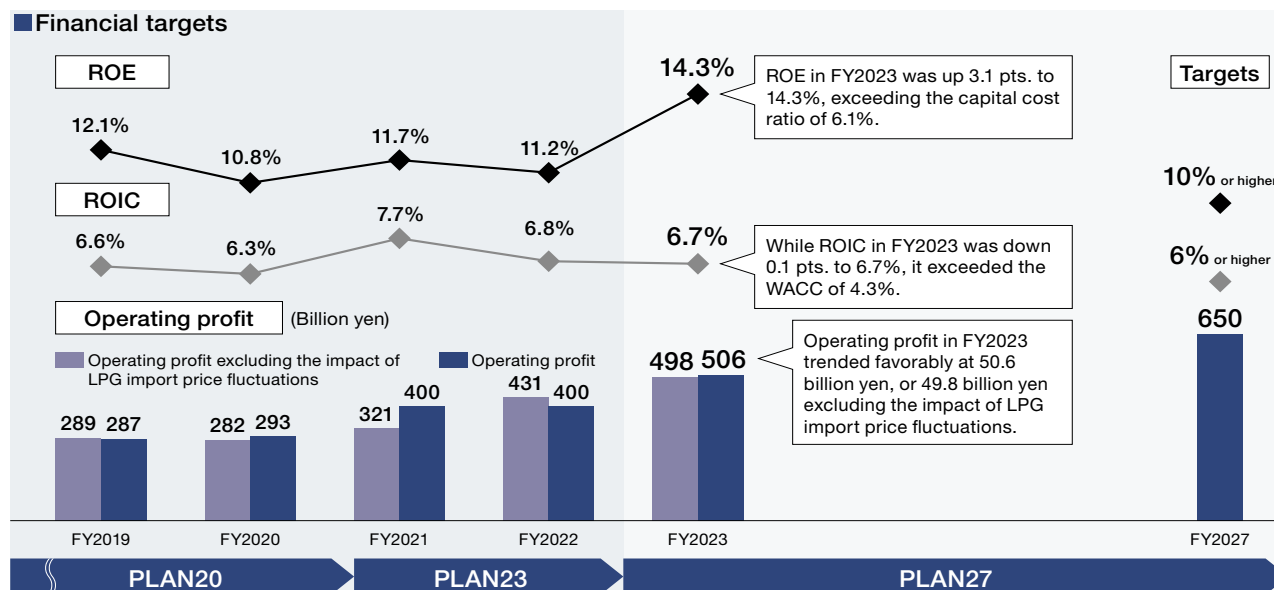
Continuing to help create a more comfortable space on the Earth through steady investments in growth and business expansion toward the goals of the PLAN27 medium-term management plan

FY2023 results: operating profit, ordinary profit, and net income reach new record highs

While our net sales in FY2023 fell for various reasons, including lower LPG import prices than in the previous year, lower selling prices, and declining sales of rechargeable battery materials for use in next-generation vehicles, operating profit reached a new record high due to the progress of the Industrial Gases & Machinery Business's efforts since the previous year in addressing rising production costs, as well as improvements from the previous year in LPG market conditions. Other factors included the recording as non-operating expenses (income) of gain on negative goodwill from making Cosmo Energy Holdings Co., Ltd. an equity method affiliate. Both ordinary profit and net income reached record highs for the ninth consecutive year.

Under the PLAN27 medium-term management plan announced in June 2023, we are currently targeting the following financial targets: ROE of 10% or more; ROIC of 6% or more; and operating profit of 65 billion yen by FY2027. In FY2023, ROE was 14.3% and ROIC was 6.7%, both exceeding the cost of capital. Operating profit for the year was 50.6 billion yen as we got off to a promising start toward the medium-term management plan's target.

Our policy for the five-year period of PLAN27 is to advance investments in medium- to long-term growth in the hydrogen business and in other fields while actively investing in businesses that drive immediate revenues. We will continue to enhance the initiatives called for in PLAN27 while investing in future earnings.



Promoting a carbon-free society and creating new synergies through a business alliance with Cosmo Energy Holdings Co., Ltd.

In December 2023 and March 2024, we acquired shares of stock in Cosmo Energy Holdings Co., Ltd., making it an equity method affiliate.

We have a long transaction history with Cosmo Energy Holdings, including in the procurement of LPG, kerosene, and other resources in the energy field and purchases of raw materials for carbon dioxide in the industrial gases field. In March 2022, we concluded a basic agreement with Cosmo Energy Holdings to study partnering in the hydrogen business. Since then, we have advanced joint activities, such as joint ventures in the businesses of hydrogen-refueling stations and engineering. This stock acquisition reflects our conviction that the two companies will create new synergies and increase the corporate value of each company by deepening these joint efforts while combining the management resources and expertise of each company.

On April 23, 2024, the two companies concluded a business alliance agreement. The joint venture promotion committees established in both companies are currently discussing the

details of this business alliance, which will focus on the areas of initiatives to realize a carbon-free society and strengthening relationships in existing business fields. In the area of hydrogen energy, in addition to existing cooperative relations, we're considering leveraging the Cosmo Energy Group's service station network to grow our network of hydrogen-refueling stations. We're also building hydrogen supply networks to make the most of the business resources of both companies, including expertise and infrastructure, in the hydrogen business.

In the LPG business, we already have a transaction relationship with Gyxis Corporation, in which Cosmo Energy Holdings is an investor. Discussions are planned on topics such as the courses of action that the LPG business should target. In the industrial gases business, while procuring raw materials for carbon dioxide from Cosmo Oil Co., Ltd., we will study investments with an eye on enhancing procurement capabilities for such materials in response to their shortage in Japan due to factors such as the closing of petroleum plants. In the materials business, we

import and sell materials such as lithium and cobalt. Additionally, Cosmo Energy Exploration & Production Co., Ltd. is considering lithium-related businesses in North America. We will seek out opportunities for joint efforts across a broad range of fields.

This acquisition of shares in Cosmo Energy Holdings is our largest investment ever, and the capital markets, also appear to be paying close attention to the possible consequences. We see it as an opportunity for growth, and our goal will be to reap the results of the business joint venture quickly through close discussions between the two partners.



Filling ceremony at the Iwatani Cosmo Hydrogen Refueling Station in Heiwajima
From left: President Yamada of Cosmo Energy Holdings, President Majima, Director-General Murase of the Agency for Natural Resources and Energy

Promoting initiatives in the areas of manufacturing, transport, and use, to realize a hydrogen energy-based society

In May 2024, the Japanese government passed the Hydrogen Society Promotion Act^{*1}, under which the government will cover the price differential between existing energy sources and hydrogen. The key points of this act include the requirement to propose schemes that involve not just producers but also consumers, and meeting the deadline of starting supply by 2030.

^{*1}: Hydrogen Society Promotion Act: Act intended to promote the supply and use of resources such as low-carbon hydrogen (i.e., hydrogen produced through methods that generate lower CO₂ emissions than traditional methods) to facilitate the transition to a low-carbon growth economy. Under this act, the Japanese government will make up the price differential vs. existing fuels for authorized corporate business plans for hydrogen production and imports. The Ministry of Economy, Trade and Industry is accepting applications from companies and is to approve one project before the end of the year.

This law defines as low-carbon hydrogen any hydrogen produced with approximately 70% less CO₂ emissions than grey hydrogen. It requires all hydrogen produced or imported to be low-carbon hydrogen.

Grey hydrogen refers to hydrogen produced from fossil fuels. Grey hydrogen produced without emitting CO₂ into the atmosphere, through means such as underground immobilization of CO₂ from the production process, is called blue hydrogen, while hydrogen produced using renewable energy without emitting any CO₂ during the production process is called green hydrogen. In this way, hydrogen is color-coded by its production process. To procure low-carbon hydrogen, Iwatani is engaged in a project to build a CO₂-free hydrogen supply chain. We're studying ways to produce green hydrogen through electrolysis of water powered by renewable energy, chiefly solar power, in Queensland, Australia. In addition, our feasibility studies on commercial imports of large volumes of low-cost liquid hydrogen from overseas has been approved for funding from the Japanese government's Green Innovation Fund. We are currently revising the basic design in preparation for a final investment decision.



We're also moving forward, in cooperation with other firms, to develop the machinery needed to build hydrogen supply systems. Joint efforts are currently underway with Sumitomo Precision Products Co., Ltd. to develop large-scale liquid hydrogen vaporizers and with Mitsubishi Heavy Industries, Ltd. to develop liquid hydrogen pressurizing pumps. A joint research and development project with Toyo Kanetsu K.K. on large-scale liquid hydrogen storage tanks has been chosen to receive a NEDO subsidy. We expect supply of hydrogen from overseas sources to begin around 2030. We're also striving to meet growing demand for decarbonization by enhancing the domestic supply capacity. We currently operate three liquid hydrogen plants in Japan, with a further plant under consideration. We're currently planning to open a plant that will produce hydrogen from plastic waste, which is currently incinerated without recycling. This will lead to hydrogen production with greater reduction in greenhouse gas emissions than through natural gas reforming.

To date, we have focused on developing hydrogen-refueling stations for passenger fuel cell vehicles (FCVs). Now, in Tokyo and other locations, we're developing hydrogen-refueling stations for commercial vehicles in response to expectations for the growing adoption of fuel cell trucks and buses. On April 8, 2024, Iwatani Cosmo Hydrogen Station LLC, a joint venture with Cosmo Energy Holdings, opened its first hydrogen-refueling station in Tokyo's Heiwajima.

The first hydrogen-refueling station opened inside a truck terminal in Japan, and can quickly supply the large volumes of hydrogen needed by large commercial vehicles like fuel cell trucks and buses. We plan to continue developing refueling stations in accordance with future production plans for commercial vehicles and prefectural plans.

We don't just operate hydrogen-refueling stations—we are also hydrogen users. We've begun adopting and using fuel cell trucks and are the first in the industry to have begun using them to deliver cylinders of LPG and industrial gases, in Tokyo and Fukushima Prefecture. We plan additional adoption in the future, while also promoting efforts to reduce CO₂ emissions in the supply chain.

With an eye toward growing applications in the mobility field as well, we will operate Japan's first hydrogen fuel cell ship at Expo 2025 Osaka, Kansai, Japan. This fuel cell ship, currently under construction, will carry some 150 passengers. Its name, *Mahoroba*, comes from an old Japanese phrase meaning *a nice place to live*. We plan to begin test operations during 2024 as we

prepare to operate the ship from April 2025.

Not only will the ship emit no CO₂ emissions during operations, this fuel cell ship will provide comfortable passage free of odors, noise, and vibration. International conferences, seminars, ceremonies, and other activities related to hydrogen are also planned to take place during Expo 2025. With the world's eyes focused on Osaka, we plan to take every step to ensure that this ship can demonstrate the full potential and appeal of hydrogen by capitalizing on its potential as a mobile pavilion.

Promoting non-financial strategies to support sustainable growth: Climate change, human resources, technology

With nonfinancial information drawing increasing attention in assessing corporate long-term growth potential and sustainability, PLAN27 identifies non-financial strategies as a priority issue. We're moving forward with initiatives in the areas of addressing climate change, human resource strategy, and technology strategy in particular.

To address climate change, we've assessed risks and opportunities under individual scenarios and disclosed results of analysis through considering the business impacts of climate change under the Task Force on Climate-related Financial Disclosures (TCFD) framework.

We plan to reduce Group CO₂ emissions in Japan by 50% vs. the FY2019 level by FY2030. However, around 80% of the Iwatani Group's CO₂ emissions in Japan come from industrial gas production plants. Greater production volumes will increase emissions. For this reason, in addition to promoting measures to reduce use of electricity during gas production, we're pursuing various other initiatives, including the installation of solar panels at plants and the purchase of green electricity for office use.

▶ Climate Change [⇒ P.30]

Turning to our human resource strategy and technology strategy, we recognize that human resources represent the source of continuous value creation. Accordingly, we are striving to be an organization in which each and every employee can grow and thrive. Amid the increasing diversity of individual values, the workstyles employees seek out have evolved in recent years. We see the need to develop an environment in which employees can build their own careers autonomously. As opportunities for employees to acquire knowledge, we offer systematic training programs focusing on the development of human resources for digital transformation (DX), as well as the internal Iwatani Technology and Safety University, where courses are taught by visiting lecturers from the public and private sectors. We're considering technological development in partnership with universities to further strengthen our technological capabilities. We will seek to promote the exchange of technologies and human resources in various ways, including joint research with students in doctorate and other programs who have an interest in the subjects of our research and opportunities for employees to study at university.

A new training center is scheduled to be completed in Kobe, Hyogo Prefecture, in October 2024, as part of our continuing

efforts to emphasize HR development.

At the same time, employees need to feel a sense of psychological stability within an organization in order to demonstrate their abilities to the fullest. As a first step toward this goal, we undertook an engagement survey of employees to gauge their expectations and satisfaction and to better visualize the current state of the organization. We will strive to achieve a highly productive organization in which employees can work with a strong sense of motivation, based on an understanding among management and employees alike of what can be done to improve the organizational culture and by taking action accordingly.

▶ Human Resource Strategy [→ P.34]

Actively investing in growth and increasing dividends steadily with growth in earnings

The basic concept of capital allocation identified in PLAN27 calls for investments that target sustained growth, including the development of a CO₂-free hydrogen supply chain, by raising funds through bonds and borrowing from financial institutions,

in addition to the cash flow generated from operations over the course of the years covered by the plan. Internationally, in FY2023, in addition to mergers and acquisitions involving LPG retail and metalworking businesses in Japan, we built and expanded industrial gas production facilities, grew the CFC business, and expanded resource concessions in the materials business, all intended to be investments that grow earnings and contribute to the next stage of growth.

Our policy on returns to shareholders calls for a payout ratio of 20% or higher in FY2027, alongside progressive dividends that do not decrease. In FY2023, we paid dividends of 130 yen, up 35 yen from the previous year. Our payout ratio was 15.8%.

Beginning in FY2024, we also plan to pay dividends that reflect the effects on profit of making Cosmo Energy Holdings an equity method affiliate. We will continue to provide steady returns to our shareholders in ways that reflect profit growth.

▶ Capital Policies and Returns to Shareholders [→ P.16]

Steady and dramatic progress with all stakeholders toward the 100th anniversary of our founding

Our long-term vision for 2030, the 100th anniversary of our founding, is to operate as a corporate group that continues to contribute to the creation of a more comfortable space on the Earth. The period covered by PLAN27 is an important time in which we will advance the strategies to achieve this long-term vision.

We got off to a strong start in FY2023, the first year of PLAN27. To maintain this progress, it will be vital to fulfill our corporate responsibilities while engaging in businesses needed by society, based on our corporate philosophy: Become a person needed by society, as those needed by society can prosper. We will continue to make investments that lead to growth and strive toward sustained growth in corporate value through businesses that seek to deliver solutions to society's challenges.

We are grateful for the continuing understanding and support of our stakeholders.

September 2024
President

Kiroshi Majima



Value Creation Process

Contents

P.10 Value Creation Process

P.11 Value Creation Capital

P.12 Key Issues for Realizing the Long-Term Vision

Value Creation Process

ENVIRONMENT

Business Environment



Resources and Energy

- Securing stable supplies of resources and energy
- Growing geopolitical risks



Environment

- Measures against climate change and natural disasters
- Transition to carbon-free society



Society

- Responses to depopulation and aging society
- Diversification of consumer values
- Growing demand for social sustainability

INPUT

Management Capital

Financial Capital

- Total assets **¥834.3 billion**
- Equity ratio **43.4%**

Manufacturing Capital

- Nationwide LPG and industrial gas networks to realize stable supplies

Intellectual Capital

- Technological development capabilities at the Iwatani R&D Center and the Iwatani Advanced Hydrogen Technology Center
- Gas and energy handling technologies and advanced safety structures

Human Capital

- Consolidated number of employees: **11,332**
- Promoting diversity and inclusion
- Certified and specialized human resources supporting manufacturing and safety
- HR development systems to achieve continuing growth for employees

Social and Relationship Capital

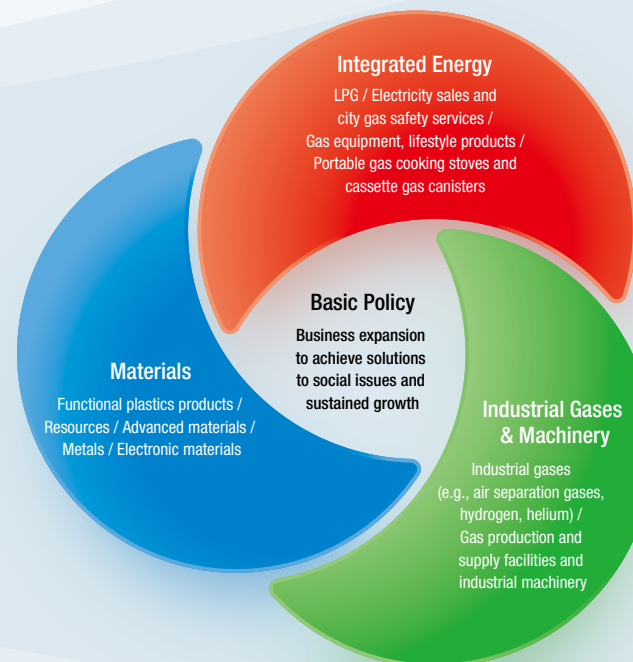
- Nationwide customer base in the LPG business
- Strong LPG and industrial gas dealership networks
- Strong relationships with overseas suppliers
- Hydrogen business alliances

Natural Capital

- Energy use in Japan (total converted to caloric value): **1,736 TJ**

BUSINESS MODEL

Business Activities



Iwatani Code of Corporate Ethics

The Iwatani Group Environmental Charter

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

OUTPUT/OUTCOME

Business Results, Value Provided to Stakeholders

Long-term vision: **Creation of a more comfortable space on the Earth**

Development of a CO₂-free hydrogen supply chain

Promotion of a resource-circulating society

Provision of infrastructure and services that support local communities

Enhancement of the management foundations to promote sustained growth

Shareholders

Operating profit (excluding the impact of LPG import price fluctuations)
¥49.8 billion

ROE
14.3%

ROIC
6.7%

Payout ratio
15.8%

Employees

Iwatani nonconsolidated

Ratio of female managers
6.9%

Annual training costs per employee
¥118,000

Percentage of childcare leave taken by male employees
55.9%

Customers, Suppliers

LPG wholesale/retail market share in Japan
No. 1

Hydrogen market share in Japan (including liquid hydrogen)
Approx. 70%

Helium market share in Japan
Approx. 50%

Industry, Local Communities

Enhancing disaster resilience through improving Core LPG Centers
Providing services that contribute to social solutions

Global Environment

CO₂ emissions from business activities
Approx. 220,000 t

CO₂ emissions reductions in society through use of eco-friendly products (e.g., fuel conversion, hydrogen supply for FCVs, growth in PKS sales)
Approx. 750,000 t

* Figures are for FY2023, end of March 2024.

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.

 <p>Financial Capital</p>	<p>Sound financial foundations to enable proactive investment in growth</p> <ul style="list-style-type: none"> ● Sustained earning ability and steady enhancements in financial foundations ● Utilizing interest-bearing debt in active investment ● Maintaining an external credit rating of A 	<ul style="list-style-type: none"> ● Total assets ¥834.3 billion ● Operating profit ¥49.8 billion (excluding the impact of LPG import price fluctuations) ● Equity ratio 43.4% ● Net D/E ratio 0.60 ● External financial rating A+ (Japan Credit Rating Agency)
 <p>Manufacturing Capital</p>	<p>LPG and industrial gases networks to realize stable supply</p> <ul style="list-style-type: none"> ● Stable supply structures utilizing extensive internal and external networks ● LPG business: Import, filling, and transport facilities nationwide ● Industrial gases business: Domestic and international supply chains 	<ul style="list-style-type: none"> ● LPG sites (As of May 31, 2024) Import terminals 5 sites / Pressurized terminals (LPG terminals) 2 sites Filling stations 108 sites / Core LPG Centers* included above 61 sites <small>* Core LPG Centers: Disaster-resistant centers equipped with seismic retrofitting, emergency power generators, and other improvements</small> ● Industrial gas sites Industrial gas centers 21 sites / Hydrogen plants 11 sites / Air-separation plants 9 sites Japan Helium centers 2 sites / Liquefied carbon dioxide plants, etc. 6 sites Overseas sites 11 sites ● Hydrogen-refueling stations Japan 51 sites / Overseas 8 sites
 <p>Intellectual Capital</p>	<p>Technological development facilities to support our businesses; Gas and Energy handling technologies built up over the years</p> <ul style="list-style-type: none"> ● Technological strengths amassed by the Iwatani R&D Center over the years in gas and energy fields ● R&D to realize a carbon-free society, advanced by the Iwatani Advanced Hydrogen Technology Center 	<ul style="list-style-type: none"> ● Joint R&D projects with national projects and public research institutes 9 projects in total ● Center visitors 5,350 persons from 1,397 companies
 <p>Human Capital</p>	<p>Diverse human resources capable of tackling the challenges of creating new value; specialized human resources to support sustained growth</p> <ul style="list-style-type: none"> ● Maintaining an environment in which diverse human resources can demonstrate their abilities to the fullest ● Providing various training programs to support individual growth 	<ul style="list-style-type: none"> ● Consolidated number of employees 11,332 ● Ratio of female new graduates in career track 16.3% (FY2024 [nonconsolidated]) ● Investment in HR development Approx. ¥150 million/year ● Certified and specialized human resources supporting manufacturing and safety High-pressure gas production safety managers: 896 High-pressure gas sales managers: 325
 <p>Social and Relationship Capital</p>	<p>Bonds of trust with customers and trading partners serving as the foundation for growth</p> <ul style="list-style-type: none"> ● Dealership network to deliver value nationwide ● Enhancing relationships with suppliers essential to creating new value and ensuring stable supply 	<ul style="list-style-type: none"> ● LPG customers Wholesale customers: 3.3 million households Direct sales customers included above: 1.11 million households ● Strong ties to dealerships Marui-Kai members*1: 1,400 Iwatani-Kai members*2 184 <small>*1 LPG dealership network *2 Industrial gases dealership network</small>
 <p>Natural Capital</p>	<p>Efforts to achieve a carbon-free society</p> <ul style="list-style-type: none"> ● Decarbonization of business activities ● Providing products and services to decarbonize customer business activities 	<ul style="list-style-type: none"> ● Contributions to CO₂ emissions reductions CO₂ emissions from business activities: approx. 220 thousand tons CO₂ reductions in society through environmental products: approx. 750 thousand tons

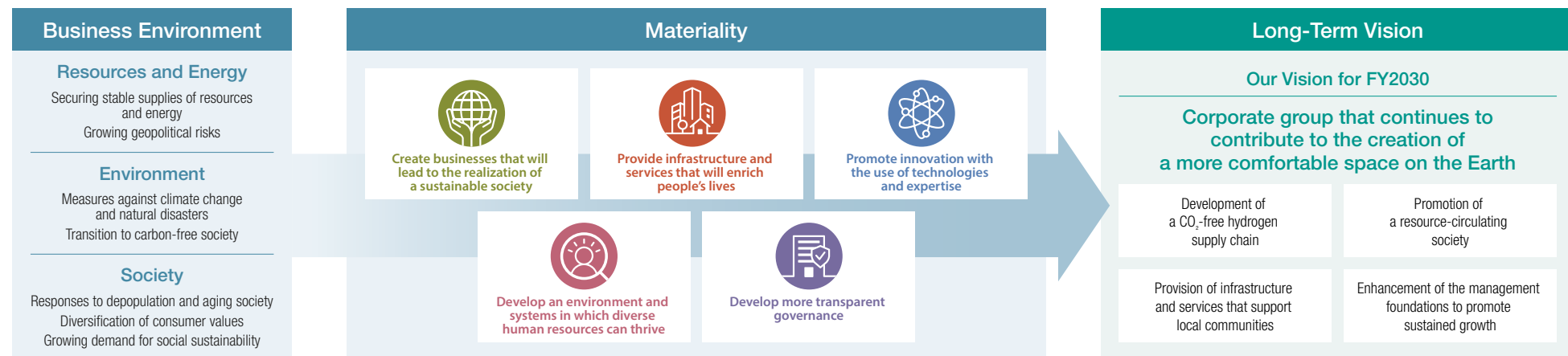
* Figures are for FY2023, end of March 2024.

Key Issues for Realizing the Long-Term Vision (Materiality)

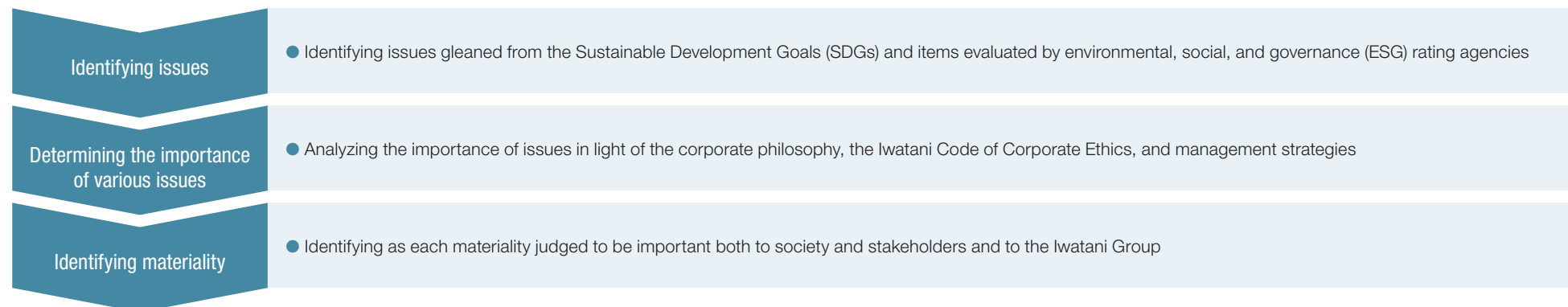
Materiality Topics

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.

We have also identified materiality topics as key issues for realizing the Long-Term Vision.




























Materiality Identification Process



Key Issues for Realizing the Long-Term Vision (Materiality)

The medium-term management plan, PLAN27, establishes five priority measures based on the five identified materiality topics. We will make progress on addressing the materiality topics by achieving the priority measures and targets of PLAN27.

Materiality	Related SDGs	Related Priority Measures
 <p>Create businesses that will lead to the realization of a sustainable society</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"> Hydrogen Strategies [→ P.18] Carbon-Free Strategies [→ P.23] Overseas Strategies [→ P.27] Climate Change Response (non-financial strategies) [→ P.30]
 <p>Provide infrastructure and services that will enrich people's lives</p> <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"> Domestic Energy & Service Strategies [→ P.25] Overseas Strategies [→ P.27]
 <p>Promote innovation with the use of technologies and expertise</p> <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"> Hydrogen Strategies [→ P.18] Carbon-Free Strategies [→ P.23] Technology Strategy (non-financial strategies) [→ P.39]
 <p>Develop an environment and systems in which diverse human resources can thrive</p> <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"> Human Resource Strategy (non-financial strategies) [→ P.34]
 <p>Develop more transparent governance</p> <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 	 	<ul style="list-style-type: none"> Corporate Governance [→ P.45] Messages from Outside Member of the Board [→ P.47] IR Activities [→ P.52]

Medium-Term Management Plan

Contents

- P.15 Medium-Term Management Plan:
PLAN27 (2023 to 2027)
- P.16 Capital Policies and Returns to Shareholders
- P.18 Hydrogen Strategies
- P.23 Carbon-Free Strategies
- P.25 Domestic Energy & Service Strategies
- P.27 Overseas Strategies

Medium-Term Management Plan: PLAN27 (2023 to 2027)

Theme

Establishing a hydrogen energy-based society

Basic Policy

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

Priority Measures

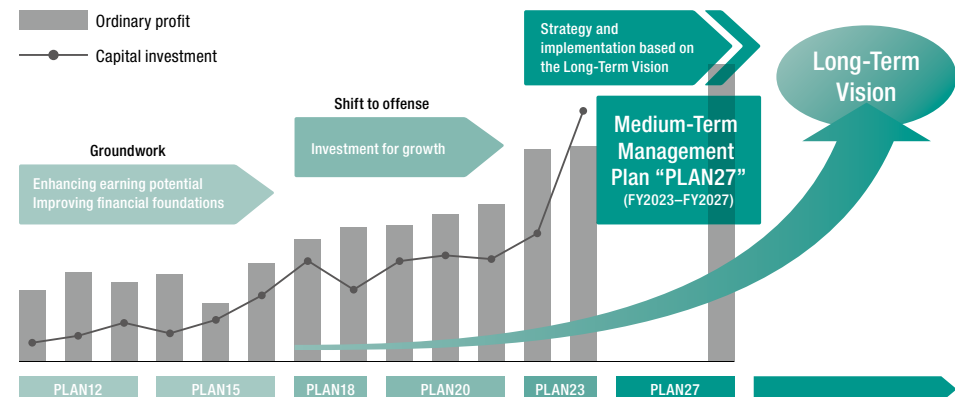
Hydrogen Strategies	<ul style="list-style-type: none"> Expand liquid hydrogen business that captures growing carbon-free-related demand → P.18 Develop CO²-free hydrogen supply chains
Carbon-free Strategies	<ul style="list-style-type: none"> Expand business by promoting low-/zero-carbon solutions business → P.23 Invest in the realization of a carbon-free society
Domestic Energy & Service Strategies	<ul style="list-style-type: none"> Expand market share and streamline distribution by utilizing LPG business infrastructure → P.25 Provide services that contribute to solving social issues of local communities
Overseas Strategies	<ul style="list-style-type: none"> Leverage strengths of individual segments to expand business in respective regions → P.27
Non-financial Strategies	<ul style="list-style-type: none"> Climate Change Response → P.30 Human Resource Strategy → P.34 Technology Strategy → P.39

Progress Toward Targets

	FY2022 results	FY2023 results	FY2027 targets
Operating profit [figures in brackets exclude the impact of LPG import price fluctuations]	¥40.0 billion [¥43.1 billion]	¥50.6 billion [¥49.8 billion]	¥65.0 billion
ROE	11.2%	14.3%	10% or higher
ROIC	6.8%	6.7%	6% or higher

Progress on and Positioning of the Medium-Term Management Plan

Since FY2000, based on our eight 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*¹ 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.

*¹ Excluding acquisition of additional shares of Cosmo Energy Holdings

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*²**

*² Based on net income excluding the impact of LPG import price fluctuations (FY2027 target)

Increase in cash flow from operations

- Stable cash generation based on steady growth of foundational businesses

Capital structure optimization

- Secure financial soundness and use financial leverage
- Secure financing capability by maintaining 'A' rating from external agencies
- Use interest-bearing debt with a cap of net DER 0.7

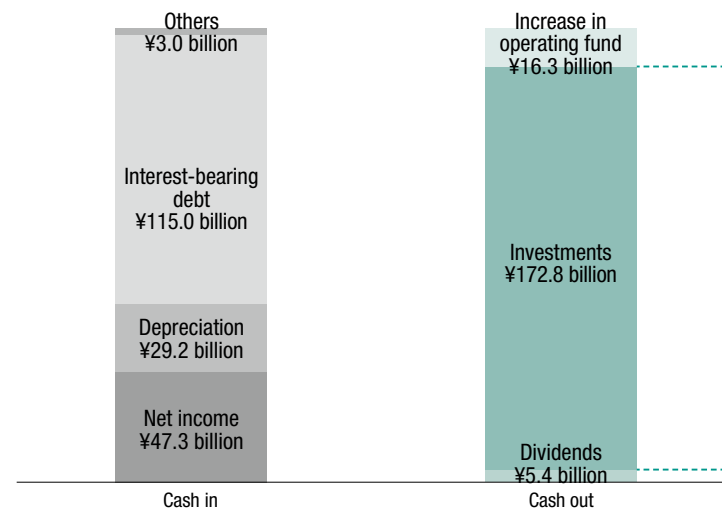
Promotion of growth investment & Improvement of profitability

- Proactive investment that will help expand profit
- Investment in development of liquid hydrogen supply chain
- Selection of investments that takes profitability into account

Returns to shareholders

- Increase dividends steadily in line with growth while securing investment capital

FY2023 Cash Allocation



Strategy	Investment	Details
Hydrogen Strategies	¥6.4 billion	-building hydrogen-refueling station -hydrogen-related equipment
Carbon-free Strategies	¥0.7 billion	-fuel cell and solar power generation equipment for in-house use
Domestic Energy & Services Strategies	¥1.2 billion	-M&A in retail business
Overseas Strategies	¥11.8 billion	-strengthening industrial gas production and supply in China, Stoutheast Asia, etc.
Foundational Businesses	¥141.7 billion	-acquisition of additional shares of Cosmo Energy HD
Maintenance/repairs	¥10.8 billion	-repairs of LPG related facilities
Total		Investment: ¥172.8 billion

Capital Policies and Returns to Shareholders

Perspective on Returns to Investors

Our basic policy on dividends of surplus calls for returns to shareholders through continuous, stable dividends while investing the surplus to support growth strategies, thereby maximizing corporate value and meeting the needs of shareholders.

The PLAN27 medium-term management plan calls for steady growth in dividends to reflect growth in profit, targeting a payout ratio of 20% or higher (based on net income excluding the impact of LPG import price fluctuations) by FY2027, the final year of the plan, based on payments of progressive dividends, without rollbacks.

In March 2024, Cosmo Energy Holdings was added to the scope of application of the equity method. As a result, we plan to pay dividends in the categories shown at right.

Dividend policy

① Net income excluding the effects on profits of making Cosmo Energy Holdings an equity method affiliate (unrelated to PLAN27)

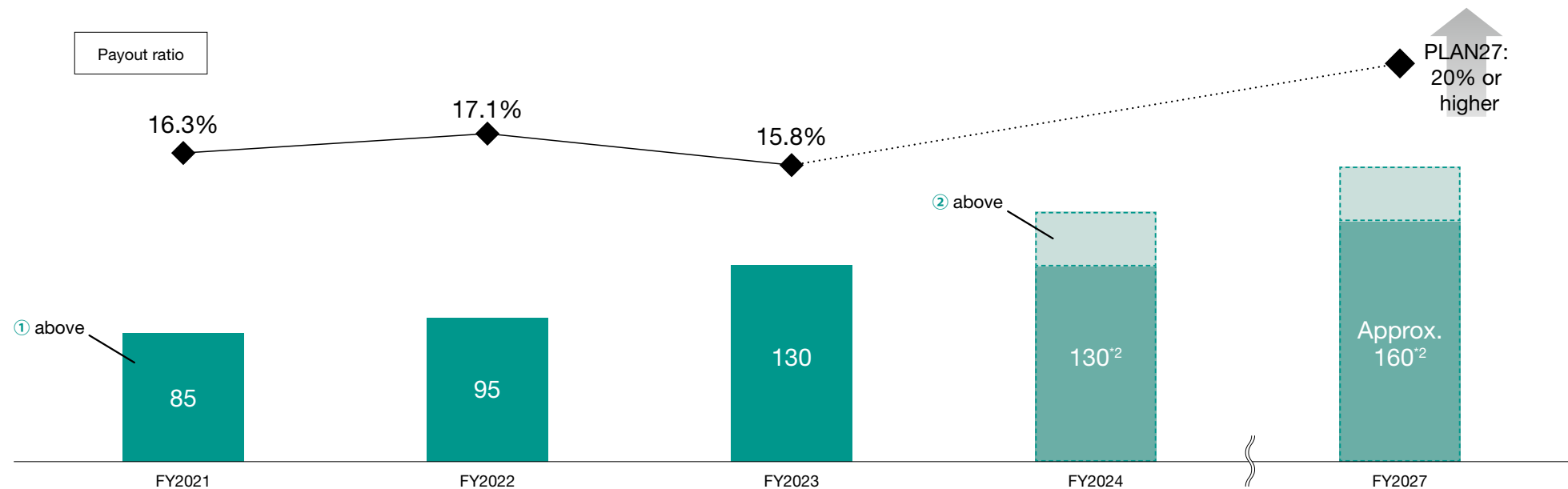
- Progressive dividends with a payout ratio of 20% or higher*

* Based on net income excluding the impact of LPG import price fluctuations FY2027 target

② Effects on profits of making Cosmo Energy Holdings an equity method affiliate

- Paying dividends of 20% of the net income of Cosmo Energy Holdings, excluding effects of inventory valuation, multiplied by our equity stake

Trend in Dividends per Share (¥) *1



*1 We plan to implement a four-for-one stock split on common stock with a basis date of September 30, 2024, and an effective date of October 1, 2024. Amounts shown predate this stock split.

*2 Excluding dividends on the effects on profits of making Cosmo Energy Holdings an equity method affiliate

Hydrogen Strategies

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



Manabu Tsuyoshi

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

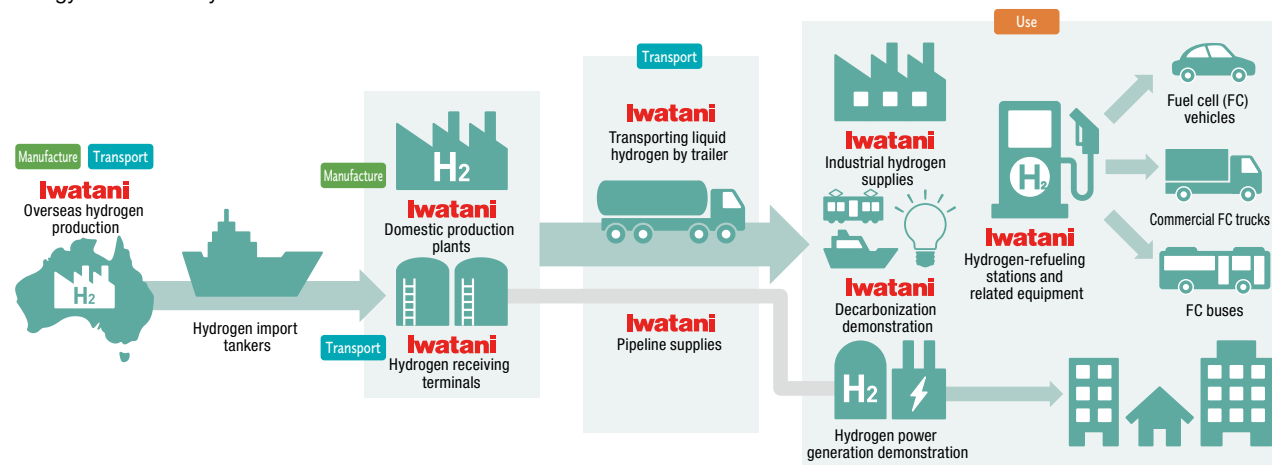
Establishing a Hydrogen Energy-Based Society

Hydrogen energy has come to be recognized as essential to environmental and climate initiatives. But establishing a hydrogen energy-based society will require the generation of demand as well as measures that ensure the stable supply of low-cost, low-carbon hydrogen. With this in mind, national and local governments have introduced various subsidy programs. In May 2024, the Japanese government passed the Hydrogen Society Promotion Act. This law seeks to realize stable supplies of large volumes of low-carbon hydrogen and other supplies to consumers at low cost through various measures, including government support that focuses on price differentials relative to other energy sources and support for facility development, with the government bridging the price differential and providing support for supply facilities, including receiving facilities and piping. Further, plans are underway to launch full-scale initiatives this year under the Liquefied Hydrogen Supply Chain Commercialization Demonstration Project in which we participate, which has been selected for funding from the Green Innovation Fund, with the year 2030 set for achievement of the project's goals.

By taking full advantage of the technologies for handling compressed and liquid hydrogen developed by us over many years, together with Japan's only liquid hydrogen supply network, we plan to deliver hydrogen to customers to build a hydrogen energy-based society. In this way, we are working to establish an integrated global supply chain, from upstream to downstream.

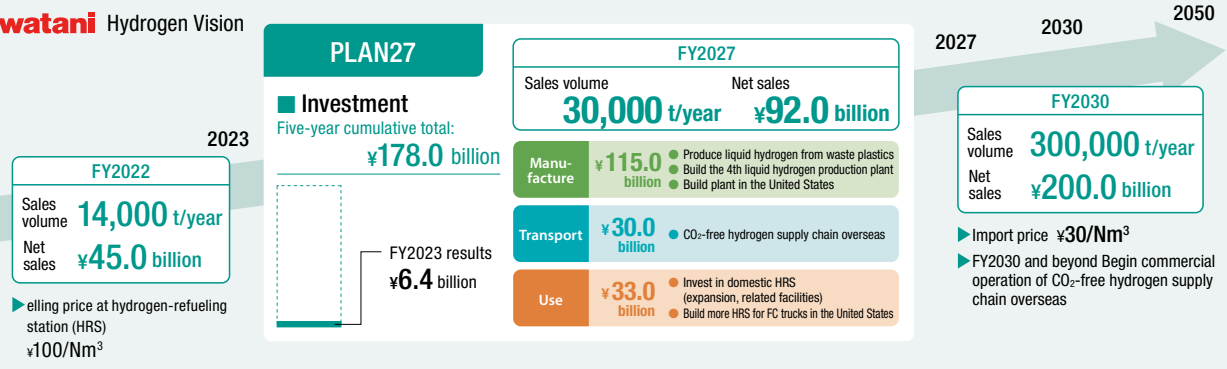
Basic Policy

We're promoting initiatives across the entire supply chain in the areas of manufacturing, transport, and use to help establish a hydrogen energy-based society.



Targets and Progress

Iwatani Hydrogen Vision



Hydrogen Strategies

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

Initiatives

Use

Accelerating the business alliance with Cosmo Energy Holdings

In March 2022, we concluded a basic agreement with Cosmo Energy Holdings to study joint efforts in the hydrogen business. In February 2023, we established Iwatani Cosmo Hydrogen Station LLC, a joint venture in the hydrogen-refueling station business, and in November 2023, we established Cosmo Iwatani Hydrogen Engineering LLC for joint work involving engineering for hydrogen-related projects. In these and other ways, we're enhancing cooperative ties within the hydrogen business.

On April 23, 2024, with energy demand evolving toward the goal of achieving carbon neutrality by 2050, we concluded a business alliance agreement with Cosmo Energy Holdings. The agreement will facilitate a smooth transition from fossil fuels to hydrogen and renewable energy. We will accelerate these joint efforts by bringing together the management resources and expertise of both companies.



Iwatani Cosmo Hydrogen Refueling Station Heiwajima

Growing the hydrogen-refueling station business

On September 15, 2023, we opened Japan's first hydrogen-refueling station in an expressway service area and parking area at the Ashigara Service Area (westbound) on the Tomei Expressway. On April 8, 2024, we opened Iwatani Cosmo Hydrogen Refueling Station Heiwajima for commercial vehicles. This hydrogen-refueling station, which is part of the Keihin Truck Terminal Heiwajima Service Station, is the first to open inside a truck terminal in Japan.

These efforts are intended to supply hydrogen to meet diverse needs, including those of commercial vehicles, in line with Japan's Basic Hydrogen Strategy, which was revised in June 2023. We operate 51 hydrogen-refueling stations (as of the end of March 2024) and will continue to develop refueling stations in accordance with future production plans for commercial vehicles and prefectural plans.



Iwatani Hydrogen Refueling Station Ashigara SA

Plan to operate a hydrogen fuel cell ship at Expo 2025 Osaka, Kansai, Japan

We're preparing to operate Japan's first hydrogen fuel cell ship at Expo 2025 Osaka, Kansai, Japan. Designed by world-famous car designer Takumi Yamamoto, this ship was named *Mahoroba*, from an old Japanese phrase meaning a nice place to live. Following the May 2024 launch ceremony, we plan to begin test operations during 2024 as we prepare for passenger operations. Unlike conventional craft powered by internal combustion engines, this eco-friendly hydrogen fuel cell ship will emit zero CO₂ emissions and other substances of concern. It will also provide a comfortable trip free of odors, noise, and vibration. We see the *Mahoroba* as a floating pavilion that will communicate the appeal of hydrogen energy to the world by transforming a short cruise into a special experience for visitors to Expo 2025 Osaka, Kansai.



Illustration of the *Mahoroba* hydrogen fuel cell ship

Hydrogen Strategies

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

Initiatives

Manufacture

Expanding domestic hydrogen production capacity

Domestic demand for hydrogen is expected to increase further for decarbonization applications in addition to conventional industrial uses in areas such as semiconductors, glass manufacture, and aerospace. To meet this demand, in addition to building a supply chain to import hydrogen produced overseas, we're making progress on expanding Japan's domestic hydrogen production capacity.

Currently, we operate three liquid hydrogen production facilities in Japan: in Osaka (Hydro Edge), Yamaguchi (Yamaguchi Liquid Hydrogen), and Chiba (the Chiba Plant of Iwatani Industrial Gases). We're also planning to open our fourth liquid hydrogen production plant, to expand this production capacity even further.

We will strive to build an even more stable supply structure to expand our hydrogen production capacity in response to growing domestic demand.

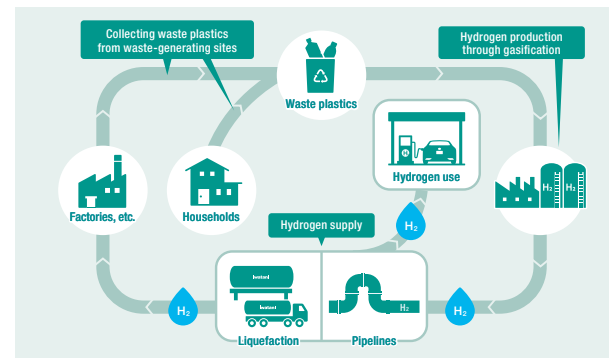


Hydro Edge liquid hydrogen production plant

Hydrogen production through waste plastic gasification

We're considering the construction of a plant to produce low-carbon hydrogen from waste plastic near the Port of Nagoya. In May 2023, in partnership with 26 local governments, universities, and other organizations including Toyota Tsusho Corporation and JGC Holdings Corporation, we formed the Study Group on Hydrogen Production through Waste Plastic Chemical Recycling and began studying how to efficiently collect plastic waste in each region. This initiative is aimed at establishing a large-scale plastic resource recycling system and an advanced hydrogen supply system based on local production and local consumption in the Chubu region of Japan, in accordance with the Plastic Resource Circulation Act enacted in April 2022.

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 establish a supply chain that contributes both to resource recycling and to low-carbon hydrogen production.



Supply chain model illustration

Efforts to procure large volumes of green hydrogen

Hydrogen is classified into grey, blue, and green hydrogen depending on the method of production. Green hydrogen is produced using renewable energy and generates no CO₂ emissions during production. Since 2021, we've 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) with four firms, one of which is Stanwell, a power company owned by the state. This project is intended to lead to stable, low-cost production and the eventual supply of green hydrogen.



Illustration of hydrogen production facility in Aldoga, Australia

Hydrogen Strategies

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

Initiatives

Manufacture

Transport

Liquefied Hydrogen Supply Chain Commercialization Demonstration Project covering all stages from production through receipt (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 large-scale hydrogen liquefaction and transport technologies. We test 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

● Project period

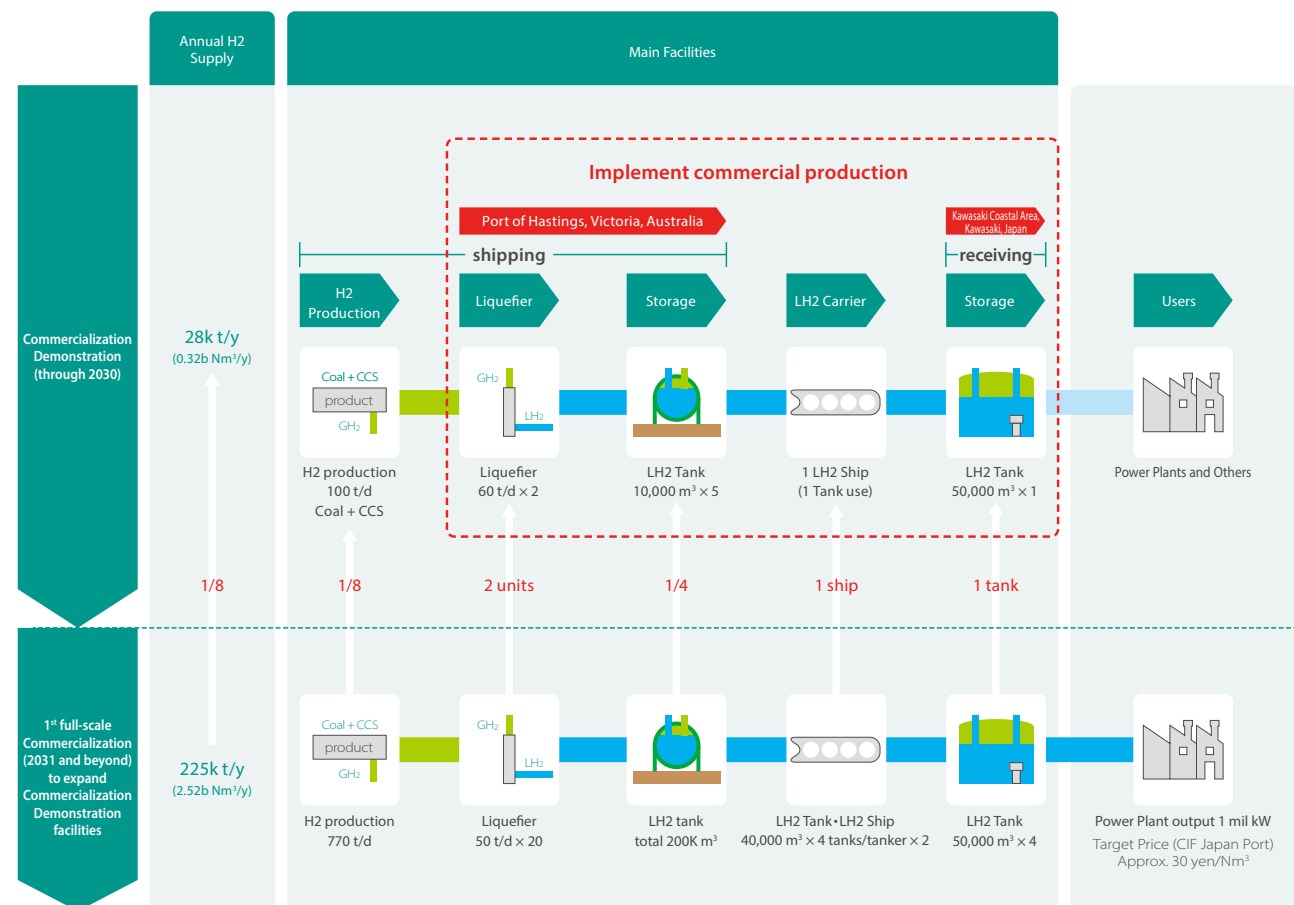
FY2021–2030 (ten years)

● Implementation structure

Japan Suiso Energy, Ltd. (core company)

Iwatani Corporation

ENEOS Corporation



Source: Japan Suiso Energy, Ltd. and others

Hydrogen Strategies

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

Initiatives

Enhancing manufacturing and engineering functions

To enhance the structures needed to achieve a stable supply and increase profitability, we are striving to strengthen our manufacturing and engineering functions. In April 2022, we made Tokico System Solutions, Ltd., which offers strengths in the development and construction of dispensers used at hydrogen-refueling stations, a wholly-owned subsidiary. In November 2023, we established Cosmo Iwatani Hydrogen Engineering LLC as a joint venture with Cosmo Engineering Co., Ltd., a member of the Cosmo Energy Holdings Group. The joint venture will leverage Cosmo Engineering's engineering technologies related to hydrogen facilities together with Iwatani's hydrogen supply knowhow, machinery, and equipment developed with partner firms, aimed at hydrogen projects related to large-scale hydrogen supply chains. Moving forward, we will help to establish a hydrogen energy-based society through synergies generated by sharing the technologies and knowledge accumulated by the partner companies in engineering and other fields related to hydrogen-refueling stations and engineering.



Dispensers provided by Tokico System Solutions, Ltd.

Participation in the Hydrogen Council

Composed of 138 leading companies (as of April 2024) from the energy, transport, and manufacturing sectors around the world, the Hydrogen Council is a global organization established in 2017 to formulate recommendations for hydrogen use and effective action plans through joint efforts with policymakers, hydrogen-using businesses, international organizations, and citizens groups in various countries. The Council seeks to provide value to society by encouraging sustainable economic growth and generating quality employment through hydrogen-based sustainability. In the years since 1941, when Iwatani entered the hydrogen business, we've grown to become a leader in Japan's hydrogen market, and now hold a 70% share. As a member of the Hydrogen Council's steering committee, Iwatani is active in efforts to expand the use of hydrogen in Japan to realize the vision of a hydrogen energy-based society.



Meeting of CEOs in the United States, June 2022 (Chairman Makino is fourth from left in the front row.)

Membership in the 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 431 companies and organizations as of April 2024, 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.



Inaugural meeting, December 2020 (Chairman Makino is fourth from left.)

Carbon-Free Strategies

Related Key Issues (Materiality)



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



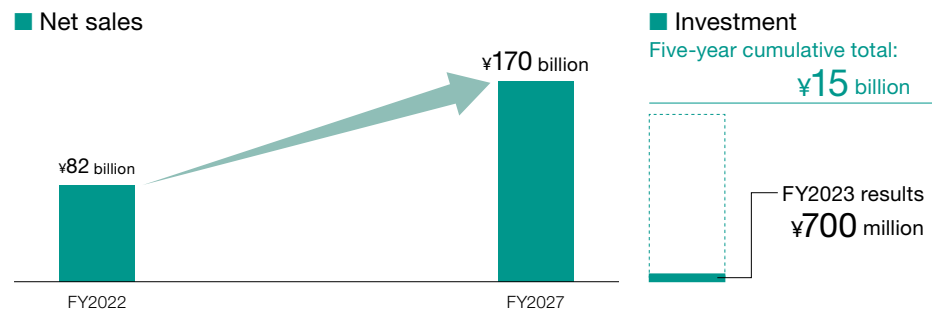
Promote innovation with the use of technologies and expertise

Basic Policy

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

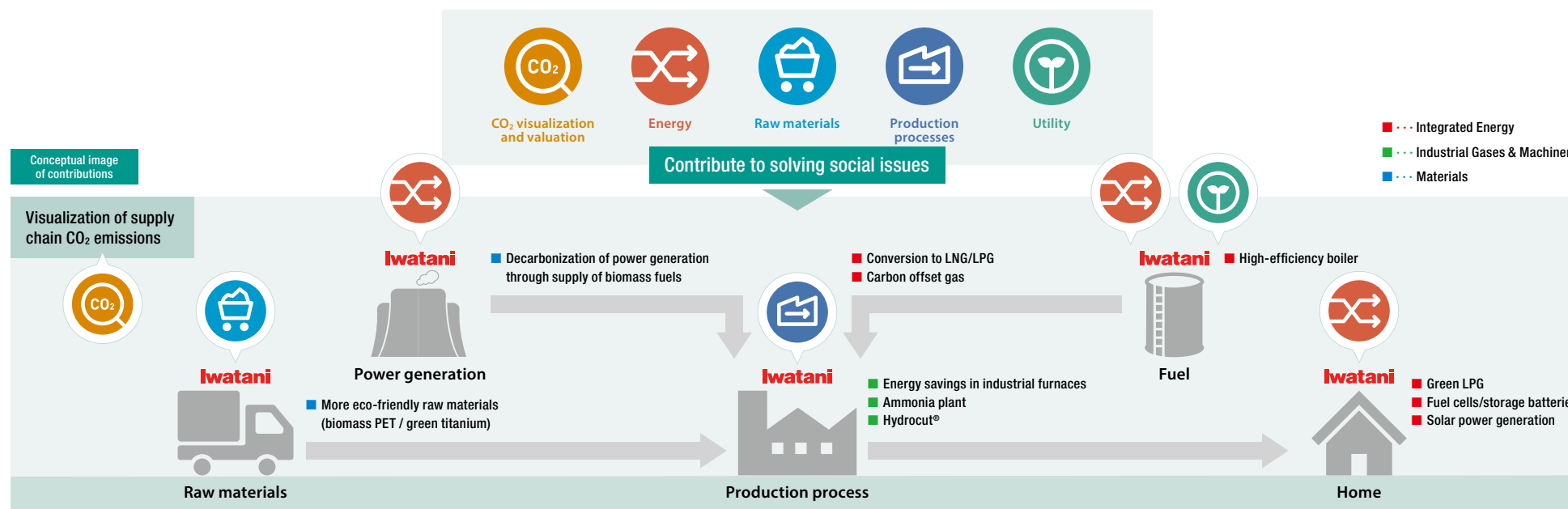
In line with our corporate philosophy, “Become a person needed by society, as those needed by society can prosper,” our legacy has to date been to find solutions to social issues. Our mission henceforth is to establish a carbon-free society by leveraging the business infrastructure and technological 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.

Targets and Progress



* Net sales and investment related to decarbonization exclude hydrogen-related figures.

Low-/zero-carbon solutions based on our business foundations and technological capabilities



Carbon-Free Strategies

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

Initiatives

Creating environmental value and developing green LPG

In 2021, Iwatani launched the Iwatani J-Credit Project based on the Japanese government's J-Credit scheme, in which Iwatani tracks CO₂ emission reductions achieved by participating customers who convert from fuel oil to LPG or LNG, thus providing environmental value by conversion to J-Credits. The project generated 1,993 tons in J-Credits in FY2023 (1,096 tons in FY2022). We will continue to encourage customers to participate in this project and make effective use of the environmental value realized. The development of green LPG whose production is free of CO₂ emissions is a key issue for the LPG industry. We're proceeding with various green LPG development initiatives, including those focusing on technologies to produce LPG from hydrogen and CO₂ and from biogas extracted from waste generated by the livestock industry. We intend to lead the LPG industry through our various approaches to the task of making LPG carbon-free.

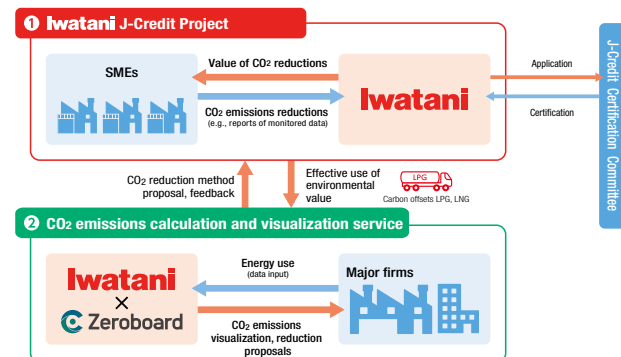


Illustration of initiative to generate environmental value

Ammonia supply equipment delivered for demonstration testing of Japan's first pure-ammonia-fueled turbine

We delivered fuel supply equipment for use in demonstration testing by IHI Corporation of Japan's first 100% ammonia fueled turbine generator equipment, a project funded by the Green Innovation Fund. Until now, ammonia has been used mainly as a denitration catalyst to remove nitrogen oxide generated from burning fuel in thermal power plants. In recent years, its properties as a flammable gas have drawn attention as a clean energy source free of CO₂ emissions. In recent years, we've delivered stable supplies of ammonia and supply equipment for both denitration and the development and testing of mixed-ammonia combustion technologies. We are applying the resulting knowhow to the equipment supplied for this demonstration test. Based on the results of this project, we're aiming to strengthen our ammonia supply structure and grow sales of equipment for use in generator development and testing in order to move us closer to achieving the GHG reduction targets for 2030 and 2050.

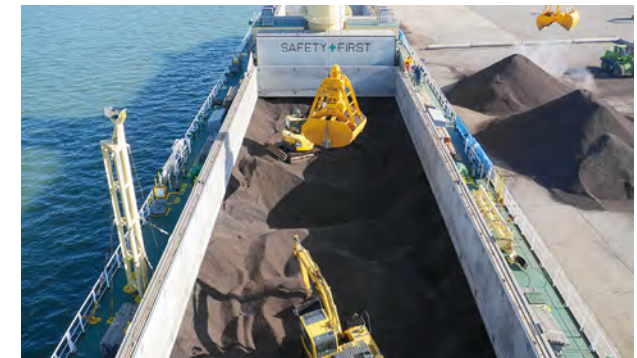


An ammonia supply facility

Supplying biomass materials to promote increased use of renewable energy

We supply environmentally certified palm kernel shells (PKS)* and wood pellets as fuel for power generation. Biomass power generation based on such plant-derived materials is currently drawing attention as a renewable energy source with the potential to help achieve carbon neutrality; since CO₂ generated by combustion is offset by absorption during plant growth, biomass power has no effect on CO₂ levels. A key strength of biomass is stability compared to wind, solar, and other renewable energy sources. It is ideal for use in power generation facilities for local production and consumption, operated by local governments, private sector companies, and other organizations. A biomass power plant in which we have invested is slated to come online in April 2025—another aspect of our multifaceted approach to renewable energy beyond our current biomass fuel distribution and supply efforts.

* A byproduct of the palm oil production process



Palm kernel shells (PKS) as biomass fuel

Domestic Energy & Service Strategies

Related Key Issues
(Materiality)



Provide infrastructure and services that will enrich people's lives

Basic Policy

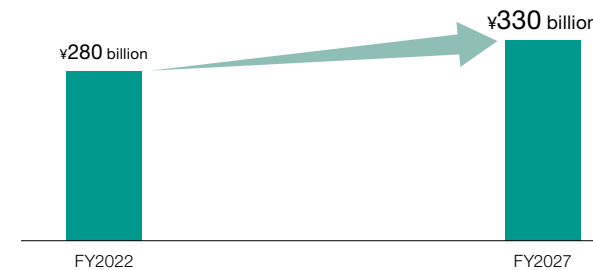
Growing retail market share and enhancing earnings capabilities by promoting M&A activities using our nationwide network

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.

Targets and Progress

Net sales



Investment

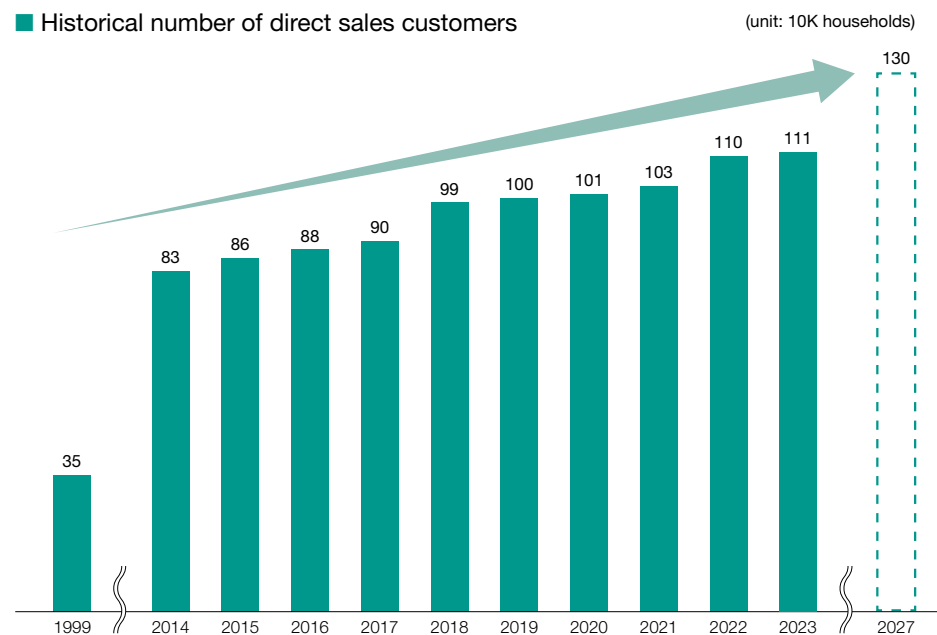
Five-year cumulative total:

¥33 billion

FY2023 results
¥1.2 billion

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

Historical number of direct sales customers



Iwatani's LPG sales

	Retail	Wholesale
Industry ranking	No.1 / 16,381 companies	No.1 / 1,100 companies
Market share	4.7%	13.9%
Households using MaruiGas*	1.11 million	3.30 million

Source: LP Gas Annual Report: Facts and Figures, Iwatani estimates * The name of the Company's LPG brand

(As of March 31, 2024)

Domestic Energy & Service Strategies

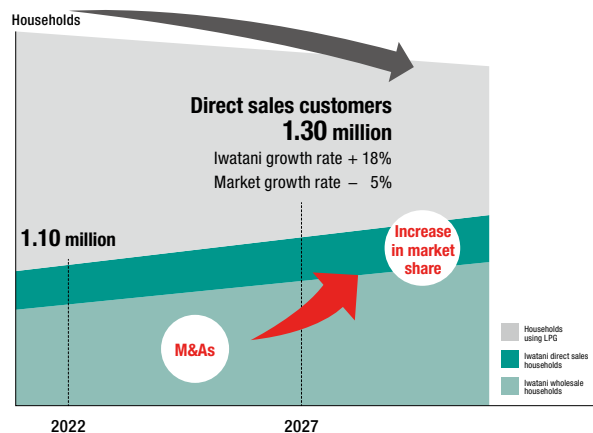
Related Key Issues (Materiality)



Initiatives

Growing our market share in the retail sector, targeting 1.3 million direct sales customer households by FY2027

Drawing on our nationwide network, the Iwatani Group will set its sights on sustained growth by expanding its market share in the retail sector, primarily through mergers and acquisitions. 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 1.3 million households. In FY2023, the figure grew by 10,000 households to 1.11 million. To grow the retail business, we will leverage our nationwide network of 108 supply facilities and the Iwatani Group's strengths in delivery, safety, and sales networks to expand the wholesale customer base and build relationships that contribute to business succession and mergers and acquisitions.



Streamlining delivery systems to cut business costs

The Iwatani Group operates a logistics structure that delivers gas to households in every corner of Japan. We cut business costs to grow earnings while implementing the measures needed to maintain a stable supply. In FY2023, we built a cylinder filling facility inside our import base of the Negishi Liquefied Gas Terminal to streamline logistics. The facility consolidates on-site processes ranging from imports to filling and delivery. Additionally, we expanded delivery facilities through mergers and consolidations and renovated delivery facilities to make them more disaster-resistant.

We will continue to streamline delivery structures and draw on remote meter-reading systems and delivery route planning systems to achieve more efficient delivery. To build more efficient delivery structures, we are also considering partnerships with delivery subcontractors.

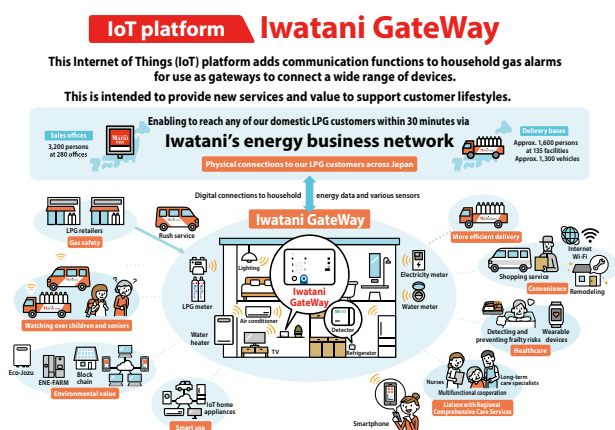


Negishi Liquefied Gas Terminal

Expanding new services using Iwatani GateWay

We install the Iwatani GateWay IoT platform in households where we supply LPG to provide services that support everyday life. In FY2023, we launched demonstration testing of a system capable of monitoring the whereabouts of seniors on Fukue Island in the city of Goto, Nagasaki Prefecture. Testing targeting the evacuation of residents in the event of an eruption of the Sakurajima volcano in the city of Kagoshima, Kagoshima Prefecture, indicates this system will make it easier to check on evacuation conditions and locate any residents left behind. We're also working to generate environmental value we can return to customers as J-Credits based on CO₂ emissions reductions achieved by installing solar panels and switching to high-efficiency water heaters in homes.

We will continue to both supply services essential to our customers and communities and fulfill our role as a provider of infrastructures for community safety and disaster prevention.



Overseas Strategies

Related Key Issues (Materiality)



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



Provide infrastructure and services that will enrich people's lives

Basic Policy

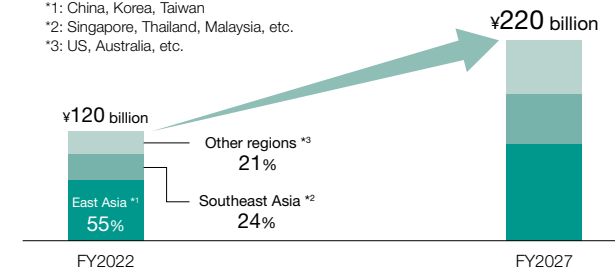
Leveraging our domestic business foundations to grow our international businesses

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.

Targets and Progress

Net sales

*1: China, Korea, Taiwan
*2: Singapore, Thailand, Malaysia, etc.
*3: US, Australia, etc.



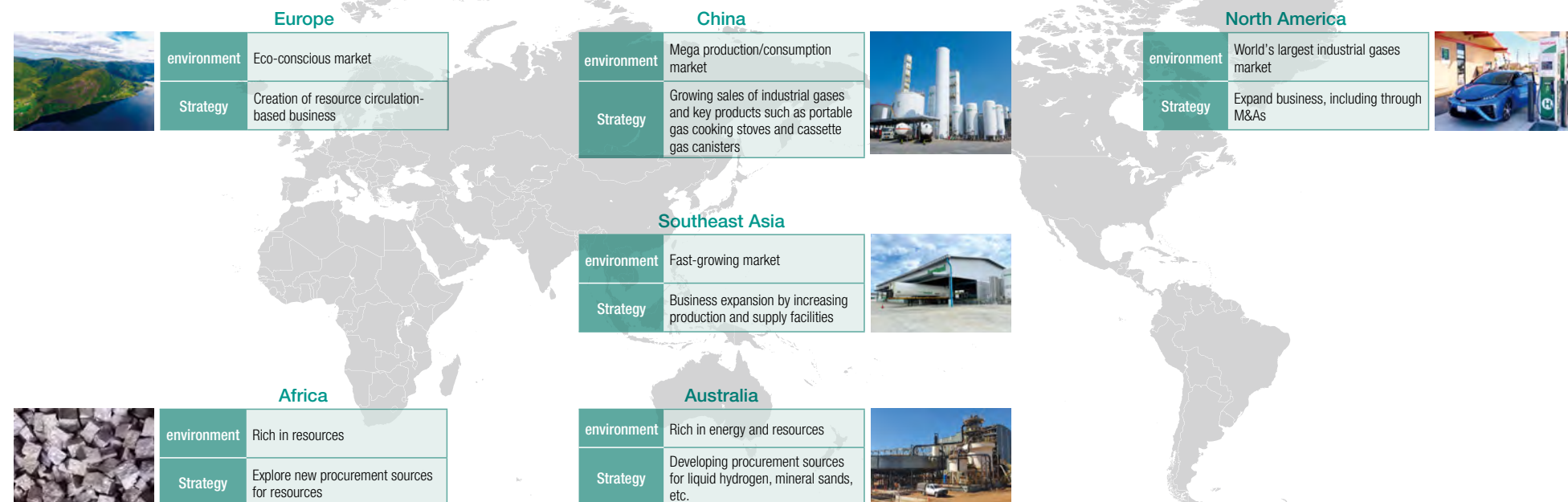
Investment

Five-year cumulative total:

¥94 billion

FY2023 results
¥11.8 billion

Business strategies reflecting regional characteristics



Overseas Strategies

Related Key Issues (Materiality)



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



Provide infrastructure and services that will enrich people's lives

Initiatives

New portable gas cooking stove plant comes online in Thailand

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 China. In May 2023, we completed a new portable gas cooking stove plant in Thailand. We've begun selling this plant's products not just in Thailand, but in the Philippines, Malaysia, and Taiwan, regions previously served by exports from Japan and China. In 2024, we expanded sales channels to include Singapore and Indonesia to grow this business in the Southeast Asia. Consumer demand plays a key role in Southeast Asia compared to China, where most demand is for commercial use at restaurants, hotels, and other such businesses. Accordingly, we're developing products and applications that consider regional dietary patterns. We will continue to deliver safe, high-quality products while meeting the various safety standards in place for portable gas cooking stoves and cassette gas canisters in different countries.



Bangkok Ai-Toa Co., Ltd., where new production of portable gas cooking stoves has begun (Thailand)

Expanding the refrigerant business in the growing Southeast Asian market

In January 2024, just after our November 2023 acquisition of a refrigerant company in Malaysia, we built and expanded refrigerant plants in Thailand and Indonesia. Amid growing demand for refrigerants accompanying growing use of air conditioners and automobiles in Southeast Asia, we will enhance our capacity to supply refrigerants to Japanese and local manufacturers within this market, which is also expected to grow as a production and export base.

International efforts to cut refrigerant production and consumption are accelerating in response to more stringent regulations. In response, we have launched a refrigerant reclaiming business to recover and reuse refrigerants that were previously emitted into the atmosphere or destroyed (rendered harmless) during waste disposal or maintenance at plants around the world.

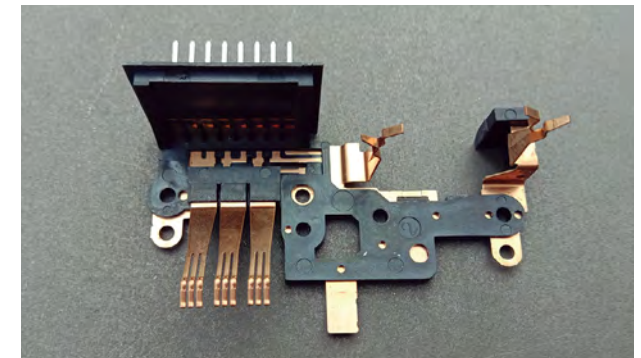
We will continue to expand our production capacity and enhance systems for supplying eco-friendly products.



New refrigerant filling equipment (Thailand)

Growing the overseas metal processing business

Iwatani operates facilities that cut, shape, and weld iron and stainless steel cables and apply finishing treatments like resin coating and chrome plating at Bangkok Ai-Toa Co., Ltd. (Thailand) and Zhongshan Iwatani Co., Ltd. (China). Each of these plants is continually expanding and increasing its production capacity. As sales channels are expanding to include customers not just in Thailand and China but also in the Japanese, Asian, European, and North American markets, they also produce and sell parts for use in air conditioners, cooking appliances, and automobiles. In addition, Zhongshan Kasatani Co., Ltd. (China), a plant that primarily produces automotive wiring components, is meeting increasingly advanced customer needs in areas such as highly challenging precision pressing and plastic and metal inset molding. Suzhou Iwatani Metal Products Co., Ltd. (China) is taking steps to meet growing customer demand for precision slit processing of materials such as stainless steel, nickel, copper. We will continue to meet the needs of our global customers by expanding the overseas metal processing business from the foundations of individual production facilities such as these.



Molded insert (an electronic component for next-generation vehicles)

ESG

Contents

P.30	Climate Change Response
P.33	Promoting Environmental Management
P.34	Human Resource Strategy
P.37	Supply Chain Management and Human Rights
P.38	Health and Productivity Management and Occupational Health
P.39	Technology Strategy
P.42	Safety and Security Initiatives
P.43	Social Contribution Activities
P.45	Corporate Governance
P.47	Messages from Outside Member of the Board
P.48	Executive Officers
P.52	IR Activities

Climate Change Response

Related Key Issues (Materiality)



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

▶ Climate Change



Recognizing climate change and other global environmental issues as important management challenges, the Iwatani Group is striving to reduce the environmental impact of various business activities. In FY2021, we declared our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)* and joined the TCFD Consortium. We will strive for sustained growth while contributing to the decarbonization of society by assessing the risks and opportunities presented by climate change, reflecting these in management strategies and risk management, and appropriate disclosure.

* The TCFD was established by the Financial Stability Board (FSB) in 2015 at the request of the G20 countries to make recommendations on assessments of business risks and opportunities related to climate change and to ascertain and disclose their financial impacts.

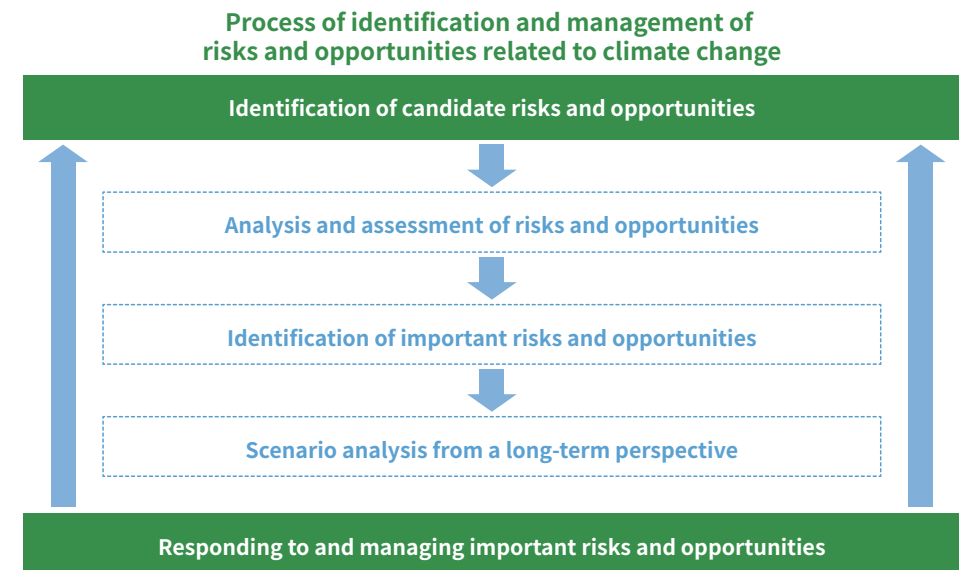
Governance

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.



Climate Change Response

Related Key Issues (Materiality)



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

Strategy

Referring to scenarios from the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) as benchmarks, we carried out scenario analysis to ascertain the business impact of climate change and identify specific climate-related risks and opportunities. We plan to achieve sustainable business growth and find effective ways to address future risks by identifying—among all transition risks associated with policies, regulations, and changing markets and extreme weather and other physical risks—the risks and opportunities expected to significantly affect our businesses. We will quantify their financial impacts to the extent possible and reflect them in Group strategies.

■ Details of 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. In planning scenario analysis, we 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	Transition	<ul style="list-style-type: none"> Announced Pledges Scenario (IEA WEO 2022) Net Zero Emissions by 2050 Scenario (IEA WEO 2022), etc. 	
	Physical	<ul style="list-style-type: none"> SSP1-2.6 (IPCC AR6), etc. 	<ul style="list-style-type: none"> SSP5-8.5 (IPCC AR6), etc.

■ Results of scenario analysis

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	Key risks	Financial impact
2°C scenario	Significant decline in demand for fossil fuels due to changing consumer awareness accompanying the implementation of fossil fuel surcharges, emissions credit trading, and other policies and regulations	Large
	Widening physical damage to production facilities due to natural disasters	Low
4°C scenario	Lower productivity due to rising temperatures	Moderate
	Lower LPG sales due to rising temperatures	Low

Scenario	Key opportunities	Financial impact
2°C scenario	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*
	Major potential business opportunities associated with the development and adoption of green LPG	Large
4°C scenario	Growing demand for lithium, cobalt, and other rechargeable battery materials with growing use of EVs and stationary batteries	Large
	Higher sales of disaster response and business continuity planning (BCP) equipment, including LPG-powered emergency generators	Low

* There is potential for very high growth opportunities depending on the extent of progress on addressing climate change.

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

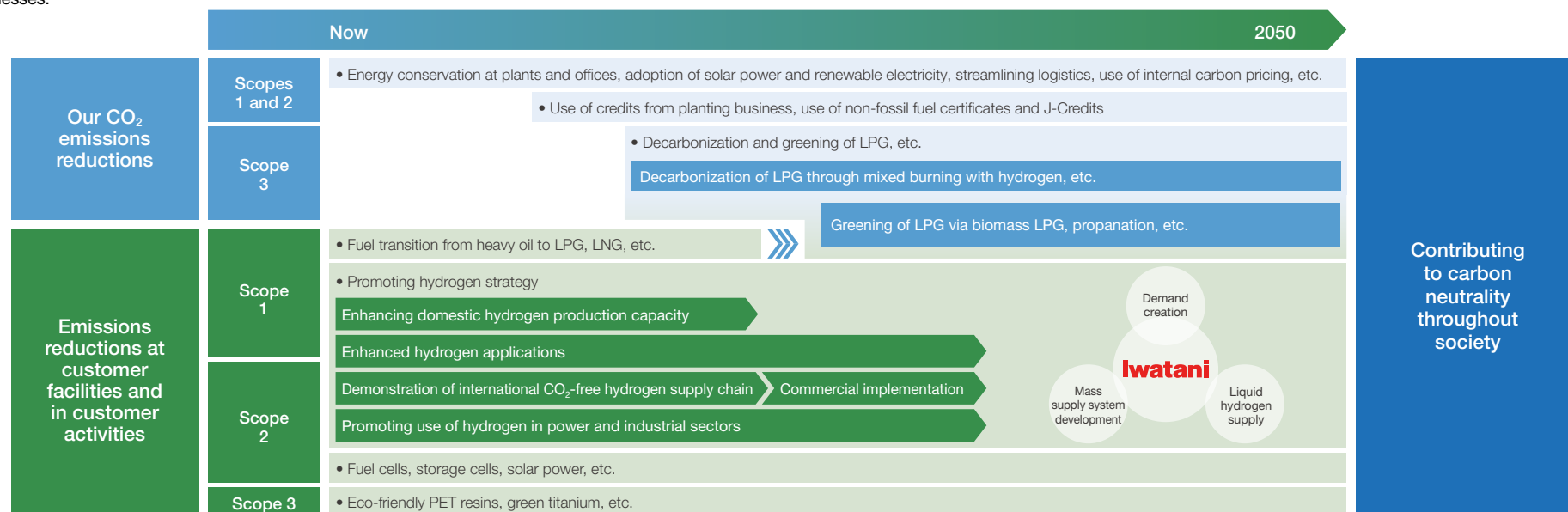
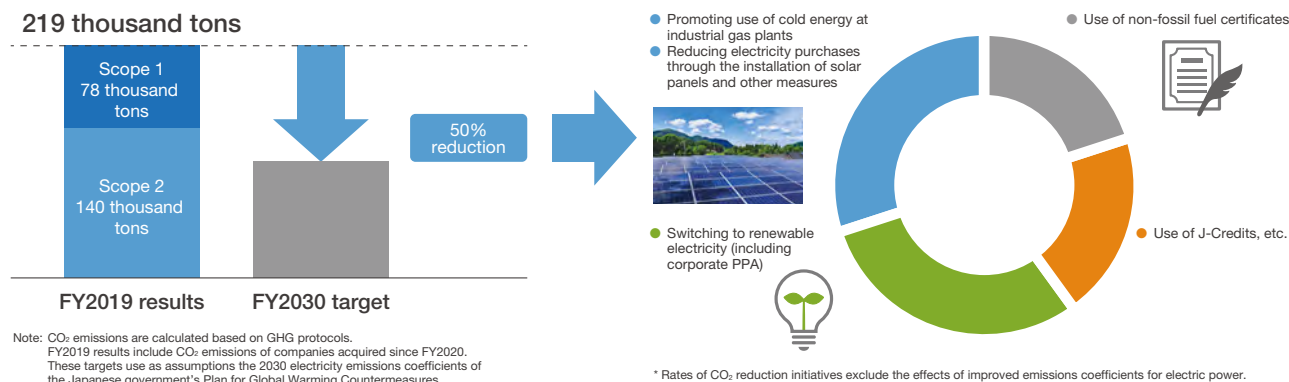
Climate Change Response

Related Key Issues (Materiality)



Targets and Goals

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 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. In FY2024, we are pursuing additional measures to promote investments in decarbonization, including adopting a system of internal carbon pricing to visualize the monetary value of CO₂ emissions reductions for proposed internal investments and use as reference in investment decision-making. 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

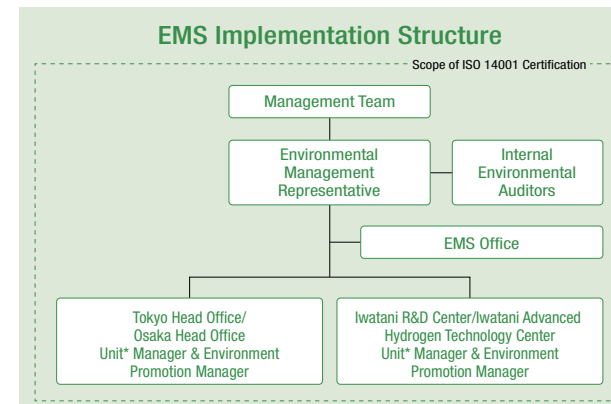
Under the Iwatani Environmental Policy, we employ an environmental management system and strive to contribute to solutions to environmental challenges.

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.



*Unit refers to the smallest unit that operates our EMS, specifically, a division, office, or department.

- 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.
- Internal environmental audits were performed twice in FY2023 (in September 2023 and February 2024). We also underwent periodic review by the High Pressure Gas Safety Institute of Japan in November 2023; our operational status was rated “fine.”

Environmental Goals

1	<p>Promoting activities to realize a sustainable society</p> <ul style="list-style-type: none"> ① Business expansion to realize a hydrogen energy-based society ② Expanding the development and promotion of low-/zero-carbon solutions ③ Enhancing efforts to achieve a resource-circulating society
2	<p>Promoting reductions in the Iwatani Group’s CO₂ emissions</p> <ul style="list-style-type: none"> 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	<p>Thorough compliance</p> <ul style="list-style-type: none"> ① Complying with environmental laws and regulations

- Under our EMS, we set annual environmental goals for each unit.
- Unit environmental goals were largely achieved in FY2023.
- Thanks to the EMS, once again in FY2023 there were no violations of environmental laws or regulations (including the Waste Management and Public Cleansing Act, Act on the Rational Use of Energy, and Poisonous and Deleterious Substances Control Act).
- In FY2024 also, we’ve set and are making progress toward environmental goals for each unit.
- In setting environmental goals for each unit in FY2024, we recommend setting goals that indicate the relationship between each unit’s businesses and contributions to CO₂ emissions reductions as clearly as possible.

Human Resource Strategy

Related Key Issues (Materiality)



Develop an environment and systems in which diverse human resources can thrive

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.

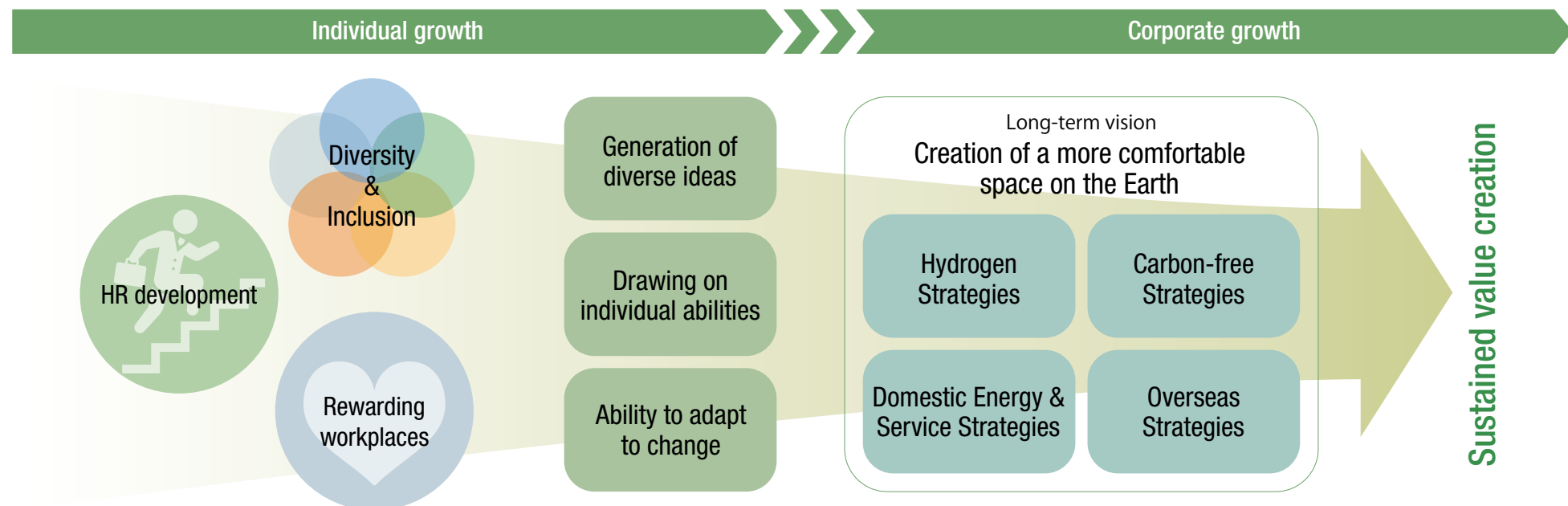
Targets and Progress

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

Items	Indicators	FY2022 results	FY2023 results	FY2027 targets
Diversity & Inclusion	Ratio of female managers	6.0%	6.9%	10% or higher
HR Development	Annual training costs per employee	¥86 thousand	¥118 thousand	¥150 thousand
Rewarding Workplaces	Percentage of childcare leave taken by male employees	30.6%	55.9%	100%

* Figures shown are for Iwatani on a nonconsolidated basis.

From individual growth to organization-wide growth



Human Resource Strategy

Related Key Issues (Materiality)



Initiatives

Diversity and inclusion initiatives

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.”

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, 2024, women made up 6.9% 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 2024, those with disabilities accounted for 2.62% 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.

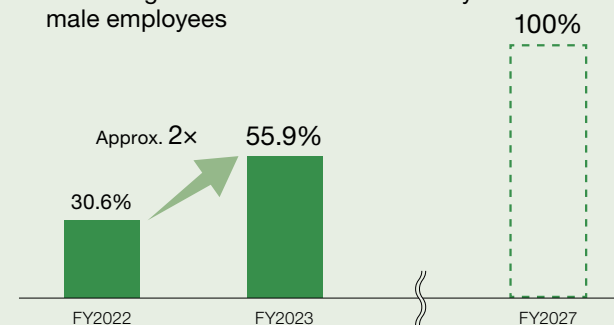
Efforts to increase the percentage of childcare leave taken by male employees

PLAN27 sets a goal of 100% of eligible male employees taking childcare leave. As amended in 2021, the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members requires companies to maintain employment environments in which employees can easily take childcare leave. The establishment of a childbirth leave program for fathers in 2022 was another step forward in developing a social environment conducive to childcare leave. Iwatani is making active efforts to maintain environments in which employees can readily take childcare leave and to foster an organizational culture in which supervisors and others within the workplace understand and support employees who wish to take childcare leave. Through regular seminars for managers and other efforts, awareness of male participation in childcare is growing. The percentage of eligible male employees taking childcare leave has jumped sharply—from 30.6% in FY2022 to 55.9% in FY2023. Ways of participating in childcare vary with employee workplace and home environments. We will strive to enhance these programs to make it even easier to take childcare leave.

Employee engagement survey

Key factors that create a corporate competitive advantage include not just the products and services a company provides, but the people who provide them. What’s more, the business environment and the workstyles demanded by employees are changing in Japan due to various qualitative changes within the workforce, including the effects of an aging population, low birth rates, and labor shortages, as well as increasingly diverse individual values. How a company leverages its human resources is critical. We believe that to survive amid increasingly harsh competition, we must differentiate ourselves from our competitors by making work even more rewarding for our employees. Against this backdrop, we are carrying out employee engagement surveys to make current conditions visible and to improve the workplace. Management and all employees will work together to implement various measures that reflect our conviction that a company is created by all of its personnel.

■ Percentage of childcare leave taken by male employees



■ Examples of efforts to increase the percentage of childcare leave taken by male employees

- Publishing childcare handbooks
- Fathers' childcare reports
 - Publishing reports on balancing work and childcare on the intranet
- Participating in joint events with other companies (to train managers to support childcare and to promote women's careers)



Childcare handbook, long-term care handbook



Fathers' childcare reports

Human Resource Strategy

Related Key Issues (Materiality)

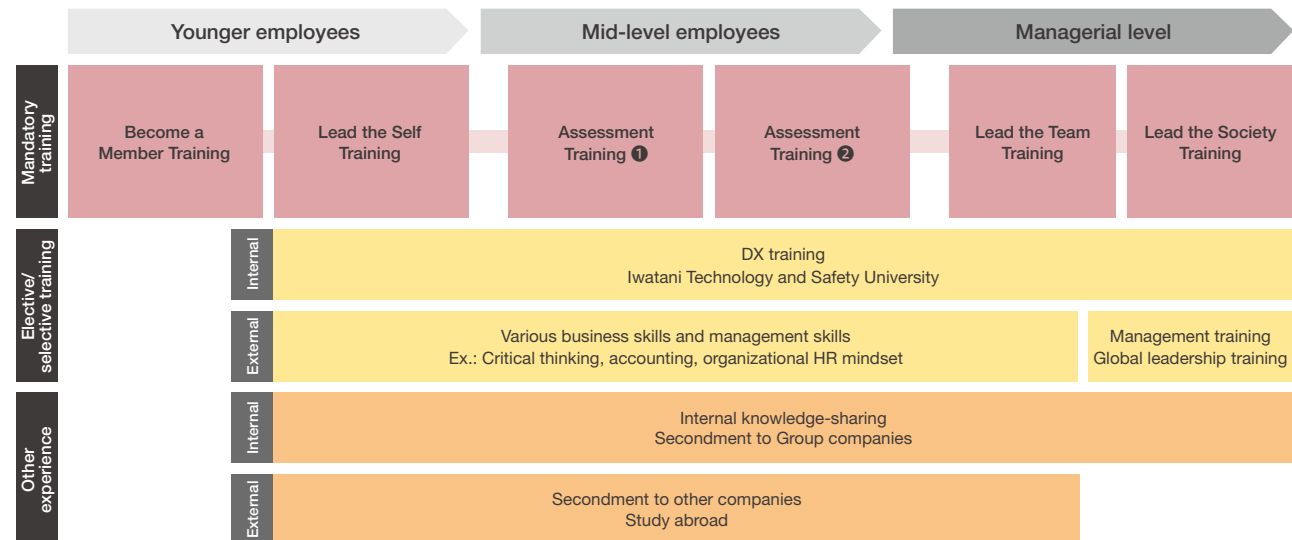


Initiatives

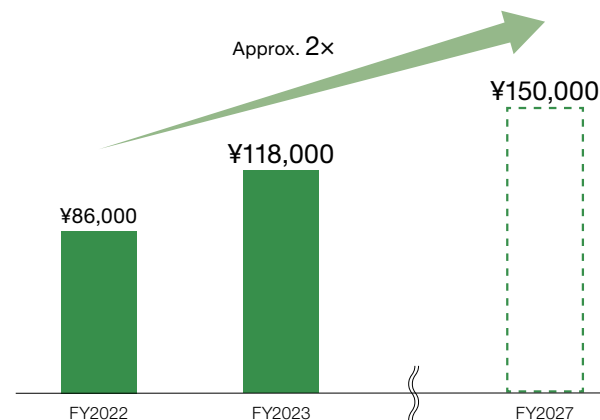
Developing human resources needed by society

To maintain our status as people needed by society, as called for in our Corporate Philosophy, Iwatani is supporting the autonomous career development of employees. Specifically, we're enhancing training programs by continuing to expand the current program of tiered training (for individual job qualification levels) and by providing opportunities for individual employees to master business skills through seeking personalized external training. In FY2023, we launched a training program to develop human resources skilled in digital transformation (DX). The program is intended to reform the organization to make it better able to adapt to changing external conditions and to create competitive businesses using advanced digital technologies like AI. Managers are undergoing training to better fulfill their responsibilities for drafting their own organizations' DX strategies. Training is provided for other personnel to enable the human resources who use digital technologies to master basic digital skills and to help those tasked with planning and promoting DX to create new business models. In the initial fiscal year of the program, some 900 individuals completed the training for those who use digital technologies, while 20 completed the training for those planning and promoting DX. We plan to develop 1,200 human resources to use digital technologies and 140 to plan and promote DX by 2027. Additionally, we are seconding personnel to other companies to gain experience that will empower them to create and implement new ideas and business models free of the constraints imposed by internal frameworks. We plan to complete a new training center on Kobe's Port Island in October 2024 as we continue to enhance our systems and environments for training and developing the human resources needed by society.

Concepts of the training system to encourage autonomous career development



Annual training costs per employee



Lead the Team Training

Supply Chain Management and Human Rights

Businesses face growing demands to fulfill their social responsibilities by improving their safety and human rights initiatives—not just in their own activities, but throughout the supply chain, including suppliers. Iwatani's Human Rights Policy calls for respect for human rights as an essential element of doing business. We will promote efforts to protect human rights while building sustainable supply chains.

Supply Chain Management

Iwatani Group Supply Chain Conduct Policy

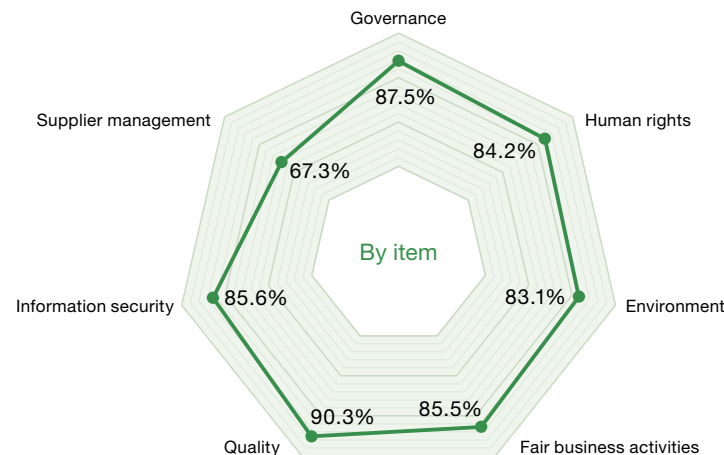
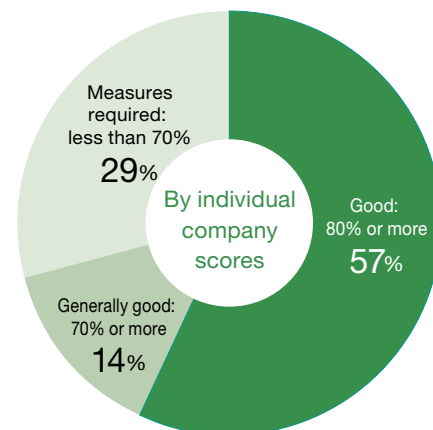
▶ Conduct Policy 

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.

CSR procurement surveys of the supply chain

We've carried out CSR supply chain procurement surveys since FY2023. That year, we surveyed 270 suppliers, accounting for about 95% of supply transactions by value, and received responses from 214 suppliers. Survey results identified no suppliers who presented major concerns. We will continue to share our policies with our suppliers through this survey and in other ways and encourage the improvements needed to reduce risks, thereby building sustainable supply chains.

■ FY2023 survey results



Human Rights

Iwatani Group Human Rights Policy

▶ Human Rights Policy 

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.

Human rights due diligence

We're implementing due diligence for regions, products, and materials recognized to pose high risk, including human rights risks. We will continue to raise supplier awareness of the Iwatani Group's Human Rights Policy responding to supplier demands.

Establishing rules on human rights measures in internal new product development requirements

As an individual committee under the umbrella of the Risk Management Committee, which manages risk Groupwide, the Products Safety & Brand Management Committee is intended to maintain the overall Iwatani brand image and to maintain and increase its brand value while reviewing the aspects of quality, safety, and compliance of the products we supply. We're enhancing our structure for checking human rights risks throughout the supply chain by incorporating human rights measures into this committee's regulations.

Health and Productivity Management and Occupational Health and Safety

We regard our human resources to be the source of value creation generated by business expansion and strategy implementation. To maintain and improve employee health, an essential aspect of making the most of our human resources, we establish and maintain safe working environments and help employees maintain their health.

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

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 seek to stimulate employee interactions through support for internal recreational clubs. We contribute to community health promotion activities and sponsor athletic events, including the Osaka Marathon; the Princess Ekiden, the qualifying long-distance relay race for the All Japan Industrial Teams Women's Ekiden; and the KIX International Friendship Dragon Boat Festival at Kansai International Airport.



Technology Strategy

Related Key Issues (Materiality)



Promote innovation with the use of technologies and expertise



Hiroshi Fukushima

Senior Managing Officer,
Member of the Board
General Manager,
Technology & Engineering Division

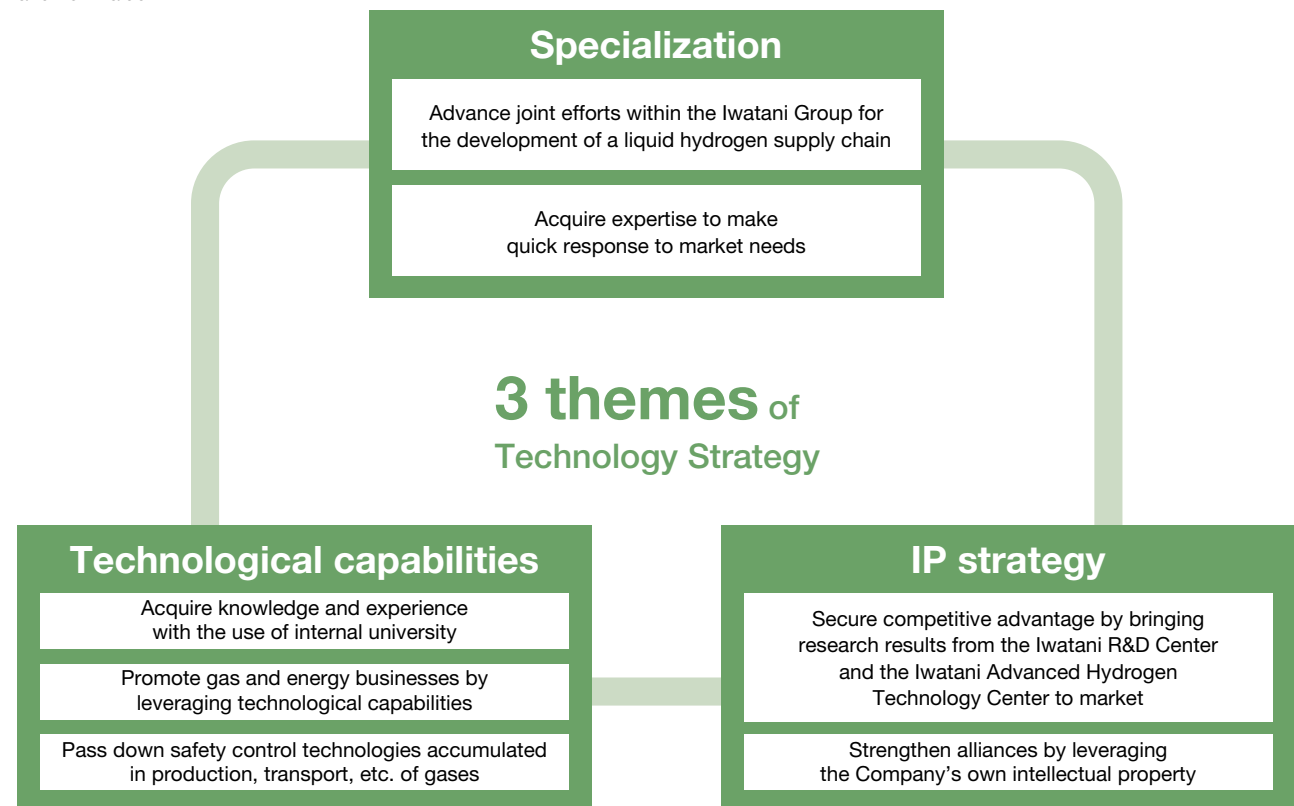
To be a company needed by society based on our technological capabilities

Research has always been an Iwatani priority. Ten years ago, we opened the Iwatani R&D Center in Amagasaki, Hyogo Prefecture. Three years ago, we opened the Iwatani Advanced Hydrogen Technology Center, which specializes in hydrogen technologies. We intend to merge advanced technological capabilities drawn from work in the gas and energy fields by leading hydrogen technology as a top runner for realizing a carbon neutral society and by developing green LPG. Additionally, we design, build, and manage the supply facilities needed to deliver products like LPG and industrial gases to our customers. We recognize the need to improve our technological capabilities and quality assurance to earn the trust of our customers, whose demands continue to rise. IP plays an important role in making the best commercial use of our technological strengths. Last year, we established an IP strategy that clearly identifies essential technologies, centered on hydrogen. From this point forward, we intend to promote efforts to protect our IP while forming alliances with other firms.

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.



Technology Strategy

Related Key Issues (Materiality)



Initiatives

Employee development through the internal university, Iwatani Technology and Safety University

In October 2023, to apply the knowledge and capabilities in technology and safety fundamentals to advance our gas and energy businesses, we opened an internal university, the Iwatani Technology and Safety University. Classes are open to employees from various sections, including sales and administration in addition to gas and energy. In FY2023, 210 employees took courses with curricula intended to help them master advanced technologies suited to practical activities throughout the gas business. We plan to expand the program to include the entire Group while continuing to add more focused course content and raising employee awareness of the University. By introducing educational programs to improve the ability to formulate proposals and find solutions on the front lines, to pass along the knowhow accumulated to date, and to train employees qualified to grow and promote future businesses in the transition to a carbon-free society, we will develop systematic training programs that train human resources capable of underpinning Iwatani's strengths in safety and technology.



A course at the Iwatani R&D Center



Pipe assembly training

Promoting carbon neutrality at the Iwatani R&D Center

The Iwatani R&D Center has set the goal of eliminating its CO₂ emissions by FY2030. In 2023, it installed a 100 kW power generation facility linking 20 Panasonic (5 kW) pure hydrogen fuel cells, reducing CO₂ emissions by 40% vs. FY2019. Future efforts will include ① installing solar panels on exterior walls and elsewhere, including windows; ② switching some of the LPG used in the Center to green LPG; ③ using cold energy generated from liquid hydrogen used in fuel cells; and ④ recovering waste heat from fuel cells. It is conducting demonstration testing of technology for using heat exchangers to recover previously unused cold energy generated in the gasification of liquid hydrogen. Once realized, the technology could potentially be used to generate chilled water in the Center's air conditioning and for other experiments and applications. The Iwatani R&D Center will continue to pursue efforts to achieve carbon neutrality while providing the resulting technologies for use in society.



Pure hydrogen fuel cells (20 5 kW cells) adopted at the Iwatani R&D Center

Technology Strategy

Related Key Issues (Materiality)



Initiatives

Proposing mixed ammonia combustion demonstration equipment using Iwatani technologies

Efforts to achieve carbon neutrality by 2030 are of critical interest to manufacturers who currently operate industrial boilers powered by fossil fuels. Mixed combustion with ammonia is one solution drawing attention. Various companies are seeking to control CO₂ emissions by mixing ammonia with coal and other current fuels. Based on the technologies accumulated to date in related fields, we propose solutions to meet customer needs ranging from plant design to the development of mixed-combustion burners. In particular, we're applying the expertise amassed in securing a roughly 70% share of the domestic market for denitration ammonia in the power sector to ammonia storage, pipeline design, and the development of equipment for toxic ammonia removal. We will continue to support customers in their pursuit of carbon neutrality, including through efforts to develop 100% ammonia fueled turbines that emit zero CO₂ (see p. 24).



Liquefied ammonia tank for mixed combustion with ammonia

Mixed hydrogen combustion and oxygen-enriched combustion technologies to reduce both CO₂ and costs

The need to reduce CO₂ emissions represents a major challenge for industrial furnaces like boilers and drying furnaces. The mixed hydrogen burners we developed with Sunray Reinetsu Co., Ltd. are drawing attention from the industrial furnace industry as solutions that can control CO₂ emissions through mixed combustion of LPG and hydrogen. The first unit was delivered in March 2024. To accelerate sales of hydrogen mixed combustion burners, in May 2024 we installed a test furnace at the Iwatani R&D Center and began demonstrations in response to customer requests. We are also proceeding with demonstration testing of combining mixed hydrogen combustion featuring oxygen-enriched combustion. Oxygen enrichment improves combustion efficiency and can help cut costs at customer plants. We will contribute to solutions for the industrial furnace industry by establishing technologies for mixed hydrogen combustion and oxygen-enriched combustion capable of simultaneously reducing CO₂ emissions and costs.



Mixed hydrogen combustion and oxygen-enriched combustion equipment at the Iwatani R&D Center

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.

Initiatives

Gas Center Security System for integrated online management of operations

The gas center security system enables integrated management of operations at Iwatani Group gas centers and other facilities by linking them online. It has currently been adopted at 124 centers. During the January 1, 2024 Noto Peninsula Earthquake, containers at an LPG center in Wajima City toppled over, and buildings slid. We used cameras and sensors installed at the center to check in real time for any damage to tanks and buildings and for gas leaks, making it possible to begin recovery activities just 20 minutes after the quake. Each LPG center is prepared for increasingly severe natural disasters, based on access to information from the Japan Meteorological Agency on torrential downpours, heavy snowfall, high waves, other threats, and seismometers. In June 2023, we adopted as standard practice tablet entry of results of thrice-daily inspections of LPG centers for pressure and gas leaks. This contributes to greater safety and response capabilities through means including enabling immediate correction of or response to input errors or abnormalities, since the system sounds an alert and displays response methods when a figure has been entered that exceeds standard values.



Checking damage by camera using the gas center security system



A camera image from the Noto Peninsula Earthquake

More precise facility inspections through digitalization to build a Groupwide general security system

Digitalization is underway to build a system capable of replacing existing security systems with preventive maintenance measures capable of responding to any signs of failure or problems by constantly monitoring machinery and equipment, in addition to gathering information in real time from LPG centers and industrial gas centers. This is intended to help improve security and safety capabilities while addressing labor shortages through automated and more efficient inspection and operations, as well as to prevent accidents, problems, and lost opportunities. Iwatani plans to build a Groupwide general security system by 2030. As part of this effort, digitalization of everyday inspections is currently underway. Plans call for the centralization and analysis of inspection records and data on operations, implementing appropriate maintenance before any abnormalities occur, and building systems for even safer and more reliable delivery of gas to customers. Additionally, we will build a security system to digitalize and computerize the advanced security management techniques amassed to date and to pass these on to future generations.



Plant equipment maintenance using a tablet



Computerized management of equipment at all plants

Social Contribution Activities

Iwatani contributes to society through various activities such as support for cultural activities, technological assistance, and disaster relief.

Support for Cultural Activities

Special supporting corporate member of the NHK Symphony Orchestra and sponsor of the Music Competition of Japan

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. Since 2011, we've sponsored the Music Competition of Japan. The music competition with the longest history in Japan, this competition was launched in 1932 for young musicians. We have established the Iwatani Prize category of the Competition.



Technology Promotion

Technology promotion through 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. It provides financial support for outstanding research and development on energy and the environment, awards to honor outstanding achievements in research and development on energy and the environment, and financial support to self-financed graduate students from East Asia and Southeast Asia enrolled in programs in the natural sciences.

Support for Sports Activities

Activities of the Athletics Club

Established in April 2017, the Iwatani Athletics Club has welcomed head coach Hisakazu Hirose, who has trained numerous long-distance runners over the years, and Athens Olympic gold medalist Mizuki Noguchi as a Club advisor. In 2023, the Club's outstanding achievements included winning the Princess Ekiden, the qualifying round for the All Japan Industrial Teams Women's Ekiden (Queen's Ekiden), for the first time and taking eighth place in the Queen's Ekiden. In July 2024, team member Ayano Shiomi recorded the fifth fastest time in Japanese running history in the 800-meter event of the Hokuren Distance Challenge Fifth Chitose Tournament. The Club's activities reflect its cornerstone interests in contributing to society and communities through athletic activities and the training of some of Japan's leading athletes.



Sponsoring the Japan International Birdman Rally

Since 2010, as a program to commemorate our 80th anniversary, we've sponsored and supported the operation of the Japan International Birdman Rally organized by Yomiuri Telecasting Corporation. This support reflects our belief that the concept underlying this contest (to see which human-powered aircraft can fly the farthest) aligns with our ambitions to realize a society based on clean energy. From this year, the Iwatani Clean Energy Team participates in the glider section of the rally, in which all team members, including employees of Group companies, work together to set new records through efforts ranging from design to building and flying the glider.



Social Contribution Activities

Educational Initiatives

Hydrogen Awareness-Raising Activities

Our responsibilities include pioneering the future and passing on technologies for a new era to the next generation. We organize presentations on hydrogen energy across Japan and give demonstrations using water electrolysis and miniature fuel cell vehicles. Through these and various other activities, including “The Power of Hydrogen, Contributing to Our Way of Life,” a permanent exhibit at the OSTEC Exhibition Hall in Osaka, we give children first-hand experiences with clean hydrogen energy, inspire interest in hydrogen energy, and strengthen the public’s understanding of hydrogen.



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 2023, its 14th year, the contest attracted 5,384 entries from 625 schools. We will continue helping to raise the level of children’s interest in energy and the environment through this contest.



Disaster Relief

MaruiGas Disaster Relief Corps

The MaruiGas Disaster Relief Corps is a nationwide disaster relief organization established jointly with some 1,400 MaruiGas distributors. The membership of this organization—the only one of its kind established by a private sector energy firm—includes some 3,600 registered qualified LPG technicians. It maintains a structure capable of swift mobilization in response to disasters. The MaruiGas Disaster Relief Corps was expedited to the scene after the January 1, 2024 Noto Peninsula Earthquake to inspect LPG facilities and restore service.



LP Gas Emergency Relief Program 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 nine times through now, in response to requests from local governments and companies in affected areas. Most recently, it was mobilized in response to the January 2024 Noto Peninsula Earthquake to deliver portable gas stoves, cassette gas canisters, and Natural Mineral Water from Mt. Fuji.



Corporate Governance

Related Key Issues (Materiality)



Develop more transparent governance

Based on its corporate philosophy, “Become a person needed by society, as those needed by society can prosper,” Iwatani strives to reinforce corporate governance by enhancing management soundness, transparency, and efficiency.

Basic Policy

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.

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

▶ Corporate Governance Report 

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.

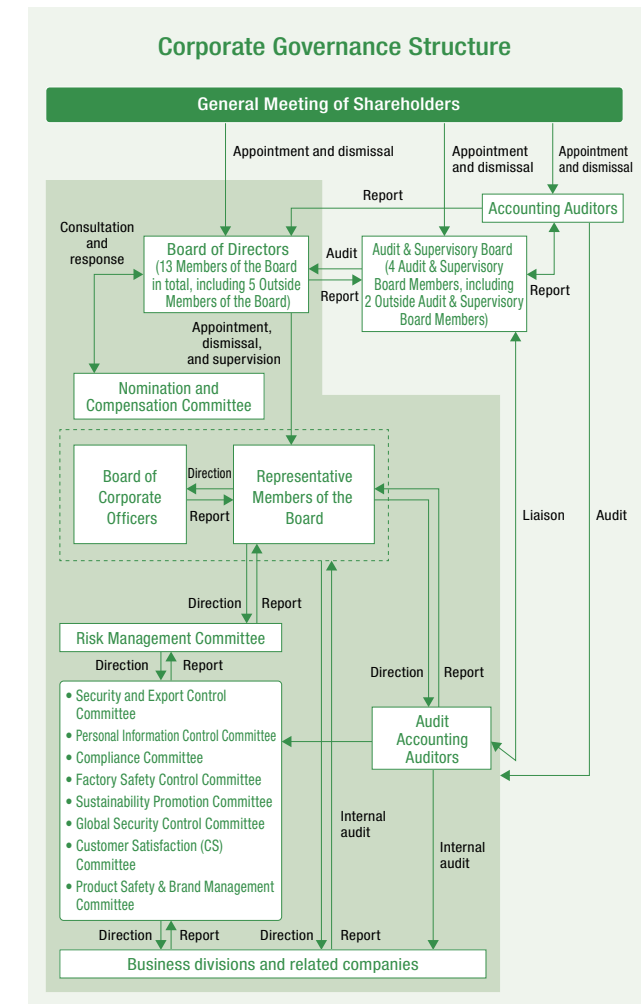
Board of Corporate Officers

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 based on this Committee’s response to the Board’s consultation.

▶ Corporate Officers 



Corporate Governance

Related Key Issues (Materiality)



Develop more transparent governance

Audit System

Iwatani has adopted a company structure with an Audit & Supervisory Board. The Audit & Supervisory Board consists of four members (including two Outside Audit & Supervisory Board Members). Full-time Audit & Supervisory Board Members attend meetings of the Board of Directors and the Board of Corporate Officers and other important meetings, and Outside Audit & Supervisory Board Members attend Board of Directors meetings to ensure full oversight of the execution of duties by Members of the Board. Audit & Supervisory Board Members are appointed with a focus on matters such as their specialized knowledge of finance, accounting, and law and their knowledge and experience related to our businesses. Outside Audit & Supervisory Board Members in particular are appointed based on the requirements for independent officers identified by financial instruments exchanges. In this way, 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 Audit & Supervisory Board Members consider whether the business activities throughout the Company are being performed appropriately and efficiently.

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.

Evaluating the Efficacy of the Board of Directors

In March 2024, we surveyed all 13 Directors and four Audit & Supervisory Board Members about the efficacy of the Board of Directors. The findings were analyzed, assessed, and reported to a meeting of the Board in June 2024. We used a survey format prepared by an external agency, which assessed the following items on a five-point scale:

- ① Board of Directors composition and operation
- ② Management strategy and business strategy
- ③ Business ethics ④ Risk and crisis management
- ⑤ Monitoring of business results, management team evaluation and compensation
- ⑥ Dialogue with shareholders and others

The results indicate the Board remains effective, with generally positive evaluations for all items. We will strive to make the Board of Directors still more effective through periodic analyses and evaluations, further enhancements in officer training, steps to confirm the effective use of management resources based on a keen awareness of capital costs, and sharing of viewpoints with investors and shareholders.

Executive Remuneration

Iwatani's executive remuneration consists of fixed remuneration, bonuses (performance-linked compensation), and share-based compensation. An annual maximum of 1.8 billion yen (including up to 200 million yen to Outside Member of the Board) in fixed compensation and bonuses for Directors was approved by the Board of Directors in the meeting held June 21, 2023. (This excludes compensation for Directors serving concurrently in employee posts.) An annual maximum of 300 million yen in compensation for Audit & Supervisory Board Members was approved by the general meeting of shareholders held June 26, 2012. Iwatani has established the Nomination and Compensation Committee, a majority of whose membership consists of Outside Member of the Board, to ensure the fairness, transparency, and objectivity of procedures related to Director compensation. Total compensation must conform to the above limits. Of these, decisions on fixed compensation and bonuses for individual Directors are delegated by the Board of Directors to the Representative Director, Chairman and CEO, with the Nomination and Compensation Committee serving in an advisory role.

Decisions concerning compensation for Audit & Supervisory Board Members are made through consultations among Audit & Supervisory Board Members. As share-based compensation, the June 19, 2019 general meeting of shareholders approved the adoption of compensation in the form of transfer-restricted shares. The Board of Directors makes decisions on the specific timing and numbers of shares allocated up to the authorized maximum limit (260 million yen annually); the Nomination and Compensation Committee fulfills an advisory role in this decision-making process.

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 set of norms to be observed in all aspects of our business activities, setting forth the management philosophy, morality, and values to be understood and accepted by all management team members and employees. We seek to promote awareness and understanding of this code throughout the Company and Group companies and to strengthen awareness of compliance matters groupwide.

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.

Messages from Outside Member of the Board

Related Key Issues
(Materiality)



The following messages are from Outside Member of the Board responsible for Iwatani's governance:



Shosuke Mori

Outside Member of the Board
Member, Nomination and
Compensation Committee

Iwatani does business across a wide range of fields, centered on gas and energy. It has recorded record-high profits for nine consecutive years. I see this as the result of how each section strives daily to achieve its business plans and how each and every employee works with motivation and a positive and energetic attitude. It's vital for any business to provide an environment in which employees can feel motivated and rewarded in their work. Additionally, Iwatani is fulfilling its corporate social responsibilities by contributing to social progress and helping to promote national energy policies.

As an Outside Member of the Board, I'm proud to contribute to Iwatani's future through active communication and advising at Board of Directors meetings and other opportunities I come across. I'm committed to continue working with all our stakeholders to build a sustainable future.



Hiroshi Sato

Outside Member of the Board
Member, Nomination and
Compensation Committee

A trait that makes the Iwatani Group so attractive is that we have a future-oriented hydrogen business on top of our business foundations in LPG and other fields. The current PLAN27 medium-term management plan sets forth a hydrogen strategy and calls for efforts in various fields across the supply chain. Nevertheless, there are limits to what can be accomplished using Company resources alone. We must build broad-ranging alliances with other firms while reaching a better understanding of the fields in which Iwatani can leverage its strengths while also keeping an eye on the changing business environment. I believe that the industrial gases, LPG, gas cartridge, and other fields in which the Group has manufacturing plants in Japan and around the world will play essential roles in its future growth. I hope to contribute to the Group's hydrogen business and future growth through tours of and discussions with business sites and efforts to improve quality and productivity in these gas businesses even further.



Yuki Saito

Outside Member of the Board
Member, Nomination and
Compensation Committee

Since my appointment as an Outside Member of the Board, in addition to the business briefings provided by the business sections, I have had the opportunity to tour our plants. Seeing sites like the LPG import and filling facilities in person has given me a more concrete image of Iwatani's businesses and deepened my understanding of the Company. In the deliberations of the Board, I often recall my experience of seeing up close both the scale of the facilities and the work done on site and the clear impression this formed on the need for safety.

Corporate scandals and improprieties appear to have grown more common in recent years. It's of the utmost importance to establish systems that prevent and routinely look for such incidents to keep Iwatani entirely free of such incidents. I believe it's both necessary and important to ensure that an awareness of compliance matters reaches and spreads throughout our front lines. As an Outside Member of the Board, in addition to supporting these efforts, I will enhance corporate governance by expressing my opinions and making recommendations from diverse perspectives in Board of Directors meetings and other opportunities, thereby contributing to Iwatani's continuing growth and corporate value.

Executive Officers

(As of June 19, 2024)

1 Akiji Makino

Chairman and CEO



Shares held

70.6 K shares

Career history, status, responsibilities

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

2 Toshio Watanabe

Vice Chairman



Shares held

48.5 K shares

Career history, status, responsibilities

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

3 Hiroshi Majima

President



Shares held

22.3 K shares

Career history, status, responsibilities

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

4 Hirozumi Hirota

Vice President, Member of the Board



Shares held

15.5 K shares

Career history, status, responsibilities

March 1980 Joined the Company
 June 2007 Executive Officer
 June 2009 Member of the Board
 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.
 January 2021 Senior Managing Officer, the Company; General Manager, Energy Division;
 Daily Commodity Division, Cartridge Gas Division
 April 2021 General Manager, Integrated Energy Business Group; General Manager,
 Energy Division
 June 2022 Member of the Board, Senior Managing Officer
 General Manager, Integrated Energy Business Group; General Manager,
 Energy Division; General Manager, Daily Commodity Division
 April 2024 Vice President, Member of the Board (current position)
 Responsible for sales (current position)
 Marketing Department (current position)
 Chairperson, Risk Management Committee (current position)
 June 2024 Presidential Task Office (current position)

5 Itaru Ookawa

Senior Managing Officer, Member of the Board



Shares held

17.0 K shares

Career history, status, responsibilities

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

Executive Officers

6 Manabu Tsuyoshi Senior Managing Officer, Member of the Board

Career history, status, responsibilities

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



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



Shares held
4.3 K shares

8 Kenji Takayama Senior Managing Officer, Member of the Board

Career history, status, responsibilities

April 1990	Joined the Company
April 2020	Executive Officer General Manager, Human Resources & General Affairs Department
April 2022	Managing Officer General Manager, Corporate Planning & Coordination Department
October 2022	Information Technology Planning Department
April 2023	Senior Managing Officer (current position) New System Promotion Department (current position)
April 2024	Corporate Planning & Coordination Department (current position)
June 2024	Senior Managing Officer, Member of the Board (current position)



Shares held
5.2 K shares

9 Shinji Murai Outside Member of the Board

Career history, status, responsibilities

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



Shares held
6.3 K shares

10 Shosuke Mori Outside Member of the Board

Career history, status, responsibilities

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



Shares held
3.1 K shares

11 Hiroshi Sato Outside Member of the Board

Career history, status, responsibilities

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



Shares held
2.6 K shares

Executive Officers

12 Hiroyuki Suzuki

Outside Member of the Board

Career history, status, responsibilities

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



Shares held

1.7 K 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)



Shares held

0.1 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

22.3 K 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

7.7 K 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

20.5 K 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

1.6 K shares

Executive Officers

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	Hirozumi Hirota	●		●	●	●					
Member of the Board	Itaru Ookawa		●	●							●
Member of the Board	Manabu Tsuyoshi					●	●	●	●		
Member of the Board	Hiroshi Fukushima			●				●	●	●	
Member of the Board	Kenji Takayama			●	●	●				●	●
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			●	●					●	

IR Activities

Related Key Issues (Materiality)



Develop more
transparent
governance

Iwatani discloses information promptly, fairly, and accurately to all shareholders, investors, and other stakeholders, and promotes constructive dialogue. We strive to increase corporate value by strengthening management transparency and societal trust through sustained IR efforts.

FY2023 Results

Activity	Times	Additional information
Briefings on financial results for analysts and institutional investors	4	Second and fourth quarters: Hybrid online and in-person format, attended by the President (as briefing presenter) and other officers First and third quarters: Teleconference format; attended by the IR General Manager
Briefing for analysts and institutional investors on the medium-term management plan	1	Hybrid online and in-person format, attended by the President (as briefing presenter) and other officers, on the PLAN27 medium-term management plan announced in June 2023
Individual meetings with analysts and institutional investors	144	Individual dialogues (including ESG meetings) led by the IR section
Japanese institutional investors	108	
International institutional investors	36	
Business briefing and site tour for analysts and institutional investors	1	Briefing and question and answer session attended by individuals responsible for the relevant sections

IR Materials

In addition to the Integrated Report and quarterly briefings, we publish the Investors' Guide, the Fact Book, and other materials to help analysts and institutional investors learning about Iwatani for the first time better understand and analyze our businesses.



▶ Investors' Guide 

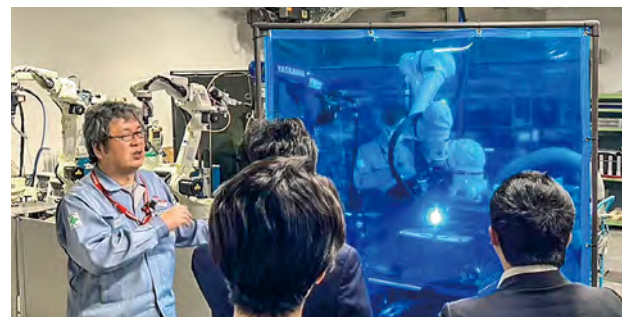
▶ Fact Book 

Internal Feedback

Quarterly reports to the Board of Directors review and report on various matters, including assessments of meetings with analysts and institutional investors, questions and comments fielded, and capital market topics.



Briefing on the medium-term management plan



Site tour of the Iwatani R&D Center

Business Segment Strategies

Contents

- P.54 Three Business Fields
- P.56 Integrated Energy Business
- P.60 Industrial Gases & Machinery Business
- P.64 Materials Business

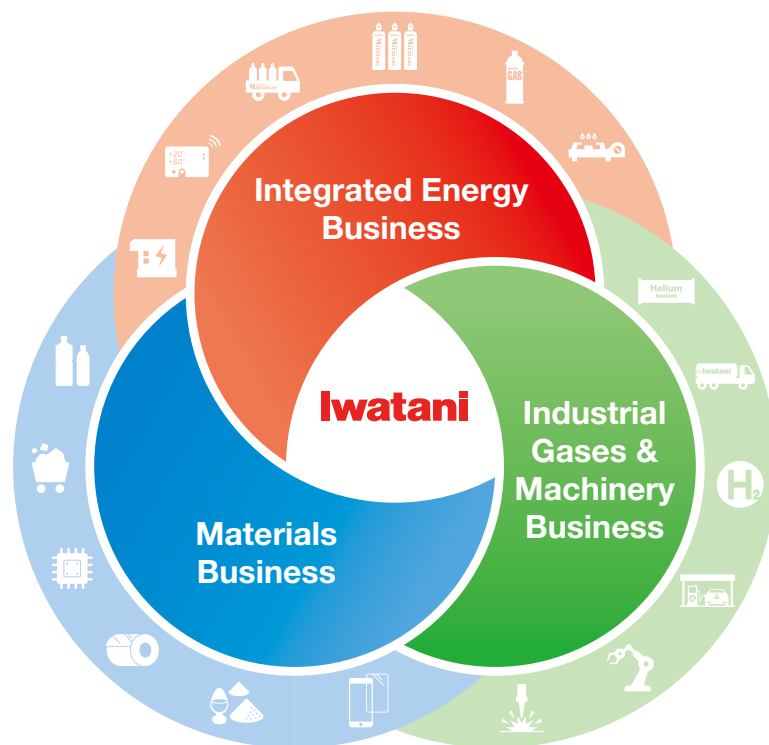
Three Business Fields

Centered on gas and energy,
Iwatani Corporation is active in three
business segments:

Integrated Energy,

Industrial Gases & Machinery, and

Materials.



Integrated Energy Business



Energy

MaruiGas consumer and commercial LPG / industrial consumer LPG / city gas (maintenance) / electricity / LNG / kerosene / LPG supply facilities / LNG satellite facilities / boilers / cogeneration / industrial furnaces

Daily commodities

LPG emergency generators / gas heat pumps / ENE-FARM / commercial water heaters / high performance gas regulating equipment / solar power / storage cells / gas alarms / Iwatani GateWay / cooking sets / auto gas stands

Cartridge gas

Portable gas cooking stoves / cassette gas canisters / FORE WINDS outdoor brand / Millser / ALALA household detergent / sales and delivery of Natural Mineral Water from Mt. Fuji / health foods

Industrial Gases & Machinery Business



Industrial gases

Oxygen, nitrogen, argon / carbon dioxide / helium / acetylene / ammonia / refrigerant gas / regenerative medicine / deuterium / Hydrocut

Hydrogen

Liquid hydrogen, compressed hydrogen / liquid hydrogen tanks / hydrogen supply facilities / hydrogen-refueling stations

Machinery

Welding and cutting equipment / robotics systems / electronic component manufacturing systems / semiconductor and automation equipment / environmental equipment / medical equipment / forming and sheet metal equipment / machine tools / powder molding equipment / compressors / high pressure gas supply facilities / tanker trucks

Materials Business



Functional plastics

PET resins / aluminum catalyst PET resins / biomass PET resins / biomass PP, PE, and PS resins / general-purpose resins / engineering resins / molded plastic products

Resources

Mineral sands (zircon sands, titanium ore) / biomass materials (palm-kernel shells, wood pellets) / fire-resistant materials / metal powders, carbon materials

Advanced materials

Rare metal raw materials / rare earths / nano materials / ceramic formed products / other electronic materials

Metals

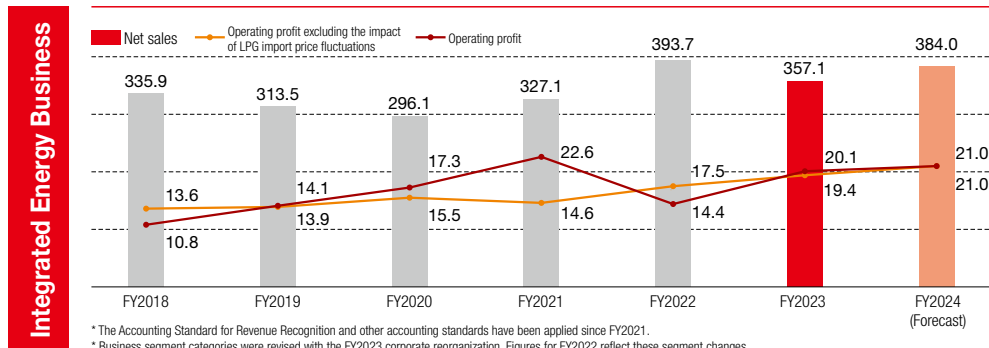
Stainless steel / aluminum / copper, copper alloys / functional aluminum foils / high alloyed materials, nickel alloys / high performance stainless steel foils / processed metal products / recycled metals

Electronic materials

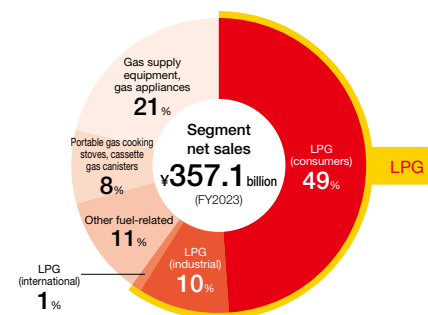
Battery raw materials (e.g., cobalt, lithium, manganese) / battery parts and materials / functional films for displays

Net Sales by Business Segment

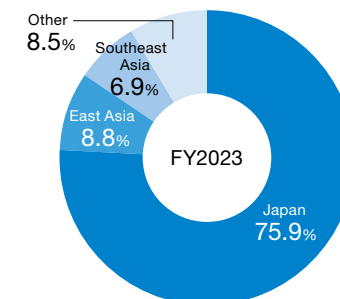
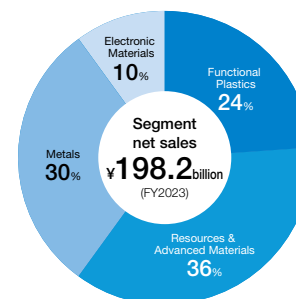
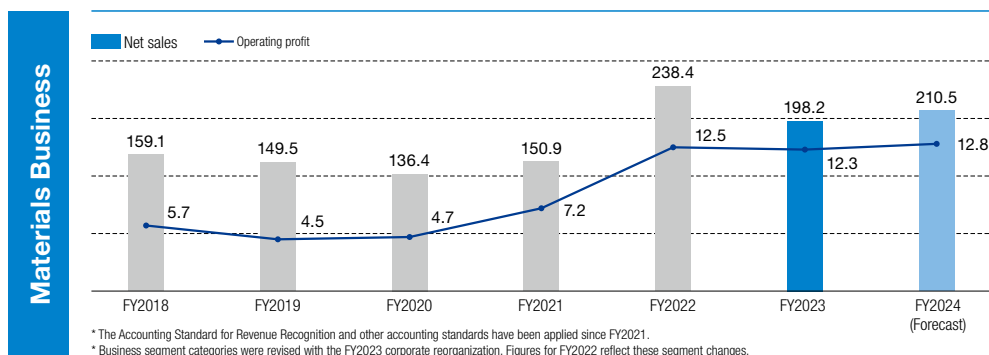
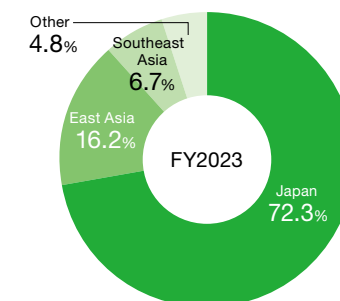
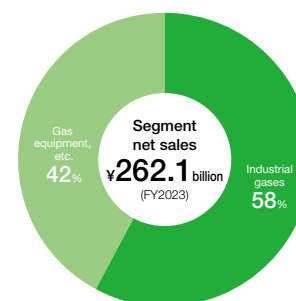
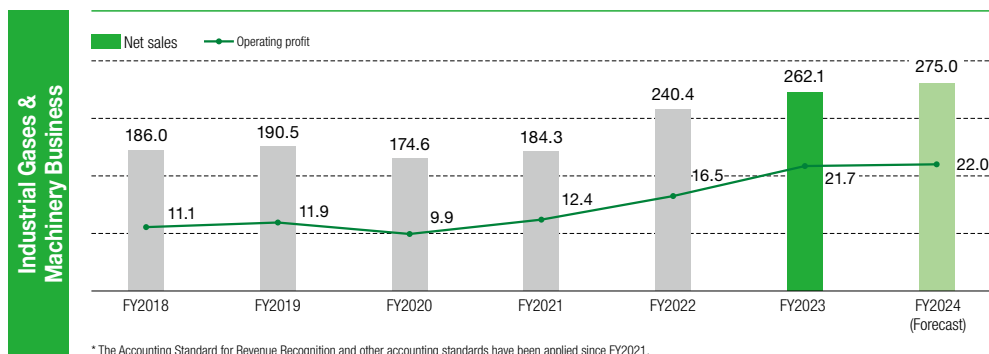
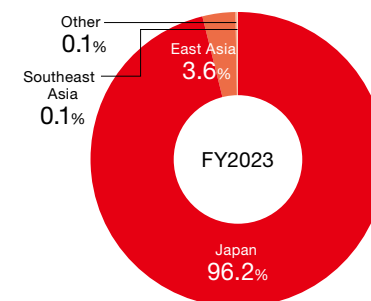
Trends in net sales and operating profit (¥ billion)



Sales composition



Sales composition by region





Integrated Energy Business

As a leading player in the LPG field in Japan, we ensure stable supplies by building and maintaining integrated structures from import through distribution. We also provide various comprehensive services, including LNG supply, the installation and maintenance of various facilities, and proposals for business continuity planning (BCP) and energy conservation solutions.



Hisayuki Shimizu
Senior Managing Officer
General Manager,
Energy Division

Establishing the leading position in the community as an energy & living total service provider

Mergers and acquisitions were carried out in FY2023 utilizing our nationwide locations. Based on this, the Energy Division is working to grow its share of direct sales LPG customers. In addition, by creating services that support local lifestyles, we have worked to deliver solutions to the challenges facing our customers and communities. To grow our businesses in the future, we will continue to grow our share of the LPG market while delivering solutions to community challenges based on continuing M&A efforts and striving to cut business costs and enhance business administration in various ways, including using AI to make deliveries more efficient and consolidating facilities with those of affiliate companies. We will also endeavor to secure stable earnings over the long term by building solid relations of trust with customers by using various types of data to manage and strengthen customer relations through a customer relations management (CRM) system. In the area of decarbonization, we will enhance efforts to promote the migration from industrial fuels like heavy oil to LPG and LNG, strengthen sales of carbon-offset LPGs through J-Credits, and accelerate research and development on the production of green LPG.



Yasushi Sakai
Senior Managing Officer
General Manager,
Daily Commodity Division

Finding solutions to society's challenges through decarbonization and digital transformation (DX) by promoting use of high efficiency devices

In addition to selling gas devices and security equipment, the Daily Commodity Division contributes to household decarbonization through promoting use of high efficiency devices. It is also tasked with building infrastructure to solve challenges in today's aging and depopulating communities by promoting the Iwatani GateWay platform, which integrates digital technologies into security services. We identify the courses of action that LPG businesses should take in order to realize an energy & living total service. While sales of gas equipment struggled in FY2023 due to customers' post-COVID inventory adjustments, sales and installation of security equipment to streamline LPG deliveries maintained stable trends. Also, about 70% of the surface area of Fukue Island in the city of Goto, Nagasaki Prefecture, where demonstration testing of Iwatani GateWay is underway, is now included in the telecommunications service area. Through means such as expanding the service menu through testing of security services for seniors, efforts to prevent frailty risks, and online health examinations, we will aim to be a business needed in the community by providing solutions to the various needs of LPG customers across Japan.



Atsunori Kometani
General Manager,
Cartridge Gas Division

Focusing on prompt product development and international expansion

The most crucial issues for the Cartridge Gas Division are product development and the need to expand sales of portable gas cooking stoves and cassette gas canisters overseas. While we are already striving to grow sales of portable gas cooking stoves and cassette gas canisters in Japan, where we hold a large market share, we're also focusing on new product development to grow demand itself. Stoves fueled by cassette gas canisters have gained popularity in recent years. In FY2024, we will continue to propose new methods for using cassette gas canisters. Overseas, we're expanding businesses in Southeast Asia. Our portable gas cooking stoves plant in Thailand came online in 2023. We will sell stoves made in Thailand in surrounding countries as well as in Thailand itself. While the plant currently produces just one model, we plan to increase production to three models during FY2024 while accelerating market development by selling cooking plates tailored to the aspects of culture of each market. Our division's other product lines include natural mineral water from Mt. Fuji, the ALALA detergent series, and health food. We will work to grow their sales while focusing chiefly on customers who use Iwatani's LPG, gas cooking stoves, and cassette gas canisters.

Integrated Energy Business

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, 108 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.

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.

Opportunities

1 Growing demand for fuel conversion in response to the rising need to reduce CO₂ emissions

2 Structural changes amid the decarbonization movement within the LPG industry

3 Growing need for solutions to community issues

Risks

1 Declining demand for energy due to changing community demographic trends

2 Delays in raising the adoption of renewable energy

Business Capital

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
- Strong customer base built on leveraging our brand power and strengths in safety

Sales offices

- Approx. 280 sites
- Approx. 3,200 employees

Distribution centers

- Approx. 130 sites
- 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

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



Japan



China

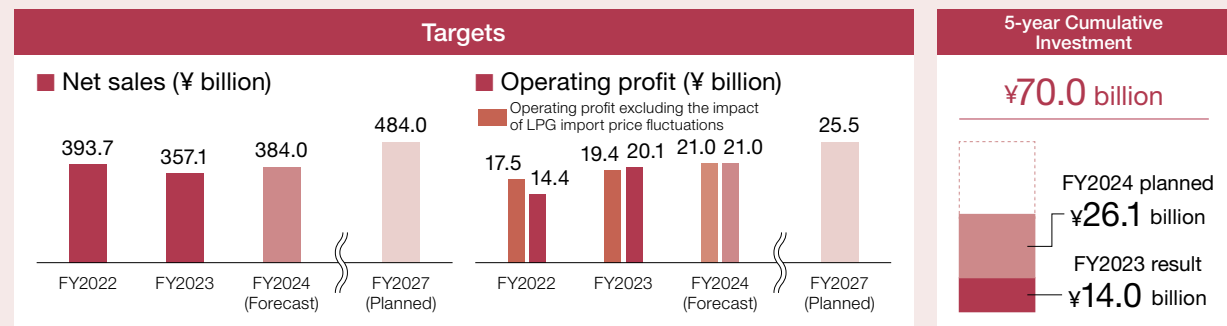


Thailand

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
- Domestic Energy & Services Strategies [▶ P. 26]

PLAN27 medium-term management plan targets and progress



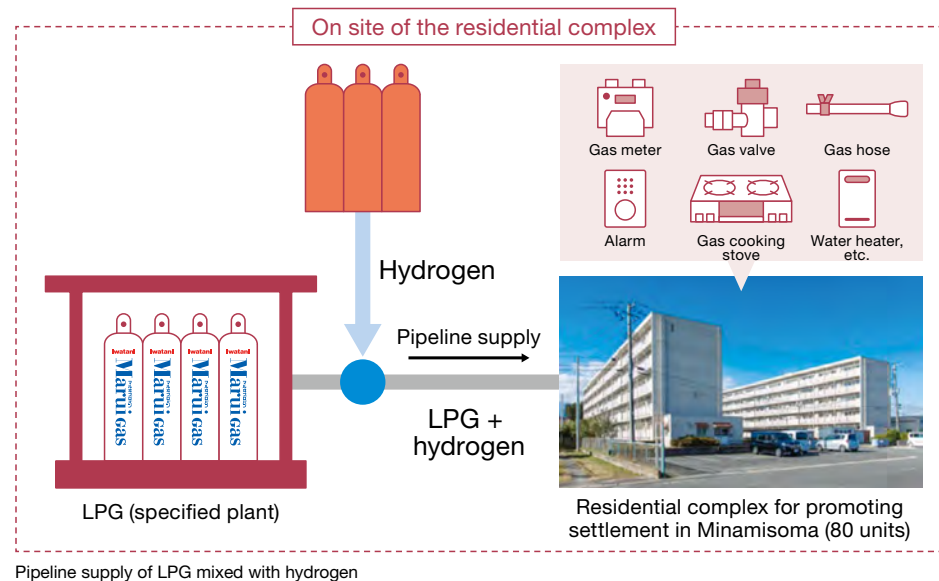
Integrated Energy Business

* Measures to grow the LPG business are covered under the Domestic Energy & Service Strategies [→ P. 25].

Initiatives

Toward Japan's first pipeline supplies of mixed hydrogen and LPG to households

Iwatani's demonstration testing project for the pipeline supply of hydrogen and LPG mixed at usable ratios to households at a residential complex for promoting settlement in Minamisoma, Fukushima Prefecture (80 units) has been selected for funding by the New Energy and Industrial Technology Development Organization (NEDO). This is the first project in Japan to supply mixed hydrogen and LPG to households and to use existing supply infrastructure and gas appliances for mixed hydrogen and LPG. In FY2023, we verified the safety of mixtures with hydrogen and whether existing facilities could continue to be used. Plans call for beginning supplies of LPG mixed with 10% hydrogen at the end of FY2024. We will also consider increasing mixture ratios in the future while monitoring these usage conditions. Pipeline supply of LPG mixed with hydrogen is expected to be one means of reducing CO₂ emissions in households, and this test in Minamisoma will serve as a basis for promoting further efforts toward realization of this goal.



Proposing life products and services to meet customer needs

To our nationwide LPG customer base, we 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 brands—ALALA (natural household detergents) and Natural Mineral Water from Mt. Fuji (water delivery). We offer various products and services that improve quality of life, including home remodeling and community safety services based on the Iwatani GateWay platform [→ P. 26]. We continue to improve the lives of our customers by providing the products and services needed by our customers and communities.



Gas heat pumps (GHPs)



Solar power



ALALA



Natural Mineral Water from Mt. Fuji

Integrated Energy Business

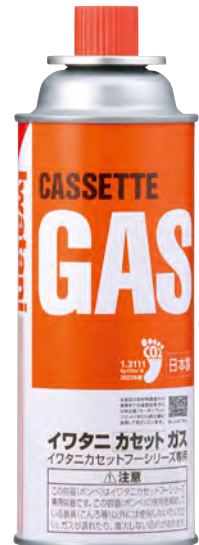
Initiatives

Publishing results of carbon footprint calculations to help reduce CO₂ emissions

Results of carbon footprint calculations (only in Japanese) [Web](#)

In August 2022, as part of efforts to contribute to a decarbonized society, we began calculating the carbon footprint* of Iwatani Cassette Gas orange-label products produced at the Shiga Plant of Iwatani Cartridge Gas Corporation. We are calculating CO₂ emissions, from production through disposal, in cooperation with Zeroboard Inc., based on ISO 14067 and procedures and standards issued by the Ministry of Economy, Trade and Industry and the Ministry of the Environment. Calculation procedures and results are reviewed by SOCOTEC Certification Japan, an independent agency, before being labeled on the products and posted on the website. In addition to announcing the results of these calculations annually as one indicator of decarbonization, we will strive to reduce CO₂ by decarbonizing production processes and working with companies within the supply chain.

* A quantitative indicator of GHGs emitted over the entire product life cycle, from raw materials procurement through disposal, converted to CO₂ emissions



Cassette gas canister bearing carbon footprint label

1.3111 kg-CO₂e/本
2022年度

日本製

本製品の原材料調達から廃棄までの温室効果ガスの排出量(カーボンフットプリント)をCO₂排出量に換算して表示しています。詳しくはこちら

イワタニカセットガス
イワタニカセットフーシリーズ専用

Sales of Cassette-Feu KIWAMI begin

In January 2024, we began selling Cassette-Feu KIWAMI, the flagship model in the Iwatani Cassette-Feu series of products first introduced in 1969 to meet various consumer lifestyle needs. KIWAMI is designed under the supervision of global car designer Takumi Yamamoto, who also designed the *Mahoroba*, a hydrogen fuel cell ship we plan to demonstrate at Expo 2025 Osaka, Kansai, Japan. This line departs from the traditional boxy design, incorporating instead a circular top plate in a rose gold color integrated with the feet. Iwatani Cassette-Feu KIWAMI, which combines a luxury feel with functionality and safety, adds to the appeal of dining tables both for everyday use and for serving special guests. We will continue to supply products that enrich consumer lives.



Iwatani Cassette-Feu KIWAMI

Industrial Gases & Machinery Business

The Industrial Gases & Machinery Business delivers solutions for customers based on its stable supply capacity for various industrial gases and an extensive product lineup, including gas supply facilities and machinery, all based on the research and development facilities and technological capabilities accumulated over many years.



Kazutaka Yokoya
Managing Officer
General Manager,
Industrial Gases Division

Supporting global industry through industrial gases

The Industrial Gases Division supplies industrial gases including air separation gases (oxygen, nitrogen, and argon), helium, carbon dioxide, semiconductor gases, and medical gases. These gases are used in plants and at research facilities across the automotive, semiconductor, electronic components, medical, and food products industries. We support global industry by drawing on the technological capabilities accumulated over many years and on our broad lineup of gas and machinery products in fields ranging from manufacturing and supply facilities for various gases and gas applications and efficient distribution and safety monitoring services. We strive to achieve the Sustainable Development Goals (SDGs) and reduce CO₂ emissions through business related to gases to realize a sustainable, carbon-neutral society. We plan to remain an essential presence by adapting nimbly to societal change and technological innovations and by supplying products and services that deliver solutions to the challenges facing customers around the world.

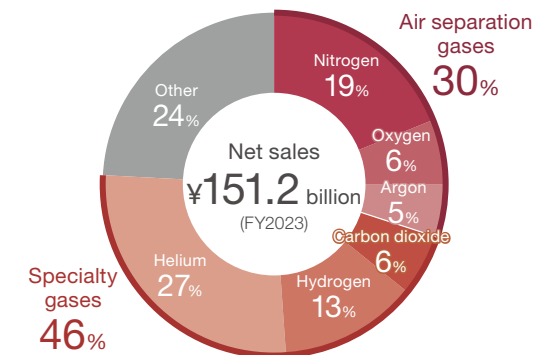


Hiroyuki Yano
Senior Managing Officer
General Manager,
Machinery Division

Achieving solutions and growth alongside our customers based on a wide range of machinery

The Machinery Division sells various types of machinery, from gas supply equipment, welding and industrial robotics machinery to electronic components production equipment, equipment for semiconductors, medical and pharmaceutical products, environment conservation, and machine tools. Drawing on our extensive domestic and international networks, our wide-ranging product lineup, and years of expertise in machinery adoption and solutions, as well as the comprehensive capabilities of the Iwatani Group, we seek to grow alongside our customers while helping them overcome various challenges through specific, practical, targeted proposals. In recent years, we've begun selling hydrogen cutting machinery and mixed hydrogen burners, products that help reduce and control CO₂ emissions in manufacturing processes like cutting thick sheet metal and calcination furnaces. We will continue to demonstrate our presence as a member of the Iwatani Group by adapting flexibly to future environmental changes and targeting growth based on the keywords of decarbonization, automation, and customer focus.

Breakdown by gas type



Machinery, etc.

- High pressure gas supply equipment
- Welding robots



- Tanker trucks
- Welding machinery
- Dedicated sheet metal and welding machines
- Semiconductor manufacturing equipment
- Welding materials
- Pharmaceuticals manufacturing equipment

Industrial Gases & Machinery Business

Strengths

1 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 manufacturing through distribution, storage, use, and maintenance
- Air separation gases: Building a stable nationwide supply structure based on our advanced ISO 9001-certified quality management structure

2 Years of experience, expertise, and handling technologies in hydrogen

- Hydrogen Strategies [→ P. 18]

3 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

4 Technological development capabilities of the Iwatani R&D Center and the Iwatani Advanced Hydrogen Technology Center

- Technology Strategy [→ P. 39]

Opportunities

1 Advancing decarbonization, automation, and labor saving in manufacturing

2 Market expansion in China, Southeast Asia, and the United States

Risks

1 Evolving domestic and international industrial structures

2 Country-specific risks, policy trends, and other aspects

Business Capital

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

Hydrogen

- Building structures for stable supply of compressed hydrogen and liquid hydrogen

Helium

- 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

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

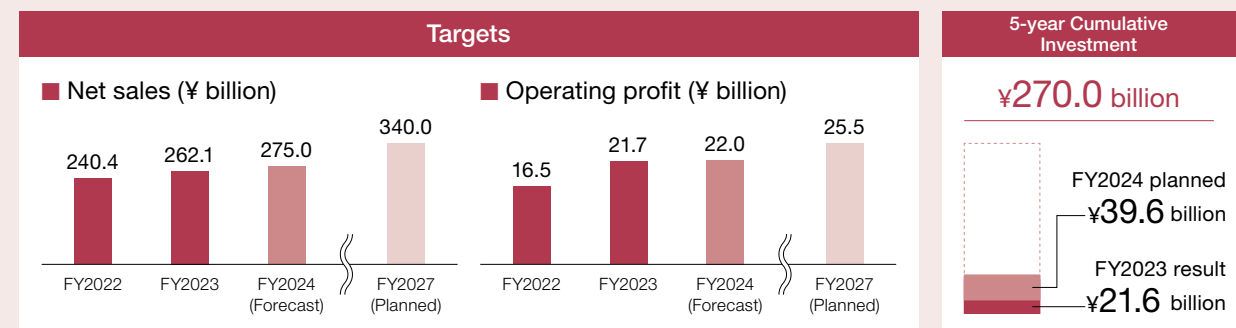
- Capacity to propose solutions backed by the gas handling technologies, extensive track record in their adoption, and integrated capabilities from design through maintenance accumulated over many years
- Continuing development of new gas technologies while responding swiftly to customer needs and issues

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; liquefied 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

PLAN27 medium-term management plan targets and progress



Industrial Gases & Machinery Business

Initiatives

Contributing to regenerative medicine through low-temperature technologies

We're addressing the growing demand for liquefied nitrogen in freezing, storage, and transport of cells at temperatures below -150°C as a new growth field that will help industrialize regenerative medicine. Iwatani proposes comprehensive solutions, including carbon dioxide for cell growth, liquefied nitrogen and containers for freezing and storing cells, transport containers, and temperature loggers. For medical institutions, we offer gases and products essential to building cold chains—from cell production plants to storage and transport facilities. We're also focusing on research and development through joint research with universities and on capital joint ventures with startups. In 2022, we opened a regenerative medicine/bioresearch facility at the Iwatani R&D Center, where we are currently building a structure to reproduce and evaluate the series of processes performed at cell production plants. We're also making progress on developing technologies for gently freezing cells and research and development on cell storage and transport containers. In 2024, we developed the basic technology for freezing 3D cells. In this field in particular, our research and development capabilities are emerging as clear strengths. As we enhance these initiatives in the future, we plan to bring to market cell storage and transport containers produced in-house.



Cell culture

Onshore aquaculture initiatives based on our high density oxygen solution technologies

Iwatani offers products related to onshore aquaculture, centered on oxygen produced using our high density oxygen solution technologies. While offshore aquaculture uses fish pens and similar facilities, onshore aquaculture technology is used to raise fish in artificial environments on land. We have accumulated the high density oxygen solution technologies needed to help fish grow through more than 30 years' experience in supplying oxygen to eel farmers and selling oxygen solutions equipment. In 2023, we opened an onshore aquaculture research facility at the Iwatani R&D Center as we continue to pursue research in this field to identify real-world applications. In addition to oxygen, our lineup of onshore aquaculture products addresses industrial needs ranging from LPG boilers to maintain water temperature to emergency generators and fiberglass-reinforced plastic (FRP) cultivation tanks. In recent years, in addition to fisheries companies, companies from a number of other industries have begun entering the onshore aquaculture field. We will continue to target this industry, including efforts currently under consideration to expand into overseas markets, due to the status of this industry as a contributor of solutions to challenges such as food shortages.



Onshore aquaculture experimental facility

Industrial Gases & Machinery Business

Initiatives

Mixed-hydrogen burners to help reduce CO₂ emissions from industrial furnaces

The Japanese government has targeted a 47% reduction (vs. FY2013) in CO₂ emissions by 2030. Under these conditions, reducing the CO₂ generated from burning fuel is a pressing need for Japanese manufacturers that operate industrial furnaces in drying, calcination, smelting, or other processes. The mixed-hydrogen burners developed jointly with our partners represent one solution to reduce CO₂ emissions generated by such manufacturers. Our burners make it possible to mix hydrogen with existing fuel at ratios of 0-100% and can be retrofitted in significantly less time than it would take to upgrade entire industrial furnaces. We delivered our first mixed-hydrogen burner in March 2024; in May of that year, we installed a test unit at the Iwatani R&D Center, where we will pursue practical testing and collect data on mixed hydrogen combustion to meet customer needs, with the goal of accelerating sales of mixed-hydrogen burners. We plan to continue to leverage our position as Japan's sole liquid hydrogen supply network operator to provide solutions that help reduce CO₂ emissions.



Mixed-hydrogen burner

Opening a gas supply base in Singapore to power business growth in Southeast Asia

In 1974, Iwatani established a company in Singapore to serve as the center of our businesses in Southeast Asia. The company produces and sells industrial gases for high tech industries, including the semiconductor industry. In recent years, customers in Southeast Asia have used industrial gases for a wide range of applications, and demand is expected to continue growing. In June 2024, we opened a gas center with expanded gas filling and storage capacities, bringing together our supply bases for helium, semiconductor gases, and air separation gases, previously scattered across regions including Malaysia and Singapore. To effectively meet the growing demand, we also expand our systems to enable timely delivery. We will build on the construction of this new plant to grow the Industrial Gases Business in Singapore and Southeast Asia.



The new gas center on the island of Jurong, Singapore

Introducing new products in the Hydrocut[®] series to control CO₂ emissions

Acetylene (C₂H₂), used in brazing and gas pressure welding and in the cutting of various metals, emits CO₂ during combustion. We offer the Hydrocut[®] series of gases mixing hydrogen and ethylene as an alternative. The distinguishing features of Hydrocut[®] can contribute to solutions for issues in this field—for example, reducing CO₂ emissions by 84% compared to acetylene, reducing radiant heat for comfortable working, and ensuring safety through backfire resistance. Thanks to this wide range of advantages and our technological support, it is now being used in various fields, including shipbuilding, construction, and auto parts. In 2023, we introduced New Hydrocut, which reduces CO₂ emissions still further by increasing the hydrogen mix ratio. We will continue to develop technologies and products that address customer needs to reduce CO₂ emissions and achieve environmental improvements at construction sites.



Hydrocut

Materials Business

The Materials Business develops mineral sands and other mineral resources; procures and supplies functional plastics, advanced metals, and other raw materials essential to the environmental, electronics, and automotive fields; and contributes to decarbonization through biomass fuels and other sustainable products for a cyclical society.



Kenji Motoori

Senior Managing Officer,
General Manager,
Materials Division

Building the decarbonized society of the future by ensuring a stable supply of green materials

As the global economy changes at unprecedented speed in response to rising geopolitical risks, the Materials Division builds robust supply chains to secure stable supplies of the raw materials essential to the fields of renewable energy, electronics, and mobility. Amid rising demand to reduce carbon emissions production processes, our investee Nordic Mining mines raw materials for green titanium powered entirely by electricity generated from renewable energy. We plan to launch sales of this material in FY2025. We're also making progress on efforts to supply the materials customers need to build a cyclical society. These efforts include participating in a plastics recycling consortium and studies on developing the metals recycling business. We will continue working with partners in Japan and around the world to realize the promise encapsulated by our corporate slogan: Creation of a more comfortable space on the Earth is what Iwatani wishes and strives for.

Functional Plastics

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

Related industries: Beverage and food, daily household goods, home electrical appliances, etc.



Air conditioner panel



PET resins

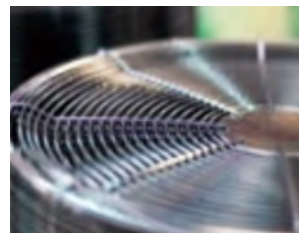


Films (protective tape)

Metals

- Stainless steel ● Precision stainless steel ● Aluminum
- Non-ferrous materials ● High alloys ● Processed metal products

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



Wire processing



Stainless steel

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.



Australian mineral sands concession

Electronic Materials

- Battery-related materials
- Display materials

Related industries: Electronics, automotive batteries, etc.



Smartphone materials



Automotive battery materials

Materials Business

Strengths

1 Strong customer network

- A strong customer base including leading players with high motivation to achieving carbon-free society and control over markets
- A lineup of eco-friendly materials based on our network, including eco-friendly resins and biomass materials

2 Stable supply structure

- Stable procurement capabilities based on strong ties to overseas suppliers and our in-house sources
- Diversification and greening of procurement sources to meet customer needs

3 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
- Nano-size materials development and joint development of new and advanced materials with universities and startups

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

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

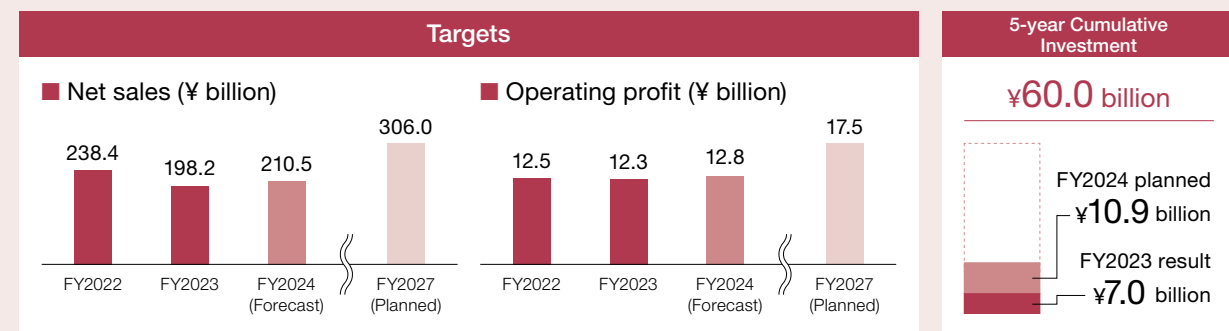
- Developing an integrated production structure from raw materials through processing, to target emerging markets (Thailand, China)
- Product development/processing functions to meet customer needs (air conditioning equipment, automotive parts and materials)

Strong ties to suppliers

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



PLAN27 medium-term management plan targets and progress



Materials Business

Initiatives

Strengthening supply capabilities for the vital mineral resource of mineral sands

Mineral sands (minerals in sand form, such as zircon sand and titanium ore) contain rare metals vital to the environmental, electronics, and automotive industries. In addition to imports and sales of products (produced in South Africa and Canada) from major global suppliers, we operate our own mining concession in Australia, in which we hold 100% mineral rights. In 2022, we invested in Nordic Mining, a Norwegian resources firm, to secure rights to the Japanese market for high purity titanium ore mined from a new concession slated to begin operating in 2025. In addition to expanding production facilities to strengthen the structures needed to ensure a stable supply, we plan to grow sales to highly decarbonization-conscious customers by emphasizing the green aspects of titanium sourced from Norway due to the nation's high rate of renewable energy use. As a leading player in the industry, we will continue working to build ever more robust supply chains.



Nordic Mining concession (Norway)

Growing sales of eco-friendly resins

We sell eco-friendly resins as a solution we can offer to manufacturers of products such as bottles, beverages, and films that need to lessen their environmental impacts. We're focusing on growing sales of our eco-friendly resins lineup consisting of three product lines: bio-PET resin made of biomass MEG refined from sugarcane dregs (waste molasses), aluminum catalyst PET resin of outstanding recycling performance (color and physical properties resistant to change during recycling) thanks to its high heat stability, and low antimony-catalyst resin with reduced risk of leakage of heavy metals from products. In addition, in 2021 we began offering bio PP, PE, and PS resins using the recyclable resource bio naphtha, supplying bio plastics that deliver the same quality as petroleum-derived plastics while reducing CO₂ emissions.



Bottles made from eco-friendly resins

Materials Business

Initiatives

Business growth by strengthening stainless steel processing function and developing new technologies

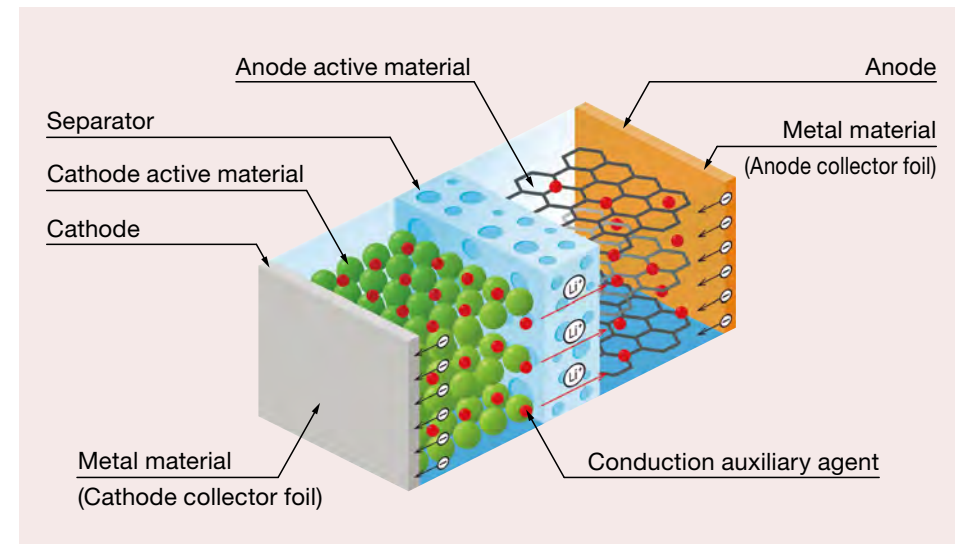
In March 2024, to grow sales of the stainless steel business, a core component of the metals segment, we acquired all shares of stock issued by Taihei Kozai Co., Ltd. and TAIHEIKINZOKU Co. Ltd. Based in Hyogo Prefecture, these companies have established structures that enable the rapid supply of a wide range of materials based on extensive inventories and quick processing. Their customer-centric approach has secured leading shares in their regional markets. We're committed to continuing to enhance the Group's competitive strengths and strengthen the stainless steel business. We've also established a technology for welding stainless steel and copper, something conventionally considered difficult to weld. This technology will make it possible to replace some of the copper piping in air conditioning and other equipment with stainless steel, helping to reduce use of copper, supplies of which are expected to tighten. We will continue to grow our businesses through active alliances and acquisitions and to develop new markets through research and development.



Welding copper and stainless steel using a copper-iron alloy

Strengthening our ability to supply the rechargeable-battery materials essential to lithium-ion battery production

Thanks to their compact size, light weight, and long life, rechargeable lithium-ion batteries are used in smartphones, laptops, EVs, hybrid vehicles, and in many other devices/applications. We provide materials like lithium, cobalt, and manganese essential to the manufacture of the cathode materials that determine lithium-ion battery capacity and energy density. Currently, these metals are refined mainly in China; we're striving to add to the stability of the supply for these materials by establishing a new supply chain outside of China. We're also pursuing research and development on solid state batteries, which are expected to enter commercial use in several years, and on parts and materials that reduce the risk of fire posed by lithium-ion batteries. In these and other ways, we will participate in the growing rechargeable battery materials market and strengthen our market supply structure.



Internal structure of a lithium-ion rechargeable battery

Data

Contents

P.69 ESG Data

P.71 Financial Highlights

P.72 Company Data

ESG Data

Environment

Material balance*1

Material balance		FY2021	FY2022	FY2023	
Inputs	Electricity (thousand kWh)	344,793	336,325	335,171	
	Steam (Gj)	11,875	17,197	16,228	
	Fuels (Gj)	LPG	153,305	140,036	129,118
		City gas/LNG	54,235	58,809	53,229
		Diesel	175,902	174,239	179,969
		Gasoline	147,307	143,405	137,142
		Kerosene	13,797	13,359	8,245
	Bunker A	8,868	8,009	5,682	
	Total water intake (thousand cu. m) ²	-	-	7,467	
	Breakdown of water intake	Service water (thousand cu. m)	-	-	195
		Groundwater (thousand cu. m)	-	-	651
		Industrial water (thousand cu. m)	-	-	425
		River water (thousand cu. m)	-	-	58
		Sea water (thousand cu. m)	-	-	6,136
	Other (thousand cu. m)	-	-	0	
GHG emissions (t)	Domestic Scope 1 and 2*1	236	227	228	
	Overseas Scope 1 and 2*3	-	159	199	
Total wastewater (thousand cu. m) ²	-	-	6,927		
Breakdown of wastewater	River (thousand cu. m)	-	-	252	
	Sea (thousand cu. m)	-	-	6,305	
	Sewer (thousand cu. m)	-	-	195	
	Other (thousand cu. m)	-	-	173	
Recycled water resources (thousand cu. m)	-	-	274		
Outputs	Total industrial waste discharge (t)	-	-	26,500	
	Industrial waste discharge (t)	5,722	11,024	14,885	
	Sold (t)	-	-	9,264	
	Specially managed industrial waste discharge (t)	-	-	2,351	
	Recycled waste (t)	-	-	1,187	
	Hazardous waste emissions (t)	-	-	3	
	Sulfur oxide (SOx) emissions (t)	-	-	1	
	Nitrogen oxide (NOx) emissions (t)	-	-	7	
	Soot emissions (t)	-	-	82	
	Volatile organic compound (VOC) emissions (t)	-	-	19	
Chemical oxygen demand (COD) emissions (t)	-	-	0		
Substances subject to PRTR reporting (t)	Emissions	-	-	12	
	Transported	-	-	18	

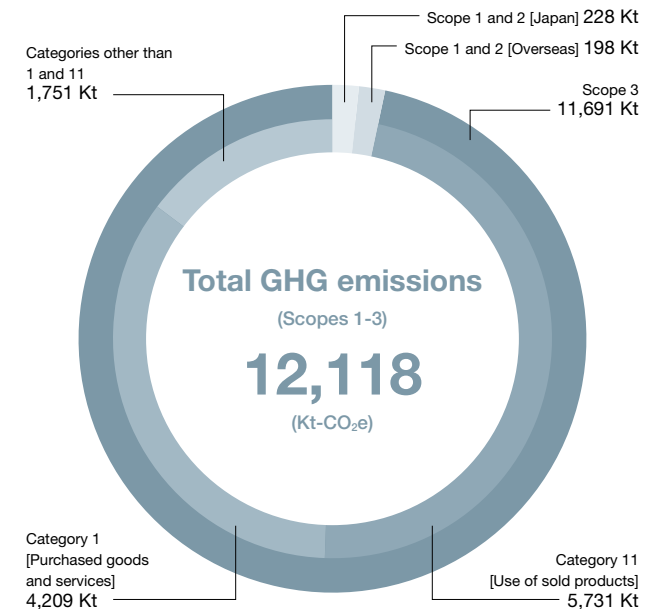
GHG emissions

GHG emissions (Kt-CO ₂ e)		FY2021	FY2022	FY2023
Scope 1 (direct emissions)	Japan ¹	85	86	83
	Overseas ³	-	38	33
	Total ⁴	-	124	116
Scope 2 (indirect emissions)	Japan ¹	151	142	145
	Overseas ³	-	121	165
	Total ⁴	-	263	310
Scope 1 and 2	Total of Japan and overseas ⁴	-	387	427
Scope 3 ⁵	Total of all categories	8,846	10,764	11,691
	1 Purchased goods and services	3,181	4,233	4,209
	2 Capital goods	25	71	64
	3 Fuel- and energy-related activities not included in Scope 1 or Scope 2	-	44	50
	4 Upstream transportation and distribution	-	57	56
	5 Waste generated in operations	15	30	40
	6 Business travel	1	1	1
	7 Employee commuting	4	5	5
	8 Upstream leased assets	-	-	-
	9 Downstream transportation and distribution	-	-	-
	10 Processing of sold products	-	-	-
	11 Use of sold products	5,492	6,197	5,731
	12 End-of-life treatment of sold products	-	-	-
	13 Downstream leased assets	0.4	0.3	0.3
	14 Franchises	-	-	-
	15 Investments	125	124	1,531
	Solar power consumed in-house (MWh) ⁶	-	-	5,001
	Green power purchased (MWh)	-	-	12,418

* Underlined figures have been independently validated by SOCOTEC Certification Japan.

▶ FY2023 independent assurance report 

FY2023 GHG emissions (Scopes 1-3)*7



*1: Materials balance and domestic Scope 1 and 2 figures are totaled for Iwatani's domestic business sites, domestic consolidated subsidiaries, and two equity method affiliates that consume large volumes of energy.

*2: In some cases, estimates of water intake and wastewater are based on employee numbers or floor area weighted by rate of use.

*3: Overseas Scope 1 and 2 figures are totaled for Iwatani's overseas business sites and overseas consolidated subsidiaries.

*4: Overseas CO₂ emissions for FY2021 are indicated "-" under total because they were not published.

*5: Calculations exclude the following categories: Category 8 (included in Scope 1 and 2 calculations), categories 9, 10, and 12 (difficult to ascertain due to extensive scope), and category 14 (no subject activities).

*6: Solar power includes PPAs.

*7: Data are sourced from the figures in the table at left.

* The items of information on this page have been updated since FY2023 in accordance with the Environmental Reporting Guidelines 2018.

* Total figures on this page may not match the sums of individual items due to rounding.

ESG Data

Society

Iwatani Corporation (nonconsolidated)		FY2021	FY2022	FY2023
Employees	Male	953	960	921
	Female	366	391	400
	Percentage of female employees (%)	27.7	28.9	30.3
Managers	Male	575	639	488
	Female	40	41	36
	Percentage of female employees (%)	6.5	6.0	6.9
Average age (years)		39.6	39.7	39.6
Average annual salary (¥ thousand)	Male	10,329	10,952	11,320
	Female	5,542	5,466	5,735
	Total	9,001	9,413	9,702
New-graduate hires	Male	35	37	37
	Female	28	33	44
	Percentage of female employees	44.4	47.1	54.3
Midcareer hires	Male	3	8	12
	Female	0	3	3
	Percentage of female employees	0.0	27.3	20.0
Average years of continual service	Male	17.2	17.0	17.1
	Female	11.8	11.7	11.2
	Total	15.7	15.5	15.3
Percentage resigning for personal reasons*1 (%)	Male	2.3	3.2	3.9
	Female	4.4	6.4	4.8
	Total	2.9	4.1	4.2
Average overtime hours per month		12.7	13.7	14.1
Rate of taking childcare leave*2	Male	13.0	30.6	55.9
	Female	100.0	83.3	120.0
Rate of taking annual paid leave*3		52.1	48.8	51.2
Percentage of employees with disabilities		2.26	2.78	2.62
Number of occupational injuries (fatalities)		0	0	0
Number of occupational fatalities		0	0	0
Number of participants in training programs (cumulative number)		388	456	2,256
Hours of training per person		12	13	23
Training costs (¥ thousand)		117,013	116,227	156,589

Governance

Iwatani Corporation (nonconsolidated)	FY2021	FY2022	FY2023
Members of the Board	12	12	13
Outside Members of the Board	3	4	5
Independent Members of the Board (included in above)	3	4	5
Outside Members of the Board (%)	25.0	33.3	38.5
Board of Directors meetings	16	15	17
Member of the Board attendance rate (%)	99.0	99.4	99.5
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	14
Average attendance rate in Audit and Supervisory Board meetings (%)	78.8	100.0	100.0
Members of Nomination and Compensation Committee	5	6	7
Members of Nomination and Compensation Committee who are Outside Members of the Board	3	4	5
Nomination and Compensation Committee meetings	3	1	2
Average attendance rate in Nomination and Compensation Committee meetings (%)	100.0	100.0	100.0

*1: Includes only employees who resigned for personal reasons.

*2: Calculated using the following formula pursuant to the Act on the Promotion of Women's Active Engagement in Professional Life:

$$\text{Percentage taking childcare leave (\%)} = \frac{\text{Number of employees beginning childcare leave during the fiscal year}}{\text{Number of employees giving birth during the fiscal year (for men, the number of employees whose spouses gave birth during the fiscal year)}} \times 100$$

*3: Figures through FY2021 include five days of summer vacation; those for FY2022 and later exclude summer vacation.

Financial Highlights

	FY2019	FY2020	FY2021	FY2022	FY2023
Business year (¥million)					
Net sales	686,771	635,590	690,392	906,261	847,888
Gross profit	176,259	176,878	191,762	212,925	229,475
Operating profit	28,728	29,986	40,076	40,035	50,635
Ordinary profit	32,270	34,406	46,413	47,011	66,202
Profit before income taxes	32,197	35,009	45,943	47,322	67,210
Profit attributable to owners of parent	20,994	23,207	29,964	32,022	47,363
Investments ¹	34,639	33,777	40,030	70,008	172,876
Depreciation ²	18,394	19,278	22,986	26,492	28,105
R&D expenses	2,494	2,261	1,917	2,056	2,248
Cash flow from operating activities	40,264	48,779	13,075	51,471	54,854
Cash flow from investing activities	(30,885)	(28,831)	(31,939)	(60,286)	(161,266)
Cash flow from financing activities	(3,587)	(7,052)	8,038	11,032	105,433
End of business year (¥million)					
Total assets	469,715	509,518	558,479	656,003	834,391
Fixed assets	265,942	289,905	299,008	352,814	524,817
Interest-bearing debt	126,577	96,161	111,160	139,454	254,521
Net assets	191,152	251,851	280,307	312,230	372,930
Per-share information (¥) ³					
Profit attributable to owners of parent	426	428	520	556	823
Shareholders' equity	3,703	4,245	4,696	5,249	6,298
Cash dividend applicable to the period	95 ⁴	75	85	95	130
Financial targets (%)					
ROE	12.1	10.9	11.7	11.2	14.3
ROIC	6.6	6.3	7.7	6.8	6.7
Equity ratio	38.8	47.6	48.4	46.0	43.4

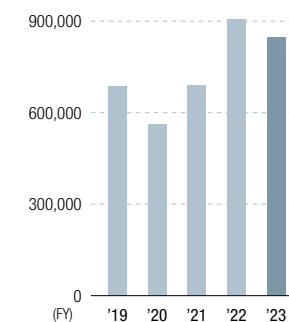
¹: Figures through FY2020 include property, plant and equipment, intangible assets (excluding goodwill), and investment securities. Figures since FY2021 include property, plant and equipment, intangible assets (including goodwill), and investment securities.

²: Figures since FY2021 include amortization of goodwill.

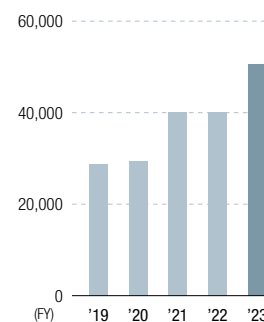
³: We plan to implement a four-for-one stock split on common stock with a basis date of September 30, 2024, and an effective date of October 1, 2024. Amounts shown predate this stock split.

⁴: Includes commemorative dividend of ¥20.

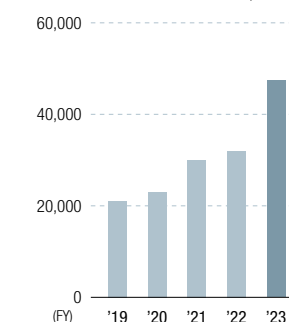
■ Net sales (¥ million)



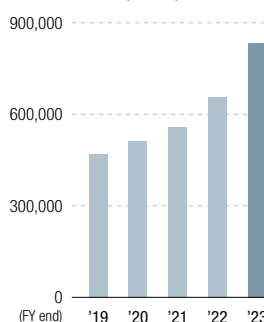
■ Operating profit (¥ million)



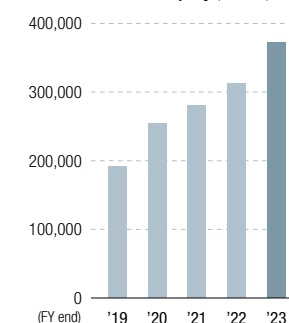
■ Profit attributable to owners of parent (¥ million)



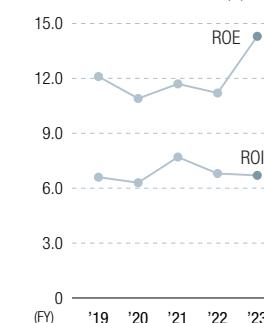
■ Total assets (¥ million)



■ Shareholders' equity (¥ million)



■ Trends in ROE and ROIC (%)



Company Data

(As of March 31, 2024)

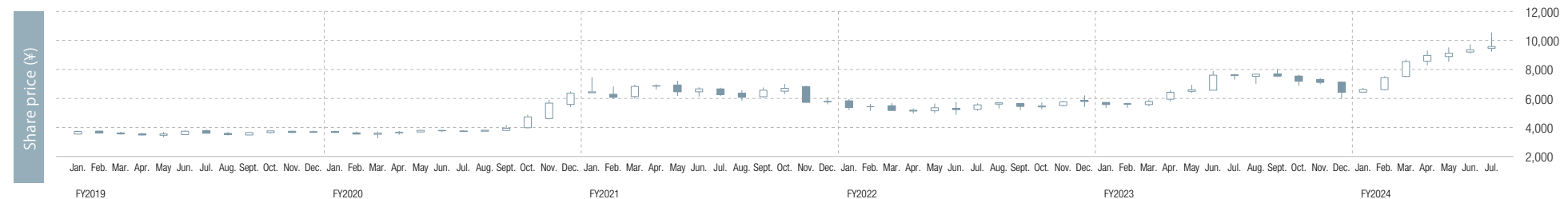
Company Overview

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	48 (44 in Japan, four overseas)
Employees	1,321
Consolidated	11,332
Fiscal year ends	March 31
Domestic network	Head offices: two; block branches, branches: 42 Research and other facilities: Iwatani R&D Center, Iwatani Advanced Hydrogen Technology Center, Biwako Conference Center
Overseas network	Four representative offices, three holding companies, 26 trading-company subsidiaries, 40 operating companies
Consolidated subsidiaries	105 companies
Website	https://www.iwatani.co.jp/eng/

Share information

Listed exchange	Prime Market, Tokyo Stock Exchange																																	
Total shares issued and outstanding ^{*2}	57,584,211 shares (excluding 977,438 shares of treasury stock)																																	
Shareholders' registry management agent	Mitsubishi UFJ Trust and Banking Corporation																																	
Distribution of shares by shareholder type	<p>Total shares issued and outstanding (excluding treasury stock) 57,584,211 shares</p> <table border="1"> <tr> <td>Financial institutions</td> <td>29.0%</td> </tr> <tr> <td>Foreign corporations and others</td> <td>26.3%</td> </tr> <tr> <td>Individuals and others</td> <td>23.5%</td> </tr> <tr> <td>Other corporations</td> <td>19.8%</td> </tr> <tr> <td>Securities firms</td> <td>1.4%</td> </tr> </table>	Financial institutions	29.0%	Foreign corporations and others	26.3%	Individuals and others	23.5%	Other corporations	19.8%	Securities firms	1.4%																							
Financial institutions	29.0%																																	
Foreign corporations and others	26.3%																																	
Individuals and others	23.5%																																	
Other corporations	19.8%																																	
Securities firms	1.4%																																	
Major shareholders	<table border="1"> <thead> <tr> <th>Shareholder</th> <th>Shares held (thousand)</th> <th>Percentage of shares held^{*2}</th> </tr> </thead> <tbody> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>6,633</td> <td>11.52</td> </tr> <tr> <td>The Iwatani Naoji Foundation</td> <td>4,132</td> <td>7.18</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td> <td>2,216</td> <td>3.85</td> </tr> <tr> <td>Government of Norway</td> <td>2,211</td> <td>3.84</td> </tr> <tr> <td>MUFG Bank, Ltd.</td> <td>1,336</td> <td>2.32</td> </tr> <tr> <td>Resona Bank, Ltd.</td> <td>1,177</td> <td>2.05</td> </tr> <tr> <td>Tetsu Iwatani Co., Ltd.</td> <td>1,000</td> <td>1.74</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>898</td> <td>1.56</td> </tr> <tr> <td>Iwatanisangyou Senyukai^{*3}</td> <td>883</td> <td>1.53</td> </tr> <tr> <td>Iwatani Enyukai^{*4}</td> <td>771</td> <td>1.34</td> </tr> </tbody> </table>	Shareholder	Shares held (thousand)	Percentage of shares held ^{*2}	The Master Trust Bank of Japan, Ltd. (Trust Account)	6,633	11.52	The Iwatani Naoji Foundation	4,132	7.18	Custody Bank of Japan, Ltd. (Trust Account)	2,216	3.85	Government of Norway	2,211	3.84	MUFG Bank, Ltd.	1,336	2.32	Resona Bank, Ltd.	1,177	2.05	Tetsu Iwatani Co., Ltd.	1,000	1.74	Nippon Life Insurance Company	898	1.56	Iwatanisangyou Senyukai ^{*3}	883	1.53	Iwatani Enyukai ^{*4}	771	1.34
Shareholder	Shares held (thousand)	Percentage of shares held ^{*2}																																
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,633	11.52																																
The Iwatani Naoji Foundation	4,132	7.18																																
Custody Bank of Japan, Ltd. (Trust Account)	2,216	3.85																																
Government of Norway	2,211	3.84																																
MUFG Bank, Ltd.	1,336	2.32																																
Resona Bank, Ltd.	1,177	2.05																																
Tetsu Iwatani Co., Ltd.	1,000	1.74																																
Nippon Life Insurance Company	898	1.56																																
Iwatanisangyou Senyukai ^{*3}	883	1.53																																
Iwatani Enyukai ^{*4}	771	1.34																																

Share trends^{*1} (January 2019–July 2024)



*1: We plan to implement a four-for-one stock split on common stock with an effective date of October 1, 2024. Amounts shown predate this stock split. *2: Shareholding ratios are calculated excluding treasury stock (977,438 shares).

*3: Iwatanisangyou Senyukai is Iwatani's employee stock ownership program. *4: Iwatani Enyukai is a stock ownership program for companies engaged in long-term transaction relationships with Iwatani.