

Iwatani Corporation Sustainability Bond Reporting

(Iwatani Corporation / 5th and 6th Series Unsecured Corporate Bonds)

1. Allocation Reporting (As of March 31, 2024)

Amounts allocated to eligible projects for the Iwatani Corporation 5th and 6th Series Unsecured Corporate Bonds (with Special Limited Inter-bond Pari Passu Clause) (Sustainability Bond) issued on January 25, 2024, are as follows:

(Units: Million yen)

Item	Amount
Proceeds (net amount)	9,928
Amount allocated (Percentage refinanced)	4,460 (100)
Unallocated balance*	5,468

* The unallocated balance is managed as cash and cash equivalents. The allocation is scheduled to be complete within approximately three years after issuance.

(Units: Million yen)

Eligible projects	Total amount allocated	Total unallocated amount	Percentage
Building a CO ₂ -free hydrogen supply chain	4,030	5,468	42%
Providing community support infrastructures and services	430	—	100%
Total	4,460	5,468	45%

2. Impact Reporting (As of March 31, 2024)

Our report on the environmental and social impact indicators related to eligible projects is as follows:

Project category	Objective	ICMA project category	Reporting
Development of a CO ₂ -free hydrogen supply chain	Promote commercialization of global CO ₂ -free hydrogen supply chain	Green: Eco-efficient products, renewable energy, and clean transportation Transition: Hydrogen	Liquefied hydrogen production lines: 6 (1 line = 5 t/day)
	Develop and market technologies for the social implementation of hydrogen	Green: Clean transportation	Hydrogen fuel cell ships: 1 (as of March 31, 2024)

	Recruit and develop people who respond to change and continue to create value	Green: Green buildings and eco-efficient products Transition: Hydrogen energy talent development	Environmental certification: CASBEE Rank A (as of March 31, 2024)
Provision of infrastructure and services that support local communities	Maintain resilient LPG supply chains and strengthen disaster prevention measures	Social: Affordable basic infrastructure Transition: LPG	Output: See “Project: Building a stable LPG supply system” Outcome: <ul style="list-style-type: none"> • LPG supply volume: 1,526 thousand t (FY2023) • Domestic households supplied (direct sale customers): 1.11 million (as of March 31, 2024) • Bases upgraded to withstand natural disasters: 62 (as of March 31, 2024)

Project overview

Project category	Objective	ICMA project category
Development of a CO2-free hydrogen supply chain	Promote commercialization of global CO ₂ -free hydrogen supply chain	Green: Eco-efficient products, renewable energy, and clean transportation Transition: Hydrogen

Project: CQ-H2 Project in Queensland, Australia

Project overview: This project (“CQ-H2” - Central Queensland Hydrogen Project) involves the large-scale production and liquefaction of green hydrogen derived from renewable energy in the Gladstone region of Queensland, Australia, for export to Japan and supply to a local ammonia synthesis facility (some of the hydrogen will be used domestically in Australia). The goal is to achieve the stable, low-cost production and supply of green hydrogen over the long term.

Project category	Objective	ICMA project category
Development of a CO2-free hydrogen supply chain	Develop and market technologies for the social implementation of hydrogen	Green: Clean transportation

Project: Development of hydrogen fuel cell ships

Project overview: This project involves the construction and operation of ships and the construction of hydrogen-refueling stations for ships by Iwatani for commercial operation at Expo 2025 Osaka, Kansai. It has been adopted as a NEDO subsidized project in collaboration with Kansai Electric Power Co., Inc., Tokyo University of Marine Science and Technology, and Namura Shipbuilding Co., Ltd.

■ Hydrogen fuel cell ship overview

Size: Overall length 30 m × overall width 8 m
 Gross tonnage: Approx. 120 tons
 Capacity: 150 people
 Vessel speed: 10 knots (approx. 20 km/h)

Project category	Objective	ICMA project category
Development of a CO2-free hydrogen supply chain	Recruit and develop people who respond to change and continue to create value	Green: Green buildings and eco-efficient products Transition: Hydrogen energy talent development

Project: New training facility to serve as a base for hydrogen energy dissemination

Facility overview: The facility has achieved CASBEE Kobe (a rating indicating building environmental performance) Rank A. In addition, it plans to incorporate environmentally friendly energy sources such as pure hydrogen fuel cells, carbon offset LPG using J-Credits, and solar power. In the future, it aims to become a carbon-neutral training facility with zero carbon dioxide emissions, by using green hydrogen and green LPG procured by Iwatani. The training facility is intended to serve as a base for disseminating hydrogen utilization to achieve a decarbonized society and to develop diverse human resources to help promote the hydrogen energy business.

■ New training facility overview

Location: 4-3-1 & 7-2-1 Minatojima Minami-machi, Chuo-ku, Kobe
 Site area: 10,065.80 square meters
 Expected completion: Around October 2024

Project category	Objective	ICMA project category
Provision of infrastructure and services that support local communities	Maintain resilient LPG supply chains and strengthen disaster prevention measures	Social: Affordable basic infrastructure Transition: LPG

Project: Building a stable LPG supply system

Stable LPG supply system overview: As a leading LPG company, Iwatani boasts the industry’s largest supply network: five import bases, 108 filling bases, and 135 distribution sites nationwide. These facilities provide tailored services for customers across the country in a wide range of fields including household, commercial, and industrial.

We have also established 62 core LPG centers nationwide that feature enhanced earthquake resistance for LPG filling stations to further strengthen the stable LPG supply system.

As the leading supplier of LPG, Iwatani will continue to strive to strengthen the stable supply system and promote disaster countermeasures to contribute to community safety and security.