Iwatani

INTEGRATED REPORT 2025

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

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, 2024 through March 31, 2025, the Group fiscal year. Some information also refers to events before and after this period.

Published

September 2025

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

To remain a company needed by the society, we strive to create new value and contribute to society.

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 machinery, 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 for the future. This is the major driving force underlying the progress in our businesses.

Since 1941, when we identified hydrogen as the ultimate clean energy source, we have been making progress toward the widespread use of hydrogen energy. Under a corporate slogan adopted in 1970—Creation of a more comfortable space on the Earth is what Iwatani wishes and strives for—we are striving to achieve the Sustainable Development Goals (SDGs) and to achieve carbon neutrality by the year 2050. With the aim of moving toward a hydrogen energy-based society, we are acting globally as a co-representative of the Japan Hydrogen Association and as a key member of the Hydrogen Council established by global energy-related firms. In September 2024, to help rapidly establish a hydrogen energy-based society, we concluded an investment agreement with the Japan Hydrogen Fund, Japan's first investment fund specializing in hydrogen-related businesses.

We are also focusing on developing hydrogen-refueling stations for trucks, buses, and other fuel cell commercial vehicles, which are expected to enter widespread use in the future. Iwatani Cosmo Hydrogen Station LLC, a joint venture between Iwatani and Cosmo Oil Marketing Co., Ltd., opened the Iwatani Cosmo Hydrogen Refueling Station Heiwajima in April 2024 to serve large fuel cell trucks, and the Iwatani Cosmo Hydrogen Station Ariake Bus Depot, Japan's first hydrogen-refueling station located within a bus depot, in March 2025. As hydrogen demand grows for uses such as factory decarbonization and for practical use of large-scale hydrogen-based mobility, whether train, marine craft, or other, we are also considering building a new liquid hydrogen plant at the Chiba Refinery of Cosmo Oil Co., Ltd. We will continue to meet customer decarbonization needs.

To establish a CO_2-free hydrogen supply chain, we are working together with partner companies on the Liquified Hydrogen Supply Chain Commercialization Demonstration Project, supported by the Green Innovation Fund of the New Energy and Industrial Technology Development Organization (NEDO). Through this initiative, we aim to establish world-leading large-scale hygdrogen liquefaction and transport technologies.

Our main LPG business has a customer base of approximately 3.4 million households across Japan. We support the lives of our customers in various aspects, including stable supply, solving everyday problems, security, community contributions, and the environment. In addition, we are actively working to achieve LPG decarbonization through various efforts, including suppling LPG mixed with hydrogen through pipelines; developing green LPG production technologies; and supplying carbon-offset LPG with virtually zero environmental impact using J-Credits to Expo 2025 Osaka, Kansai, Japan. We will continue to evolve as the energy & living total service provider of choice for our customers and communities.

In April 2024, to accelerate efforts to raise our corporate value, we concluded a basic agreement on a capital and business alliance with Cosmo Energy Holdings Co., Ltd. Both companies are working together to achieve a decarbonized society through the hydrogen business and other efforts and considering collaboration in existing business areas such as LPG.

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 as an evolving total energy company.

Iwatani's History

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

Gas and energy 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

1945
Iwatani Corporation established

1953
Marui Propane introduced

1958
Osaka Hydrogen Industries Co., Ltd. (now Iwatani Industrial Gases Corporation) established

1969
Cassette-Feu (a hose-free portable cooking stove) introduced

1980
Sakai LPG Import Terminal completed

1997
Acquired our first mineral sands operator in Australia

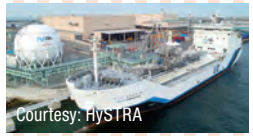
2006
Hydro Edge, one of the world largest liquid hydrogen production plants, began operation

2013
First procurement of helium from Qatar

2014
Opened Iwatani Hydrogen Refueling Station Amagasaki, Japan's first commercial hydrogen-refueling station

2021
Iwatani GateWay service introduced

2022
World's first demonstration of hydrogen sea transport and cargo handling between Japan and Australia



2025
Contract concluded to invest in a rare earth refining company in France

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 one-of-a-kind supplier of liquid 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 have made steady contributions to establishing a hydrogen energy-based society, including opening more than 50 hydrogen-refueling stations and constructing supply chains for CO_2-free hydrogen.

Message from the President

President Hiroshi Majima

Improving corporate value through dialogue with capital markets while further strengthening initiatives to achieve PLAN27, our Medium-Term Management Plan

The business environment has changed dramatically from two years ago, when we announced PLAN27, our Medium-Term Management Plan. For example, the slowdown in Chinese economy, the uncertainty caused by the Trump administration's tariff policies in the U.S., and rising geopolitical risks. Against this background, to promote PLAN27's basic policies of "solutions to social issues" and "sustained growth," we recognize the need to seize new business opportunities and create new businesses, markets, technologies, products, and services. We are advancing initiatives to ensure we remain a company needed by society by leveraging our diverse capital to grow, renew, and strengthen the business foundations built by our predecessors, while implementing dynamic reforms.

Hydrogen Strategies

Initiatives to realize a hydrogen energy-based society

Fiscal year 2024 was a year in which we were able to advance initiatives to contribute to the next stage of growth on the five priority measures of PLAN27.
Regarding our hydrogen strategies, various companies have taken major steps toward realization of a hydrogen energy-based society. For example, the start of accepting applications for the support focusing on the price gap and the support for the development of hubs under the Hydrogen Society Promotion Act by the Japanese government. As more customers use hydrogen not only for industrial purposes, but also in demonstration projects and R&D to contribute to decarbonization, we are also making joint efforts with other companies to build hydrogen supply systems, including the joint development of related machinery such as large-scale vaporizers and compressors for liquid hydrogen. A joint research and development project subsidized by NEDO is underway with Toyo Kanetsu K.K. on the commercialization of large-scale liquid hydrogen storage tanks. We are also pursuing research and development with Mitsubishi Fuso Truck and Bus Corporation on liquid hydrogen filling technologies for fuel cell commercial vehicles.

*1: Program under which businesses supplying low-carbon hydrogen and similar fuels can receive support from the Japanese government to cover the price gap between hydrogen and existing fossil fuels
*2: Program to support infrastructure development to promote supply and use of low-carbon hydrogen and similar fuels

Demand for fuel cell vehicles is expected to grow for trucks, buses, and other commercial vehicles. Establishment of new filling technologies will help reduce refueling station construction costs and improve energy efficiency. Demand for hydrogen is expected to grow as the development and testing of various machines, parts, and materials progress in response to the increasing use of hydrogen for decarbonization purposes. We aim to achieve business growth by providing a stable supply of hydrogen.

With regard to building a CO_2-free hydrogen supply chain, it may take longer than expected for hydrogen use to spread worldwide. We are proceeding with plans for procurement from overseas while accounting for geopolitical risks in addition to economic and technological issues. At the same time, the Japanese government has clearly identified the use of hydrogen and ammonia as one of the means for transitioning away from thermal power generation—as seen in the enforcement of the Hydrogen Society Promotion Act and in the seventh Basic Energy Plan—and we are confident that the age of use of hydrogen for energy will come. In line with the Japanese government's policy, we will continue to consider initiatives to secure clean hydrogen sources. We have submitted four applications under the Japanese government's the support focusing on the price gap, which is conditional on initiating the supply of low-carbon hydrogen in FY2030. We plan to announce specific details of these applications based on the results of adoption by the Ministry of Economy, Trade and Industry (METI) during FY2025.

Moving forward, we will continue working to realize a hydrogen-energy based society by drawing on the strengths of the hydrogen technologies and experience that we have amassed over many years.

▸ Hydrogen Strategies [➡ P. 17]

Carbon-Free Strategies

Promoting new business schemes and enhancing product lineup

While the movement toward decarbonization faces certain headwinds, including the reversion to fossil fuels under the U.S. administration and a sense of stagnation in promoting renewable energy in Europe, we believe the large-scale trend toward decarbonization, including corporate measures to counter climate change, will remain unchanged. We will strengthen our products and services that provide low-/zero-carbon solutions.

Two of our decarbonization initiatives have been selected for the METI's Industrial cooperation programme in the Global South through technology transfer from Japan, which grants subsidies to problem-solving demonstration projects. The first involves building a green CO_2 production plant. In this project, we will cooperate with local companies in Thailand to produce green high-purity CO_2 from sugarcane and supply it to Southeast Asian nations and Japan, in addition to Thailand. Domestic sources of CO_2 in Japan have been insufficient in recent years. Quickly bringing the new plant online will not only stabilize procurement, but will also serve as a model for next-generation supply chains in Japan as the first commercial-scale biomass-derived CO_2 plant. The second is the recycled PET business. We will contribute to the spread of eco-friendly products by establishing a preform manufacturing company in collaboration with Indorama Ventures Public Company Limited, one of the world's largest PET resin manufacturers in Thailand, and by introducing recycling technology for used PET resin in Thailand. Sales volumes of eco-friendly biomass fuel are growing steadily, with the conclusion of a long-term contract with the Tahara Biomass Power Plant (in which we have invested), which has commenced operations. We are also striving to grow transactions for eco-friendly PET resins while growing our product lineup in biomass PET and aluminum catalyst PET resins for the beverage industry. For green titanium ore, a mining facility for the Norwegian resource firm Nordic Mining ASA in which we have also invested has been completed. This plant will begin supplying ore during FY2025. Since renewables account for a significant portion of power in Norway, CO_2 emissions from mining processes are low. This project is highly regarded among customers who are highly conscious of low and zero carbon emissions. Diversifying suppliers is essential for ensuring a stable supply of titanium ore, a scarce resource, and ensuring Japan's economic security. We will continue to grow this business while meeting customer needs.

▸ Carbon-Free Strategies [➡ P. 20]

Domestic Energy & Service Strategies

Growing the LPG business customer base and cutting business costs

Demand for LPG in Japan is trending down due to the shrinking population, global warming, the permeation of high-efficiency equipment, and other factors. Nevertheless, we believe we can continue to grow earnings by expanding our retail customer base and improving business efficiency. Retailers in Japan include small businesses facing a lack of successors; their managers are increasingly casting about for business succession solutions. Given these conditions, we plan to achieve further growth by drawing on our national retail network to grow the number of direct-sales customers, centered on M&A activities. PLAN27 aims to grow the number of customer households by 200,000 in five years, to 1.3 million households. After growing by 100,000 households over two years through means such as acquisition of stock in ISG, Inc., which does business in Chiba and Ibaraki prefectures, the number of direct-sales customers grew to 1.2 million households.

In addition, in April 2024, ministerial ordinances under the Act on the Securing of Safety and the Optimization of Transaction of Liquefied Petroleum Gas were amended to make LPG rates more transparent. Price competition in LPG rates is expected to grow increasingly severe in the future, and the trend toward consolidation of small businesses could accelerate. We plan to maintain a focus on growing customer numbers.
Earnings growth requires not only broadening the customer base but also cutting business costs. In addition to optimization and growing scale and efficiency through facility mergers and closures, we are making delivery more efficient through means such as using an automated remote meter-reading system. In particular, we are raising profitability by promoting the streamlining of filling and delivery using our expanded customer base in the Kanto and Tokyo Metropolitan Areas, including that of Enelife Co., Ltd. which we acquired in FY2022.
As an energy infrastructure provider that delivers LPG across Japan, we play a vital role in the lives of customers. We are also utilizing our regional LPG business infrastructure to promote efforts that contribute to solving social issues in each locale. By providing security services, shopping services, and other services for seniors, we seek to create businesses essential to our customers and communities now and into the future.

▸ Domestic Energy & Service Strategies [➡ P. 23]

Overseas Strategies

Promoting investments that lead to business expansion

In our overseas strategies, we have established a joint venture with the Japan Organization for Metals and Energy Security (JOGMEC) and concluded an investment agreement with Caremag SAS, a rare earth refining company in France. Its rare earth refining plant, now under construction in the southwest of France, will use recycled raw materials in addition to materials from the ore. Preparations are proceeding to build the plant toward the start of commercial production in 2027. We will grow this business by procuring 50% of Caremag's rare earth production under a long-term contract.
While I believe new market development is essential to further growth, we have yet to develop the European market. We plan to continue further business investment following this investment in a French company and commencement of transactions with Nordic Mining ASA. Additionally, while we do have a relationship with Africa as a supplier of mineral sands, we will proceed with overseas business development while closely examining the possibility of acquiring new resource interests and entering new markets.
In the rapidly growing Southeast Asian market, we are focusing on the refrigerant business, where demand for refrigerants is expected to grow with the spread of air conditioners and motor vehicles. We have acquired a manufacturer in Malaysia and expanded our filling plants in Thailand and Indonesia. Steady progress is being made on switching to refrigerants with lower impact on global warming and on efforts to recover and recycle spent CFCs, and moving forward, we will continue business development with consideration for the global environment.

▸ Overseas Strategies [➡ P. 25]

Non-financial Strategies: Human Resource Strategy

Creating an environment in which employees can demonstrate their individual abilities to the fullest

We consider non-financial strategies as an essential pillar for realizing sustained growth and value creation through PLAN27. Seeing our human resources as the key means for executing our management strategies and achieving sustained growth and value creation, our human resource strategy seeks to build an organization in which each and every employee can grow and thrive. We are making steady progress toward PLAN27's numerical targets in three areas: the ratio of female managers, annual training costs per employee, and rate of childcare leave taken by male employees. On the topic of the rate of childcare leave taken by male employees in particular, as this percentage has risen sharply in recent years amid growing awareness among men of participating in childrearing, in October 2025, we decided to introduce a new program to support childcare leave by providing human and financial support for the work of those taking childcare leave, as we aim for the target percentage of 100% in FY2027. We hope this will make it easier to take leave and help foster a corporate culture that encourages taking childcare leave. We are also advancing efforts to hire diverse human resources, accept their individuality and respective values, and enable them to demonstrate their individual abilities to the maximum. In June 2025, our Tokyo head office relocated to a new office building, providing more comfortable workplaces for employees through improvements in layout and other aspects. In November 2024, we completed a new training center in Kobe. As befits Iwatani, our training center uses eco-friendly energy such as pure-hydrogen fuel cells and solar panels. We aim to make it a carbon-neutral training facility by using green hydrogen and green LPG in the future. Through this facility, we will make the most of the human resource development initiatives that will support the Iwatani Group's growth in the future.

▸ Human Resource Strategy [➡ P. 31]

Non-financial Strategies: Climate Change Response

Promoting efforts to reduce CO_2 emissions

To reduce CO_2 emissions in response to climate change, we are installing solar panels on LPG and industrial gas supply facilities and using greener power at our business sites. We plan to improve the efficiency of industrial gas plants by using cold energy and reducing production losses in the production of CO_2, as we accelerate efforts to achieve our target for FY2030 of a 50% emissions reduction compared to FY2019.
As part of efforts to decarbonize LPG, we are pursuing the development of technologies to produce green LPG. The Institute of Japan Green LP Gas Promotion, formed by five major importers and distributors of LPG, including Iwatani, is developing technologies to produce green LPG with zero CO_2 emissions. Examples include LPG production from hydrogen and CO_2. The Institute has begun demonstration testing on a large-scale test unit in Kitakyushu Eco Town. It will work toward commercial use by exploring technologies for larger-scale use and through other efforts.

▸ Climate Change Response [➡ P. 28]

Progress of the partnership with Cosmo Energy Holdings

A year has passed since April 2024, when we concluded a capital and business tie-up agreement with Cosmo Energy Holdings. Through discussions in the partnership promotion committee established by both companies, and the four subcommittees under it, we are deepening the understanding of each other's businesses and proceeding with studying cooperation.

In the hydrogen field, we are making progress on building and operating hydrogen-refueling stations through a limited liability company. Operations are proceeding smoothly at the two stations already opened, Iwatani Cosmo Hydrogen Refueling Station Heiwajima and Iwatani Cosmo Hydrogen Station Ariake Bus Depot. We plan to open the third station next year. Both companies are also working together on hydrogen production in Japan. Specifically, we plan to install hydrogen production and liquefaction equipment at the Chiba Refinery of Cosmo Oil Co., Ltd. to meet the growing demand for liquid hydrogen. Since hydrogen is essential to the refining process, the production equipment is already installed at the refinery; however, both companies are currently considering business plans and scales of production to allow the external sale of hydrogen, in addition to supplying the hydrogen needed by the refinery. We expect to finalize these plans during FY2025.

We have also decided to participate in the project now underway by Cosmo Energy Holdings, JGC Holdings Corporation, Revo International Inc., and others aimed at producing domestic SAF*3 from waste cooking oil. To cooperate in the procurement of waste cooking oil, we are leveraging the Group's extensive customer network to develop sources. We have also begun studying the production of green LPG generated when producing SAF, together with the Cosmo Energy Holdings affiliate, Gyxis Corporation. Through these initiatives, we plan both to contribute to building a stable supply chain for the first domestically produced SAF in Japan and to promote decarbonization of energy through sale of green LPG.

Our other partnerships include joint participation in trade shows overseas to sell electronic materials in the materials field, and we expect to generate synergies in the near future. We will strive to create alliances that will raise corporate value for both partners through discussions in the partnership promotion committee, while prioritizing projects that will be highly meaningful to society.

*3: Sustainable Aviation Fuel

To our stakeholders

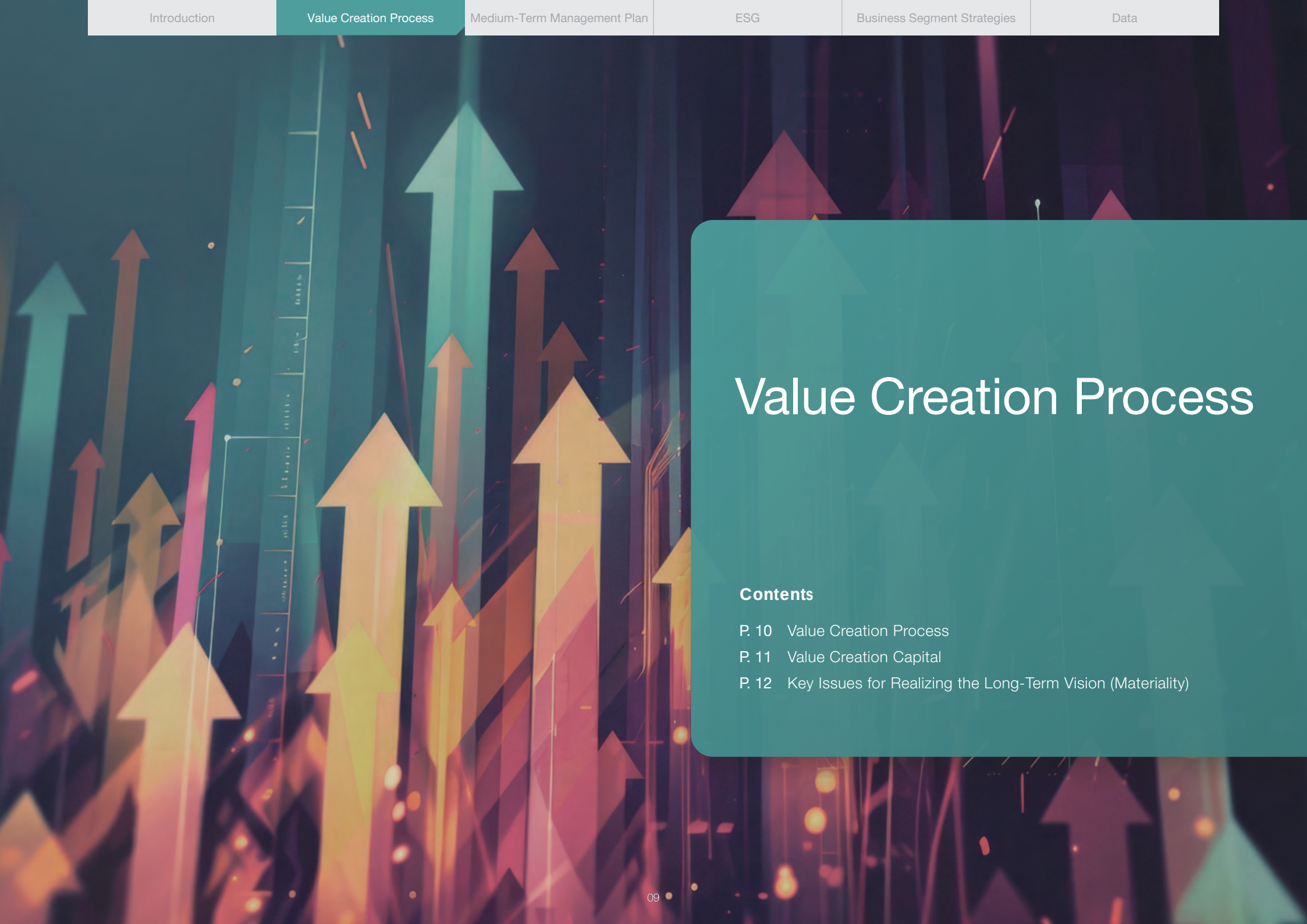
Business evolution to create new value

Since April 2025, we have been operating the hydrogen fuel cell passenger ship Mahoroba at Expo 2025 Osaka, Kansai, Japan. Plying a route connecting Yumeshima, the Expo's venue, with central Osaka, this ship provides a special experience for those heading to the Expo, as a moving pavilion. We are considering continuing the utilization of the ship after the Expo as an opportunity to continue to communicate information on the use of hydrogen as an energy source.

Our Long-Term Vision for 2030, our 100th anniversary, calls for us to be a corporate group that continues to contribute to the creation of a more comfortable space on the Earth. PLAN27 covers an important period to ensure the realization of this vision, and FY2025 marks the halfway point of PLAN27. While we must pay close attention to factors such as production trends in manufacturing industries and the need to restructure supply chains, amid additional U.S. tariffs and rising geological risks, while responding quickly to changes in the business environment, we will evolve our businesses to create new value.

We will fulfill our corporate responsibilities and increase our corporate value by promoting businesses that society needs, based on our corporate philosophy: Become a person needed by society, as those needed by society can prosper. We ask for the continuing understanding and support of our stakeholders.

September 2025
President
Hiroshi Majima



Value Creation Process

Contents

Value Creation Process

Management Capital

- Financial Capital
- Manufacturing Capital
- Intellectual Capital
- Human Capital
- Social and Relationship Capital
- Natural Capital

Business Environment

Resources and Energy

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

Environment

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

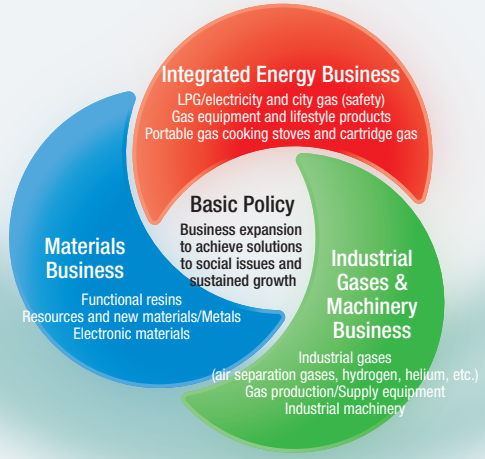
Society

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

Business Activities

Business Strategies

Medium-Term Management Plan: PLAN27



Business Results, Value Provided to Stakeholders

Shareholders

Operating profit (excluding the impact of LPG import price fluctuations)	ROE	ROIC	Dividend payout ratio
¥46.0 billion	10.9%	5.1%	26.7%

Employees

Iwatani Corporation nonconsolidated

Ratio of female managers	Annual training costs per employee	Rate of childcare leave taken by male employees
7.8%	¥138,000	73.5%

Customers, Suppliers

LPG wholesale/retail market share in Japan	Hydrogen (including liquid hydrogen) market share in Japan	Helium market share in Japan
No. 1	Approx. 70%	Approx. 50%

Industry, Local Communities

Enhancing disaster resilience by improving core LPG centers
Providing services that contribute to social solutions

Global Environment

CO_2 emissions from business activities	CO_2 emissions reductions in society through use of eco-friendly products (e.g., fuel conversion, hydrogen supply for FCVs, growth in PKS sales)
Approx. 230 kt	Approx. 780 kt

* Figures are for FY2024, as of March 31, 2025.

Realizing the Long-Term Vision

Our Vision for FY2030

Corporate group that continues to contribute to the creation of a more comfortable space on the Earth

- Development of a CO_2-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

Basis for Value Creation

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

Value Creation Capital

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

Financial Capital

Sound financial foundations to enable proactive investment in growth

- Sustained earning ability and steady enhancements in financial foundations
- Utilizing interest-bearing debt in active investment
- Maintaining an external credit rating of A

- Total assets: ¥872.1 billion
- Operating profit: ¥46.0 billion
  (excluding the impact of LPG import price fluctuations)
- Equity ratio: 44.3%
- Net D/E ratio: 0.61
- External financial rating: A+
  (Japan Credit Rating Agency)

Manufacturing Capital

LPG and industrial gases networks to realize stable supply

- 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

- LPG sites
  Import terminals: 5 locations / Pressurized terminals (LPG terminals): 2 locations
  Filling stations: 114 locations / Core LPG centers* of all sites: 64 locations
  * Core LPG centers: Disaster-resistant centers equipped with seismic retrofitting, emergency power generators, and other improvements
- Industrial gas sites
  Japan | Industrial gas centers: 21 locations / Hydrogen plants: 11 locations / Air separation plants: 9 locations
  Helium centers: 2 locations / Liquefied carbon dioxide plants, etc.: 6 locations
  Overseas sites: 11 locations
- Hydrogen-refueling stations in Japan: 52 locations / Overseas: 10 locations

Intellectual Capital

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

- 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

- National projects and joint R&D projects with public research institutes: 8 projects in total
- Center visitors: 5,230 persons from 1,380 companies
- Number of patents held by the Iwatani Group: 567

Human Capital

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

- Creating an environment in which diverse human resources can demonstrate their abilities to the fullest
- Providing various training programs to support individual growth

- Consolidated number of employees: 11,859
- Ratio of female new graduates in career track: 24.1% (FY2025, nonconsolidated)
- Investment in HR development: approx. ¥180 million/year
- Certified and specialized human resources supporting manufacturing and safety
  High-pressure gas production safety managers: 915
  High-pressure gas sales managers: 322

Social and Relationship Capital

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

- Dealership network to deliver value nationwide
- Enhancing relationships with suppliers essential to creating new value and ensuring stable supply

- LPG customers
  Wholesale customers: 3.4 million households
  of which,
  direct sales customers: 1.2 million households
- Strong ties with dealerships
  Marui-Kai*1: 1,400 members
  Iwatani-Kai*2: 183 members
  *1: LPG dealership organization
  *2: Industrial gases dealership organization

Natural Capital

Efforts to achieve a carbon-free society

- Decarbonization of business activities
- Providing products and services to decarbonize customer business activities

- Contributions to CO_2 emissions reductions
  CO_2 emissions from business activities: approx. 230 kilotons
  CO_2 reductions in society through environmental products: approx. 780 kilotons

* Figures are for FY2024, as of March 31, 2025.

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

Positioning of Key Issues (Materiality)

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.

Identifying issues

- Identifying issues gleaned from the business environment, the SDGs and items evaluated by ESG rating agencies

Determining the importance of each issue

- Analyzing the importance in light of the corporate philosophy, the Iwatani Code of Corporate Ethics, and management strategies

Identifying materiality

- Identifying key issues (materiality) important both to society and stakeholders and to the Iwatani Group

Business Environment

Resources and Energy
Securing stable supply of resources and energy
Growing geopolitical risks

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

Social
Responses to population decline and aging society
Diversification of consumer values
Growing demand for social sustainability

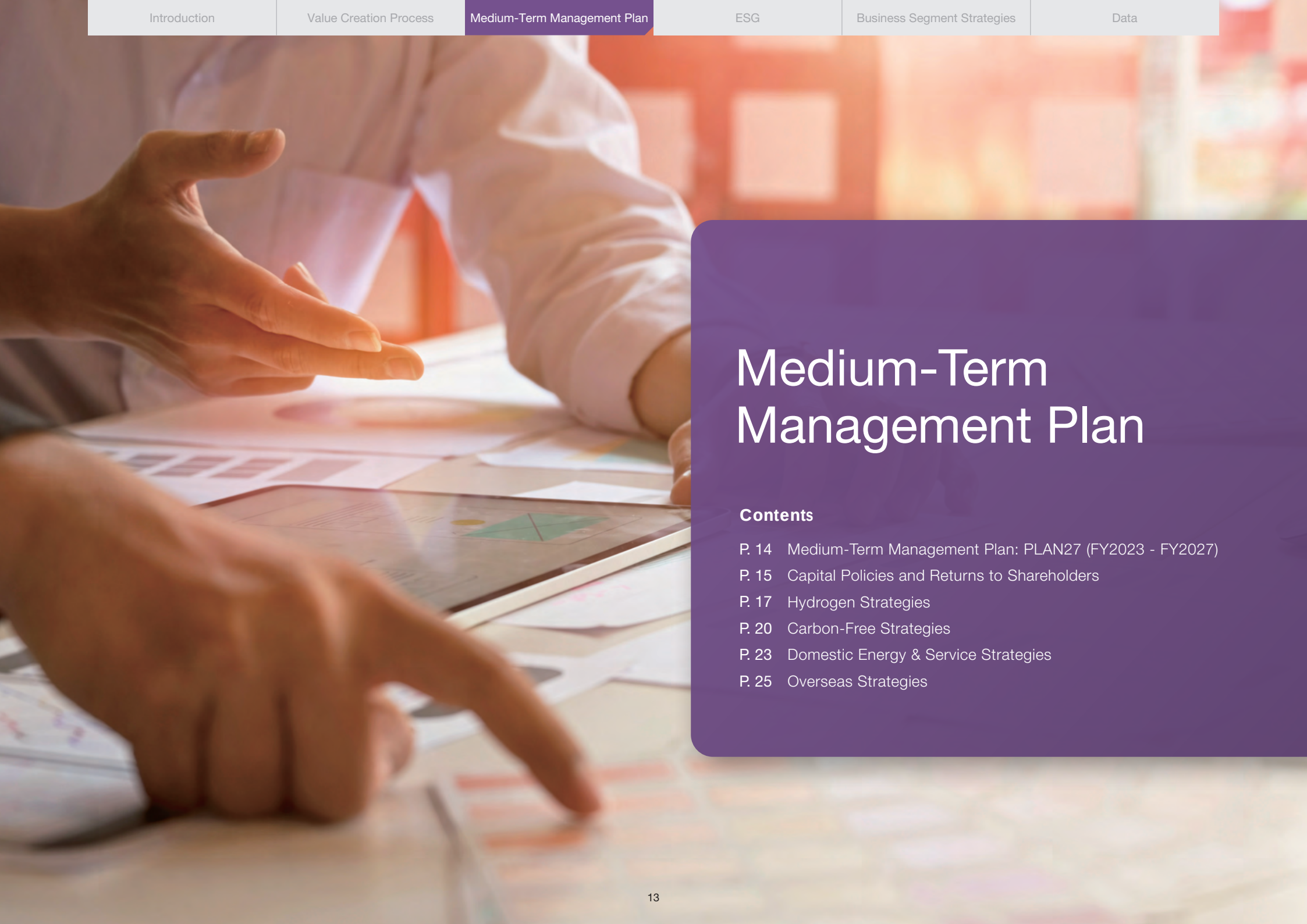
Materiality	Related SDGs	Related Priority Measures
Create businesses that will lead to the realization of a sustainable society	7, 9, 12, 13, 14	➡ Hydrogen Strategies ➡ Carbon-Free Strategies ➡ Overseas Strategies ➡ Climate Change Response (non-financial strategies)
Provide infrastructure and services that will enrich people's lives	7, 9, 10, 11, 13	➡ Domestic Energy & Service Strategies ➡ Overseas Strategies
Promote innovation with the use of technologies and expertise	7, 9, 11, 13, 14	➡ Hydrogen Strategies ➡ Carbon-Free Strategies ➡ Technology Strategy (non-financial strategies)
Develop an environment and systems in which diverse human resources can thrive	4, 5, 8	➡ Human Resource Strategy (non-financial strategies)
Develop more transparent governance	5, 16	➡ Corporate Governance ➡ Messages from Outside Members of the Board ➡ Dialogue with Stakeholders

Realizing the Long-Term Vision

Our Vision for FY2030

Corporate group that continues to contribute to the creation of a more comfortable space on the Earth

- Development of a CO_2-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



Medium-Term Management Plan

Contents

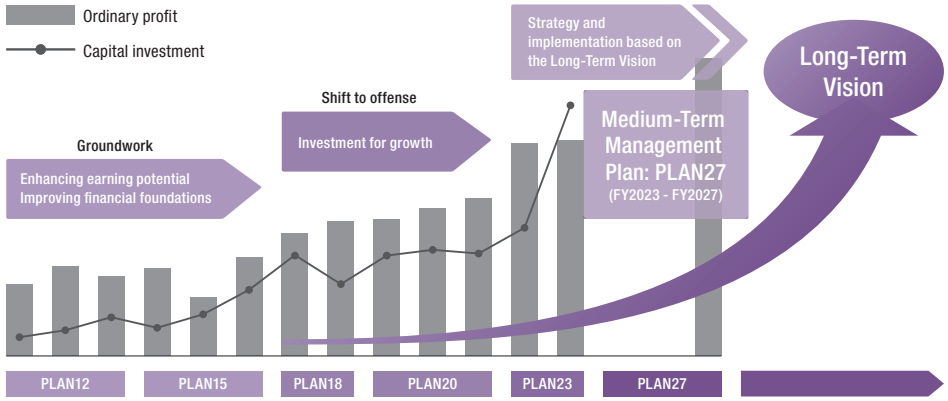
Medium-Term Management Plan: PLAN27 (FY2023 - FY2027)

Theme Establishing a hydrogen energy-based society

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

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.



Priority Measures

Hydrogen Strategies	● Expand liquid hydrogen business that captures growing carbon-free-related demands ● Develop CO_2-free hydrogen supply chains	➡ P. 17
Carbon-Free Strategies	● Expand business by promoting low-/zero-carbon solutions business ● Invest in the realization of a carbon-free society	➡ P. 20
Domestic Energy & Service Strategies	● Expand market share and streamline distribution by utilizing LPG business infrastructure ● Provide services that contribute to solving social issues of local communities	➡ P. 23
Overseas Strategies	● Leverage strengths of individual segments to expand business in respective regions	➡ P. 25
Non-financial Strategies	● Climate Change Response	➡ P. 28
	● Human Resource Strategy	➡ P. 31
	● Technology Strategy	➡ P. 33

Progress toward Management Targets

	FY2022 results	FY2023 results	FY2024 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]	¥46.2 billion [¥46.0 billion]	¥65.0 billion
ROE	11.2%	13.2%	10.9%	10% or higher
ROIC	6.8%	6.7%	5.1%	6% or higher

Capital Policies and Returns to Shareholders

Kenji Takayama
Senior Managing Officer
Member of the Board
Responsible for Administration

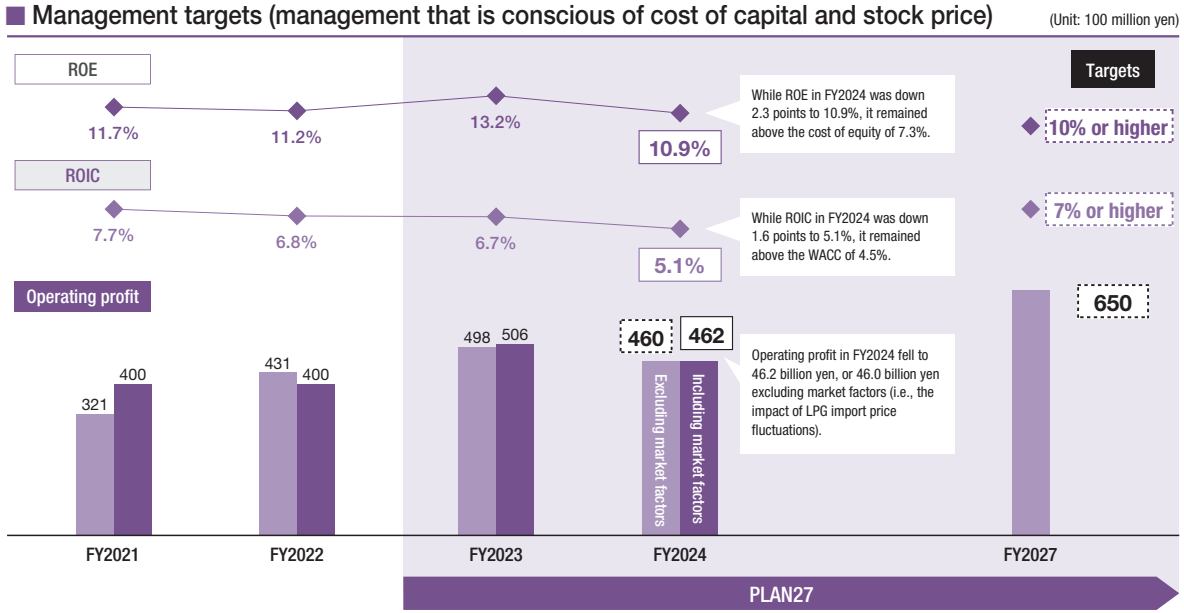
Striving to realize a virtuous cycle of investment and returns for sustained growth in corporate value

To realize our corporate philosophy of becoming a person needed by society, as those needed by society can prosper, we understand it will be essential to fulfill our social responsibility while building and deepening relationships with diverse stakeholders. Our Long-Term Vision for 2030, our 100th anniversary, calls for us to be a corporate group that continues to contribute to creating a more comfortable space on the Earth through development of a CO_2-free hydrogen supply chain, promotion of a resource-circulating society, provision of infrastructure and services that support local communities, and enhancement of the management foundations to promote sustained growth. We have identified the following key issues (materiality) for realizing this vision: create businesses that will lead to the realization of a sustainable society, provide infrastructure and services that will enrich people's lives, promote innovation with the use of technologies and expertise, develop an environment and systems in which diverse human resources can thrive, and develop more transparent governance.

The Basic Policy of PLAN27, our Medium-Term Management Plan for the five-year period beginning with FY2023, is "Business expansion to achieve 'solutions to social issues' and 'sustained growth.'" Active investments will be key to policy implementation. We plan to raise the funds needed for such investments from operating cash flows generated by growth in the earnings of core businesses, supplemented by interest-bearing debt, and do not intend to use equity finance. We will secure means of raising funds while ensuring financial discipline and maintaining our external A credit rating, for example by capping a net DER of 0.7. While interest-bearing debt increased in FY2024 by 9.9 billion yen compared to the end of the previous fiscal year, due to investment of 68.7 billion yen in areas such as introduction of a new ERP in addition to expanding the LPG retail business and enhancing industrial gas supply capacity, net DER remained unchanged from the previous year at 0.61, below the maximum of 0.7. We will continue to make effective use of our financial leverage while maintaining financial soundness.

[Capital efficiency]

In response to the Tokyo Stock Exchange's demand for management that is conscious of cost of capital and stock price, we have disclosed the cost of capital and return on equity since FY2023. In FY2024, our ROE was 10.9%, above the PLAN27 management numerical target of 10% and exceeding the cost of equity of 7.3%.



Capital Policies and Returns to Shareholders

While our ROIC of 5.1% was below the target of 6%, it remained higher than the weighted average cost of capital (WACC) of 4.5%. Seeking to further improve capital efficiency, we are reducing strategic shareholdings, including holdings of Group companies. At the end of FY2024, strategic shareholdings accounted for 15.4% of net assets, down from 19.3% at the end of FY2023. Selective investment is another key measure to increase capital efficiency. We will seek to make investments that contribute to earnings while carefully considering factors such as business growth potential and investment profitability. PLAN27 calls for continuing to invest in growth while using interest-bearing debt, but in light of rising interest rates we also believe it is important to reduce interest-bearing debt. We are proceeding with streamlining of asset holdings, for example by selling the Tokyo head office building in July 2025, in addition to reducing strategic shareholdings.

We will continue striving to improve capital efficiency while optimizing invested capital.

[Returns to shareholders]

Our basic policy on distributing profit calls for paying returns to shareholders through stable and continuous dividends while using profit for purposes such as investments to support growth strategies, to meet shareholder expectations by maximizing corporate value. In line with our dividend policy, in FY2024, we paid dividends of 47 yen, reflecting our business performance. This was up 14.50 yen from the previous fiscal year, for a consolidated dividend payout ratio of 26.7%.

Seeking to achieve still more stable dividends, we combined the two categories of returns from Iwatani businesses and the impact of Cosmo Energy Holdings and set the dividend policy for FY2025 to call for progressive dividends and a dividend payout ratio of 20% or higher in FY2027. We also introduced interim dividends in addition to year-end dividends as additional opportunities for distribution of profit to shareholders. In October 2024, we conducted a four-for-one stock split, reducing the price per investment unit to make it easier for investors to invest in the Company. We will continue striving to meet shareholder expectations while paying stable and continuous dividends.

We are now in the third year of PLAN27, marking the plan's halfway point, and will continue working toward continuous growth in corporate value by ensuring financial soundness and improving capital efficiency, alongside investing in business growth to realize "solutions to social issues" and "sustained growth."

■ Enhancement of returns to shareholders

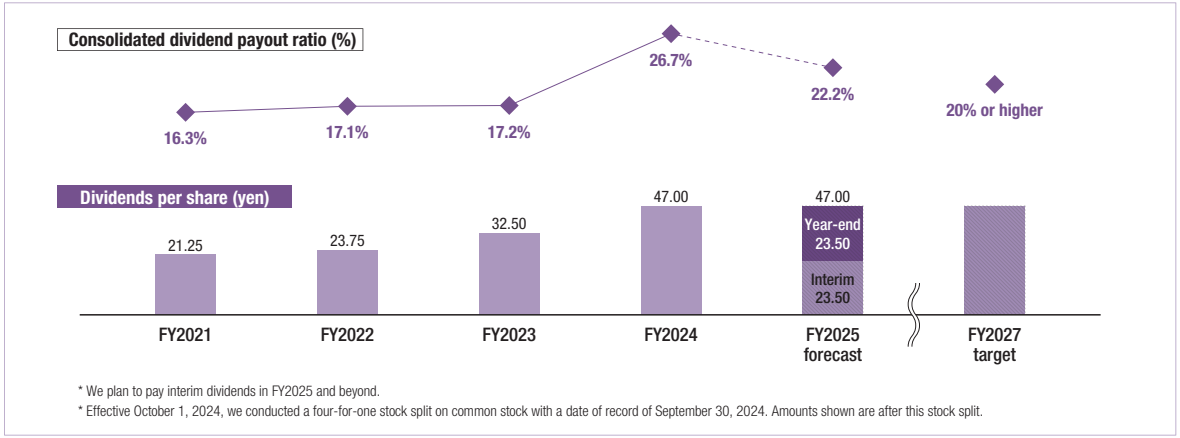
Previous policy

① **Returns from Iwatani Corporation businesses**
Progressive dividends with a target payout ratio of 20% or higher in FY2027

② **Impact on profits of making Cosmo Energy Holdings an equity method affiliate**
Dividends of 20% of Cosmo Energy Holdings' net income, excluding inventory effects, multiplied by our equity stake

New policy

- Progressive dividends
- Target dividend payout ratio of 20% or higher in FY2027



* We plan to pay interim dividends in FY2025 and beyond.
* Effective October 1, 2024, we conducted a four-for-one stock split on common stock with a date of record of September 30, 2024. Amounts shown are after this stock split.

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

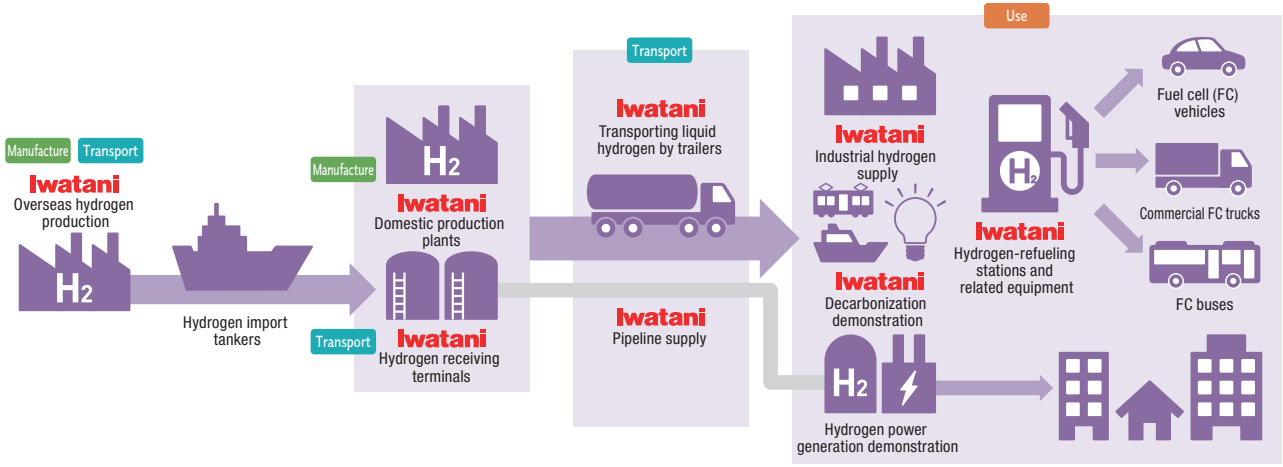
Manabu Tsuyoshi
Senior Managing Officer
Member of the Board
General Manager,
Hydrogen Business Division

Realizing a Hydrogen Energy-Based Society

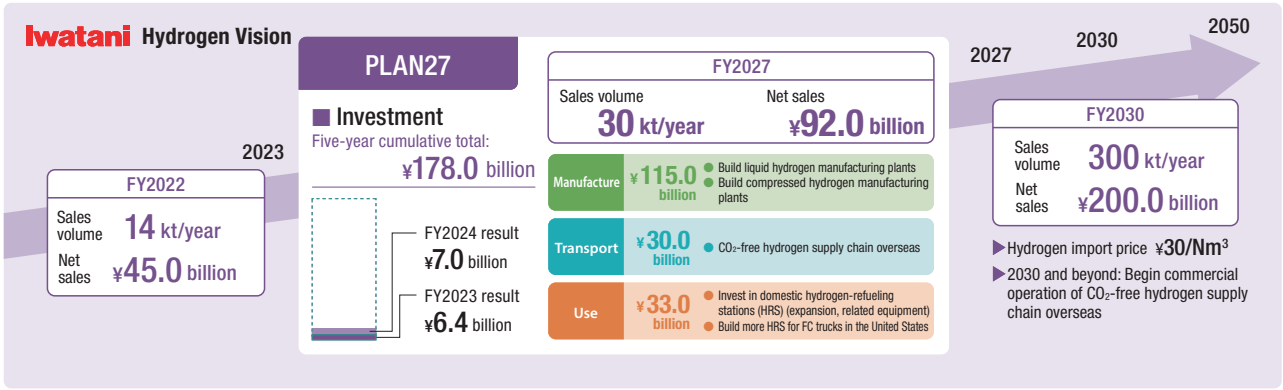
Carbon neutrality is an essential goal shared by the global community. Despite objections raised from the Trump administration, decarbonization initiatives, which also present new business opportunities, are underway in various forms in many countries. Topics such as sustainable aviation fuel (SAF) and carbon capture and storage (CCS) are mentioned every day, and much is also expected of hydrogen. To realize a hydrogen-energy based society, Japan has established the Green Innovation Fund and, in October 2024, enacted the Hydrogen Society Promotion Act. The Japanese government has established support focusing on the price gap and the support for the development of hubs as part of efforts to promote the full-scale spread of hydrogen and hydrogen business growth through public-private cooperation. We, too, are working with various partners to build domestic and international hydrogen supply chains. We were swift to identify the potential of hydrogen energy, and were the first in Japan to supply liquid hydrogen, which is perfectly suited to large-scale transport and storage. We operate three production plants: Osaka, Chiba, and Yamaguchi. As a pioneer in Japan's hydrogen infrastructure, we are developing a nationwide network of hydrogen-refueling stations and expanding use of hydrogen for decarbonization, and will continue striving to deliver clean hydrogen to customers based on the technologies and expertise accumulated over many years in hydrogen production, transport, and supply.

Basic Policy

We are 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



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

Produce Use

Expand domestic hydrogen manufacturing capacity in response to growing hydrogen demand

We are considering the development of a large-scale hydrogen supply chain domestically and internationally, to meet the growing demand for hydrogen as an energy source of the future.

Demand for hydrogen in Japan is increasing recently as its uses broaden from industrial applications to include decarbonization.

To provide stable supply to meet this growing hydrogen demand, in addition to the three current facilities in Osaka (Hydro Edge), Yamaguchi (Yamaguchi Liquid Hydrogen), and Chiba (Chiba Plant of Iwatani Industrial Gases), we are considering establishing a fourth liquid hydrogen production facility at the Chiba Refinery of Cosmo Oil Co., Ltd.

Currently we are considering business schemes and scales of production with Cosmo Energy Holdings, with a final decision planned during FY2025.

Regular operation of a hydrogen fuel cell ship at Expo 2025 Osaka, Kansai, Japan

Since April 2025, we have operated the hydrogen fuel cell ship *Mahoroba* at Expo 2025 Osaka, Kansai, Japan, on a regular timetable. During Expo, the *Mahoroba* provides regular transport as a moving pavilion between the venue and central Osaka, along with charter operation. The ship provides a special transport experience to visitors to the Expo from around the world while communicating globally the appeal of hydrogen energy.

This hydrogen fuel cell ship is a highly comfortable next-generation mode of transport that emits no CO_2 or environmental pollutants during operation and generates no odors, loud noises, or strong vibrations. We are considering ways to maintain its use even after the Expo ends to promote hydrogen fuel cell ships as a new mode of marine transport in society.

Growing the hydrogen-refueling station business with Cosmo Energy Holdings

Under a basic agreement signed in March 2022 to study joint efforts in the hydrogen business and a business alliance agreement concluded in April 2024, we are promoting joint efforts with Cosmo Energy Holdings in the field of hydrogen.

In the area of hydrogen-refueling stations, we have established Iwatani Cosmo Hydrogen Station LLC and opened Japan's first hydrogen-refueling station in a truck terminal at Heiwajima in Tokyo in April 2024, and Japan's first hydrogen-refueling station located within a bus depot, in Ariake, Tokyo, in April 2025.

We plan to continue growing the hydrogen-refueling station business in partnership with Cosmo Energy Holdings to promote the permeation of fuel cell vehicles.

Hydro Edge liquid hydrogen manufacturing plant

Mahoroba hydrogen fuel cell ship

Iwatani Cosmo Hydrogen Station Ariake Bus Depot

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

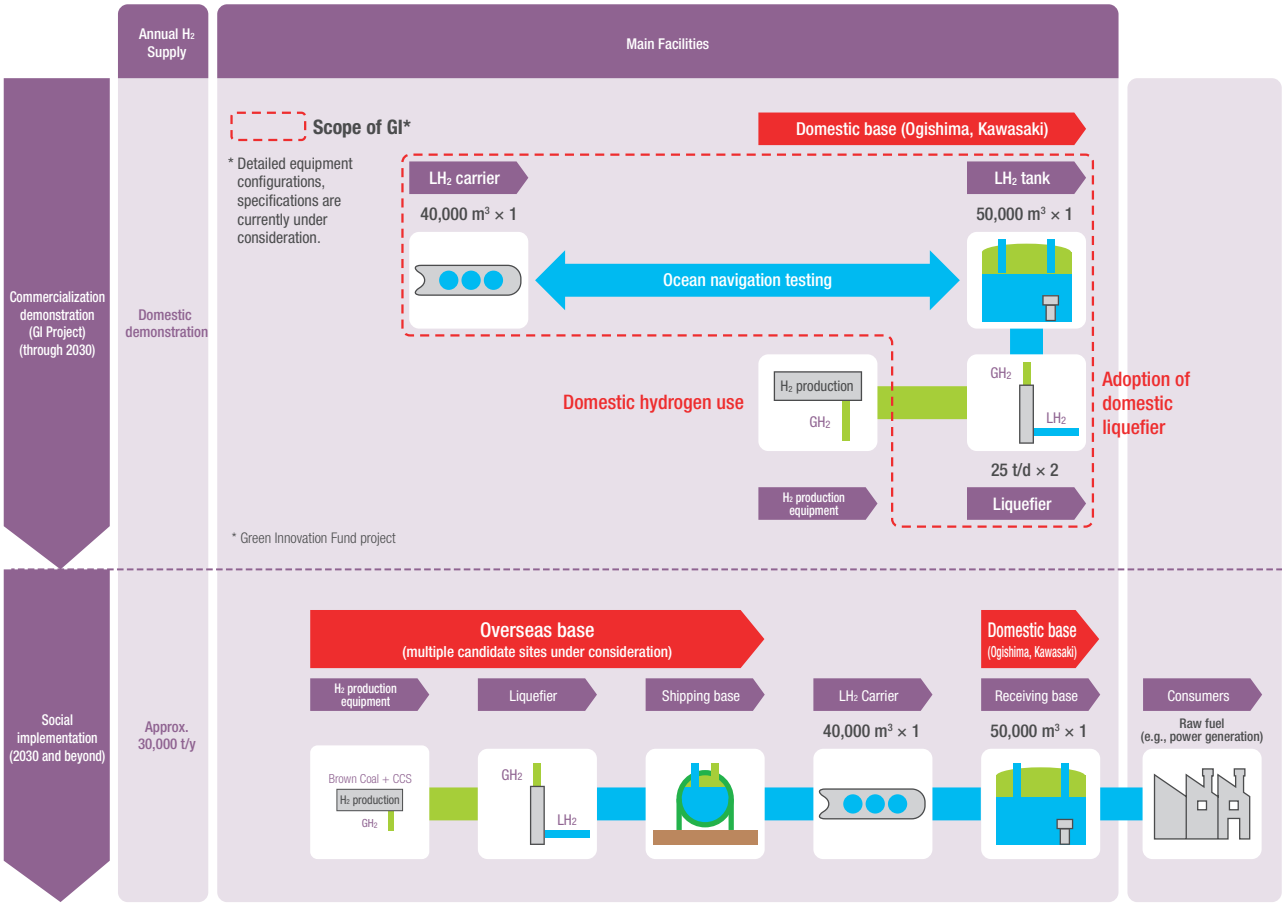
Produce | Transport

Large-scale Liquefied Hydrogen Supply Chain Commercialization Demonstration Project

Through our investment in Japan Suiso Energy, Ltd. we are participating in the Liquefied Hydrogen Supply Chain Commercialization Demonstration Project, part of the Large-scale Hydrogen Supply Chain Establishment Project subsidized by the Green Innovation Fund of the New Energy and Industrial Technology Development Organization (NEDO).

This project involves constructing a liquid hydrogen carrier and a domestic base, both of which will be the first of their kind in the world on a commercial scale.

In April 2025, we secured a site in eastern Ogishima, Kawasaki and began construction work. Towards a full-fledged hydrogen society, which is expected to arrive in FY2030 or later, the goal is to build a commercial international liquid hydrogen supply chain to procure clean hydrogen produced overseas at low cost, liquefy, and transport/supply it to Japan in a stable manner.



Source: Japan Suiso Energy, Ltd. and others

● Project period

FY2021–2030 (ten years)

● Implementation structure

Japan Suiso Energy, Ltd.

[Investors: Kawasaki Heavy Industries, Ltd., Iwatani Corporation] (lead manager), ENEOS Corporation

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

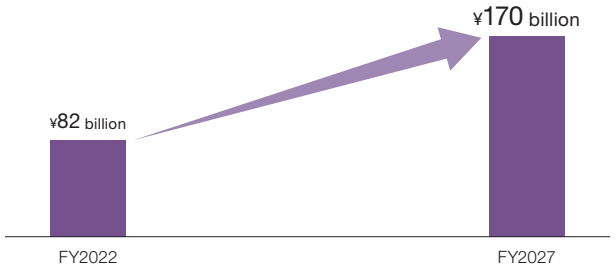
Basic Policy

Business expansion through supporting 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 CO_2 emissions throughout society while also growing our businesses.

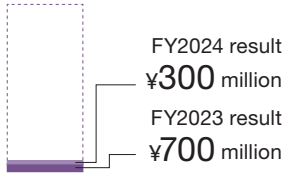
Targets and Progress

■ Net sales



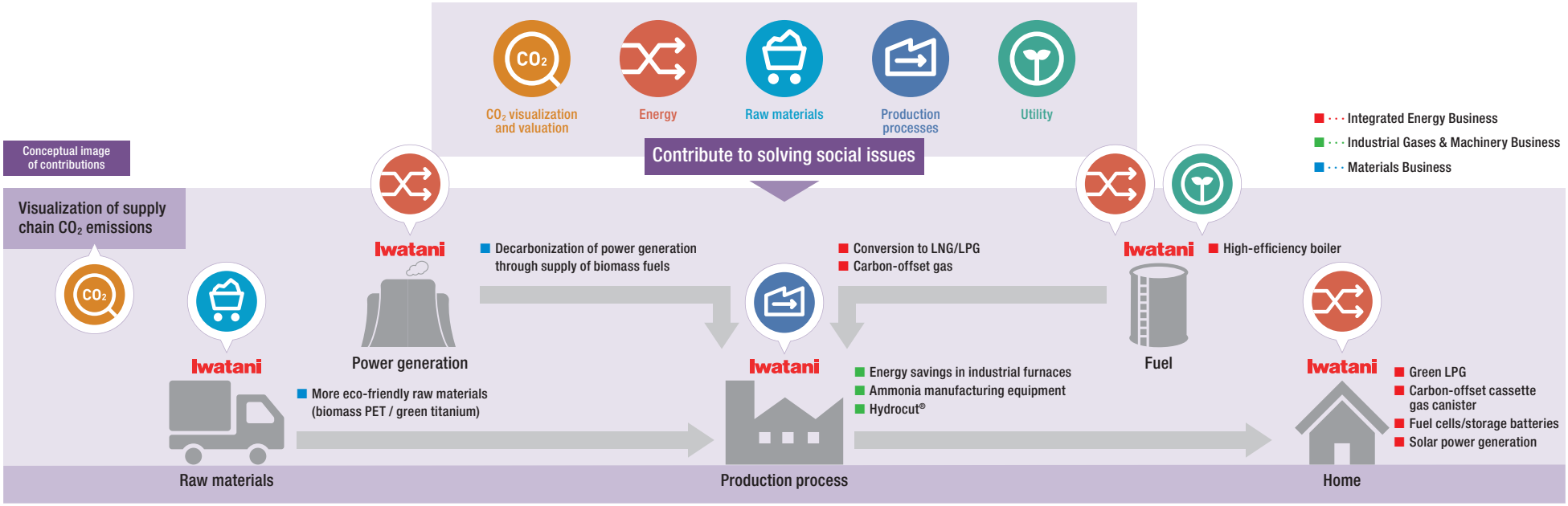
■ Investment

Five-year cumulative total: ¥15 billion



* 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

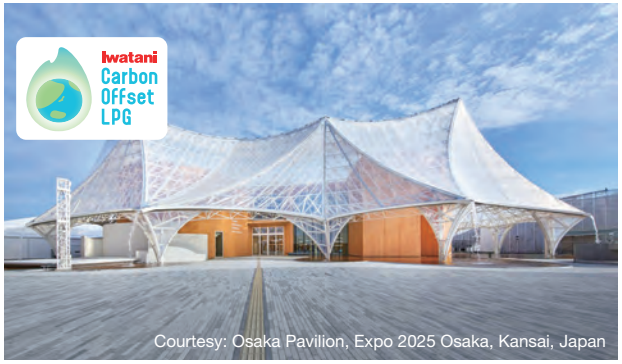
Promote innovation with the use of technologies and expertise

Initiatives

Creating environmental value through J-Credits

We are promoting the provision of environmental value in exchange for reducing CO_2 emissions through the Iwatani J-Credit Project. The J-Credit system benefits companies accelerating decarbonization initiatives by visualizing their autonomous CO_2 emissions reduction efforts. Under the Iwatani J-Credit Project, we coordinate the conversion to environmental value of CO_2 emissions reductions through the adoption of high-efficiency boilers and conversion from fuel oil to fuels with lower environmental impact, including LPG and LNG. The J-Credits generated in FY2024 are equivalent to approximately 2,600 t-CO_2. In March 2025, we introduced carbon-offset cartridge gas canister that uses these J-Credits to realize net zero CO_2 emissions. We expect this product to see use not just in households but in commercial fields targeting decarbonization, including hotels, restaurants, and educational institutions. Another example of the growing number of initiatives to add environmental value is our supply of carbon-offset LPG to the Osaka Healthcare Pavilion at Expo Osaka, Kansai, Japan.

Going forward, in addition to increasing the number of companies participating in this project and further expanding the provision of carbon-offset gas using J-Credits, we will support customers and business partners in reducing CO_2 emissions throughout the entire supply chain.



Supplying carbon-offset LPG to the Osaka Healthcare Pavilion

Expanding adoption of hydrogen mixed combustion burners to decarbonize industrial furnaces

Businesses in Japan are accelerating efforts to achieve the government targets of a 46% reduction in CO_2 emissions (vs. FY2013) in 2030 and carbon neutrality by 2035. The need to reduce CO_2 emissions from industrial furnaces (drying, firing, and melting furnaces) is a pressing issue in manufacturing industries. Given this, the hydrogen mixed combustion burners we have developed jointly with a partner are attracting attention. Capable of mixed burning of hydrogen and traditional fuels at flexible ratios of 0-100%, these burners can be retrofitted to existing furnaces allowing rapid adoption with no need for large-scale facility renovations. In FY2024, we delivered six units to the machinery and chemical industries and for use in paint line drying furnaces. Since the ratio of mixing hydrogen can be adjusted for individual applications and supply conditions, these burners have been well-received for their suitability to hydrogen adoption in stages or demonstration testing and the ease with which they can be adapted to suit site limitations.

In May 2024, we installed an actual hydrogen mixed combustion burner unit at the Iwatani R&D Center. In addition to establishing systems for demonstration and data collection to meet customer needs, we will develop burners suited to various applications such as firing furnaces, heat treatment furnaces, and deodorizing furnaces. Backed by Japan's only liquid hydrogen supply network, we will deploy solutions to support decarbonization at industrial sites.

Hydrogen mixed combustion burner available for customer demonstration at the Iwatani R&D Center

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

Strengthening supply capabilities for biomass fuels to promote the spread of renewable energy

Power generation using the renewable energy source of biomass is attracting attention as one way to achieve carbon neutrality, and new biomass power plants are being built in Japan and around the world. The Tahara Biomass Power Plant, in which we have a partial investment, began commercial operation in April 2025. The power plant operates entirely on wood pellets as its fuel, which we also supply. While until now our biomass fuel business has been centered on palm kernel shells (PKS)*, we have begun full-scale supply of wood pellets as well. Wood pellets provide outstanding transport efficiency and stability during burning, and related demand is growing rapidly, chiefly among large- and medium-sized biomass power plants. In response, we are strengthening our supply capabilities by building a new supply chain in Indonesia in addition to our existing source in Vietnam. In Indonesia, in particular, we aim to build a structure that integrates all processes from tree planting through harvesting, processing, and fuel production. The goal is to realize a supply model that is highly sustainable in terms of the environment, society, and economy, while cooperating with the local community.

We will continue to contribute to the realization of a decarbonized society through expanded use of renewable energy by establishing a stable, high-quality fuel supply structure.

* A byproduct of the palm oil production process

Biomass fuel with increased sales

Decarbonization initiatives using renewable resources in Thailand

We are promoting two new businesses using renewable resources in Southeast Asia. One of these involves production of CO_2 using biomass resources. We plan to build a plant to recover and refine the high-purity CO_2 generated in the process of producing bioethanol from sugarcane. This is expected to greatly reduce greenhouse gas (GHG) emissions compared to conventional CO_2 production from refining petroleum. The plant is planned to begin operation in January 2027, aimed at supplying green CO_2 with reduced environmental impact for wide-ranging applications, such as automotive welding, semiconductor manufacturing, and carbonated beverages.

Furthermore, in the area of plastic recycling, we plan to establish a company to manufacture recycling preforms jointly with Indorama of Thailand, the world's largest producer of PET resins. It will use flake-to-preform (FtoP) technology to produce preforms directly from crushed flakes, without pelletizing used PET bottles. This will reduce production costs and GHG emissions by shortening the production process in Thailand, which consumes more bottles than any other Southeast Asian nation. Promotion of use of recycled PET will help to increase waste recovery and reduce volumes incinerated or disposed of in landfills. Both of these initiatives have been selected to receive subsidies from the Ministry of Economy, Trade and Industry's Industrial cooperation programme in the Global South through technology transfer from Japan, which supports problem-solving demonstration projects. We will continue striving to reduce GHG emissions further by expanding our initiatives in Southeast Asia and around the world.

Joint venture partner Indorama (Thailand), the world's largest producer of PET resins

Domestic Energy & Service Strategies

Related Key Issues (Materiality)

Provide infrastructure and services that will enrich people's lives

Basic Policy

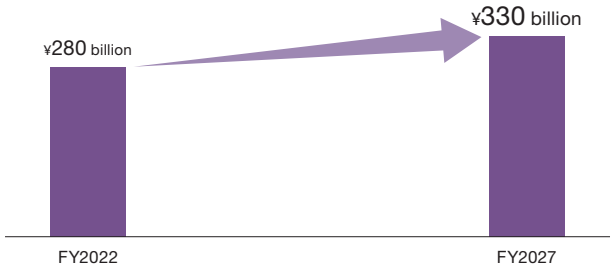
Growing retail market share and enhancing earnings capabilities by promoting M&A activities using our nationwide network

The Iwatani Group began selling LPG nationwide in 1953, as Marui Propane. To maintain a stable supply of lifeline LPG, 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.

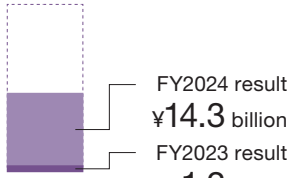
Targets and Progress

■ Net sales



■ Investment

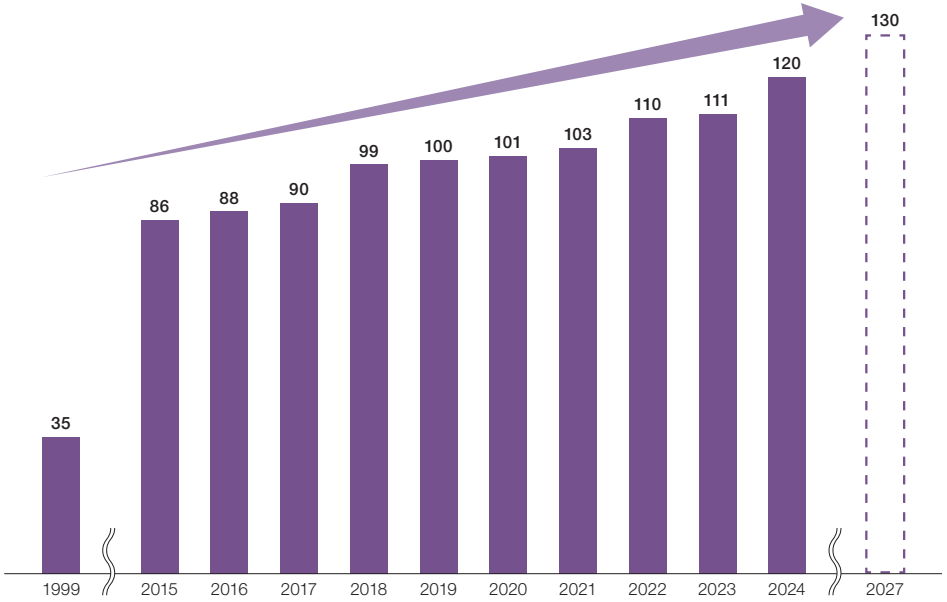
Five-year cumulative total: ¥33.0 billion



Expanding the direct sales customer base, chiefly through M&As

■ Trends in the number of direct sales customers

(Unit: 10K households)



■ Iwatani's LPG sales performance

	Retail	Wholesale
Industry ranking	**No.1** out of 15,791 companies	**No.1** out of 1,100 companies
Market share	5.1%	14.4%
Households using MaruiGas*	1.2 million	3.4 million

Source: LP-Gas Annual Report: Facts & Figures 2025, Iwatani estimates * The name of the Company's LPG brand

* Figures are for FY2024, end of March 2025.

Domestic Energy & Service Strategies

Related Key Issues (Materiality)

Provide infrastructure and services that will enrich people's lives

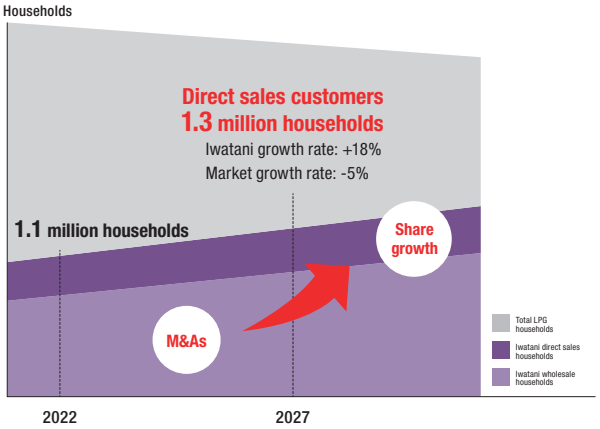
Initiatives

Growing retail market share by leveraging our network

By leveraging the Iwatani Group's nationwide business network, we target further growth through expanding our market share in the retail sector, centered on M&A activities, despite Japan's shrinking LPG market.

As of the end of FY2024, our direct-sales customers numbered 1.2 million households, up from 1.11 million at the end of the previous fiscal year. In November 2024, we acquired ISG, Inc., which has a strong presence in Chiba and Ibaraki prefectures, to grow our market share in the Kanto region.

Targeting 1.3 million households in FY2027, we continue to draw on our nationwide network of 114 supply facilities and the Group's strengths in distribution, security, and its sales network to grow the customer base further by promoting alliances with local businesses, business succession, and M&As.



Growing earnings through continual logistics efficiency improvements

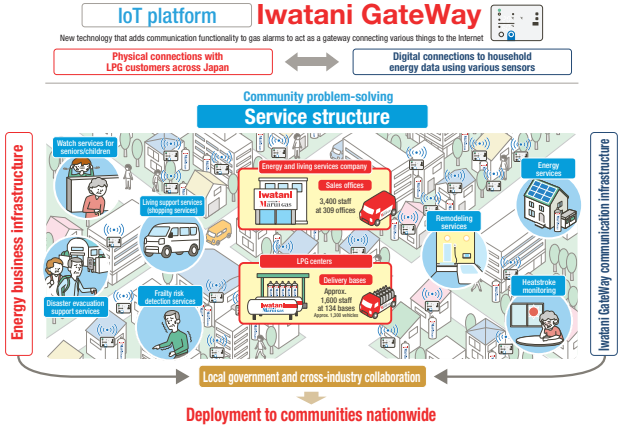
The Iwatani Group has built distribution systems to deliver gas to households across Japan and is working to reduce business costs to increase earnings, while maintaining stable supply.

The cylinder filling facility at the Negishi Liquefied Gas Terminal, completed in April 2024, achieves efficient logistics through benefits of scale realized by its filling capacity of approximately 50,000 t/year. In FY2024, we partnered with other firms in the industry to improve logistics efficiency in individual areas. Amid rising fuel and labor costs, we have taken on the challenge of continually cutting logistics costs by raising delivery efficiency. We will strive to grow earnings through more efficient delivery systems enabled by facility consolidation and alliances, while also considering automated meter reading, an AI vehicle-dispatch planning system, and other solutions.

Large-scale bulk cylinder shipping at the Negishi Liquefied Gas Terminal

Expanding living support services to support the community using Iwatani GateWay

Using the Iwatani GateWay IoT platform based on gas alarms with telecommunications functions, we provide various services that support everyday life, including watch services for the elderly and disaster prevention, in households where we supply LPG. In June 2024, we launched demonstration testing of a system for monitoring the whereabouts of seniors on Fukue Island in the city of Goto, Nagasaki Prefecture, and in December 2024, we concluded a regional cooperation agreement with Goto and advanced the system to the implementation phase. We are also working toward a solution to the social issue of regional long-term care burdens through demonstrations intended to avoid seniors becoming bedridden through preventing frailty. Furthermore, in the city of Ota, Shimane Prefecture, we have developed an environment to enable watch services for seniors and children across the community since 2020, which has grown steadily and covered about 80% of the entire Ota by April 2025. Iwatani will continue to supply services essential to our customers and communities by fusing the physical business infrastructure with the Iwatani GateWay IoT platform.



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

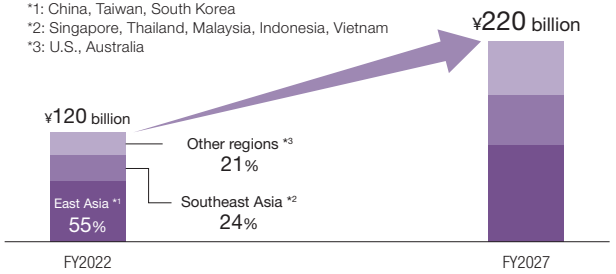
Leveraging our domestic business foundations to develop overseas businesses

To date, the Iwatani Group has grown its businesses by providing products and services to domestic customers. Our strengths include the expertise possessed by the Integrated Energy Business in fuel conversion and industry decarbonization; the capabilities of the Industrial Gases & Machinery Business in producing industrial gases, ensuring stable supply, and proposing machinery and equipment solutions; and the ability of the Materials Business to procure environmental products and ensure 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

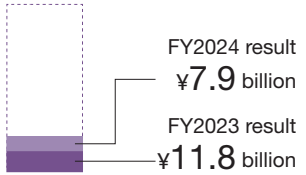
Net sales

*1: China, Taiwan, South Korea
*2: Singapore, Thailand, Malaysia, Indonesia, Vietnam
*3: U.S., Australia

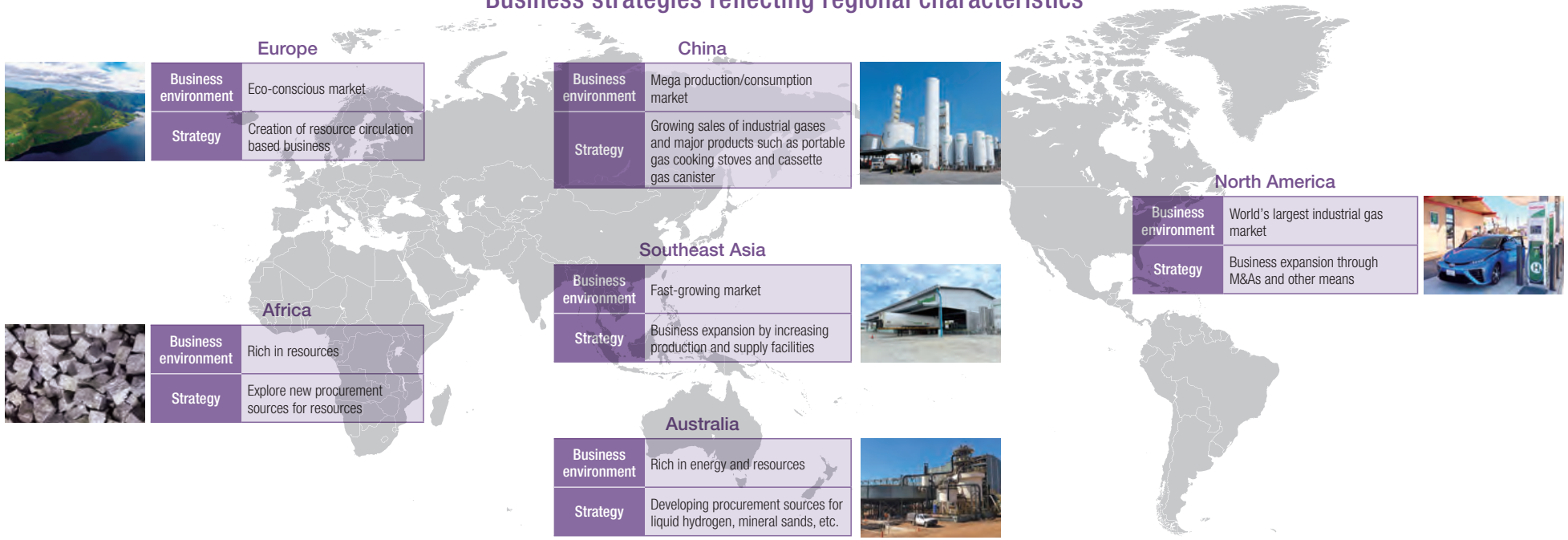


Investment

Five-year cumulative total:
¥94 billion



Business strategies reflecting regional characteristics



Europe

Business environment	Eco-conscious market
Strategy	Creation of resource circulation based business

China

Business environment	Mega production/consumption market
Strategy	Growing sales of industrial gases and major products such as portable gas cooking stoves and cassette gas canister

Southeast Asia

Business environment	Fast-growing market
Strategy	Business expansion by increasing production and supply facilities

Africa

Business environment	Rich in resources
Strategy	Explore new procurement sources for resources

Australia

Business environment	Rich in energy and resources
Strategy	Developing procurement sources for liquid hydrogen, mineral sands, etc.

North America

Business environment	World's largest industrial gas market
Strategy	Business expansion through M&As and other means

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

Refrigerant business and CFCs recycling initiatives in Southeast Asia

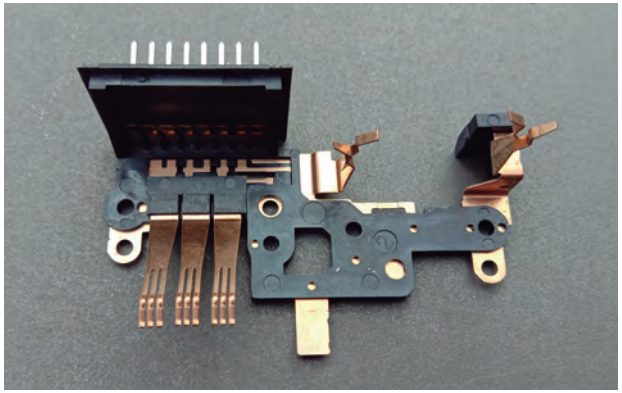
In the Southeast Asian market, where demand for refrigerants is growing due to the increasing use of air conditioners and motor vehicles, we are enhancing our supply capabilities and building sustainable business models. We acquired a refrigerant business company in Malaysia in November 2023, and in January 2024 we built and expanded refrigerant plants in Thailand and Indonesia. We are striving to expand sales to the Southeast Asian market by developing a structure that combines local production with export base functions. Furthermore, amid increasingly strict international refrigerant regulations, in July 2024 we partnered with Daikin Malaysia Sdn. Bhd. to launch a CFCs recycling business for recovering and recycling spent refrigerants, and are stepping up efforts to realize a circular model for refrigerant recovery, recycling, and resale. We plan to continue strengthening the structures that contribute to a circular society by growing the refrigerant business, including recycled CFCs, in Southeast Asia.

Refrigerant plant in Malaysia

Growing the overseas metal processing business based on high technological capabilities

Iwatani operates multiple metal processing facilities, mostly in Asia. These facilities handle operations ranging from the processing of iron and stainless steel cables to precision pressing and insert molding. One such facility, Bangkok Ai-Toa Co., Ltd. (Thailand), has increased its production capacity by 1.5 times compared to FY2022 in response to rising demand for air conditioner and automobile parts. Futhermore, in 2025, we acquired a company specializing in the precision press processing business to expand our business by strengthening our supplies to markets for EVs and other eco-friendly vehicles.

Zhongshan Iwatani Co., Ltd. (China), with businesses including precision slitting of metal materials, is raising efficiency through automation and has doubled its production capacity compared to FY2022. Zhongshan Kasatani Co., Ltd. (China) has earned a strong reputation for its highly sophisticated precision press processing and insert molding technologies for smartphones and motor vehicles. We will continue to enhance global competitive strengths based on a structure that combines technological and supply capabilities.

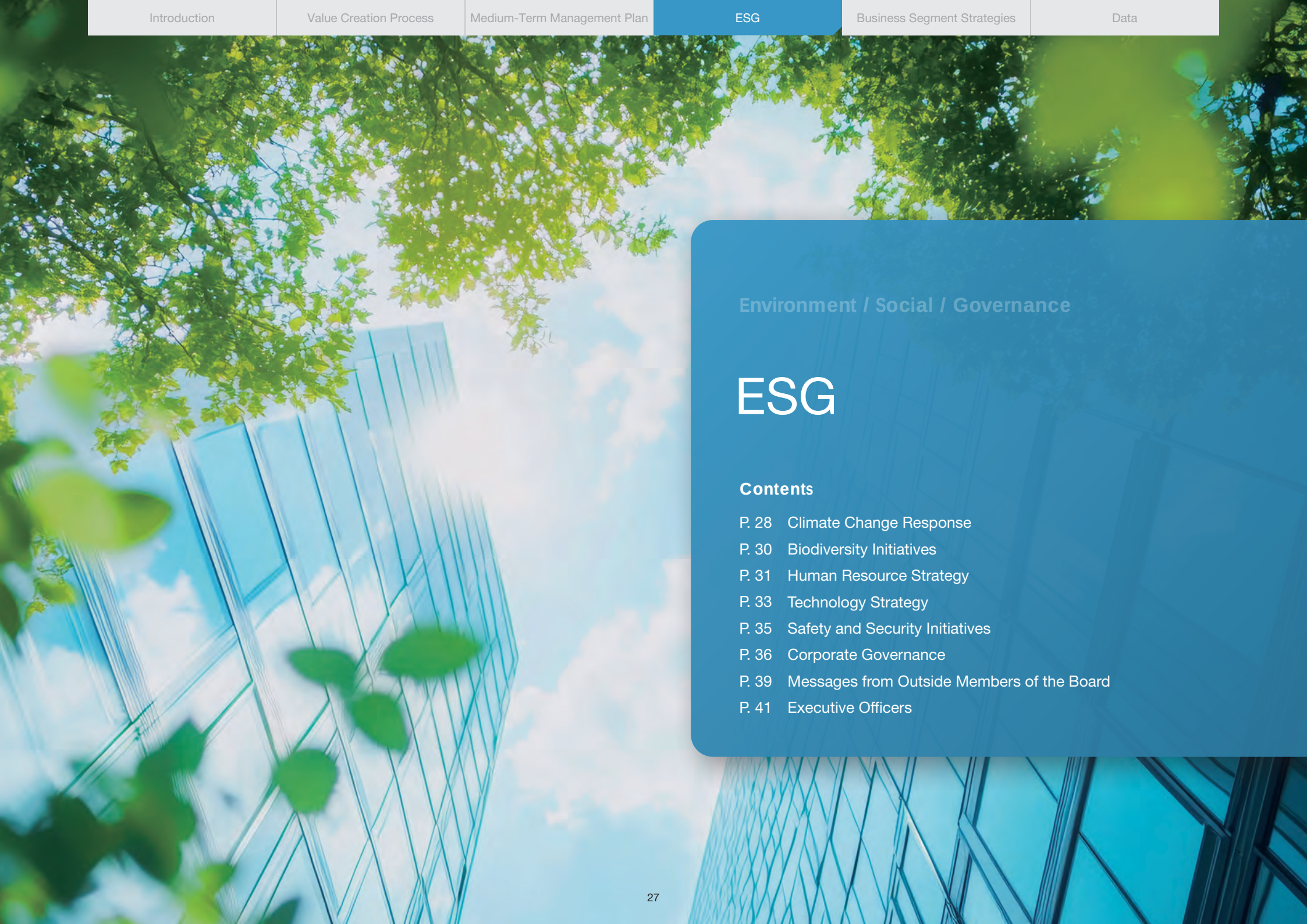


Insert molded part (an electronic component for next-generation vehicles)

Entering the rare earth refining business to enhance our global resource procurement capabilities

In March 2025, together with the Japan Organization for Metals and Energy Security (JOGMEC), we established Japan France Rare Earths Co., Ltd.; invested in Caremag SAS, a rare earth refining company in France; and concluded an agreement with Caremag on the long-term supply of the rare earths it produces to Japan. Caremag began building the EU's first full-scale medium-heavy rare earth refinery in 2025 and plans to begin commercial production in the second half of 2026. Through proprietary technologies to reduce the use of industrial water and control CO_2 emissions while using a combination of ore and recycled materials, this plant will reduce the environmental impact of the entire production process. The initiative will help establish the sustainable infrastructure needed to support industry by realizing the stable procurement of rare earth materials and strengthening the supply chain. We see the enhancement of our capacity to supply key minerals such as rare earths as a growth opportunity and will continue to diversify supply sources in the future.

The French Minister Delegate for Foreign Trade and French Nationals Abroad attended the signing ceremony



Environment / Social / Governance

ESG

Contents

Climate Change Response

Related Key Issues (Materiality)

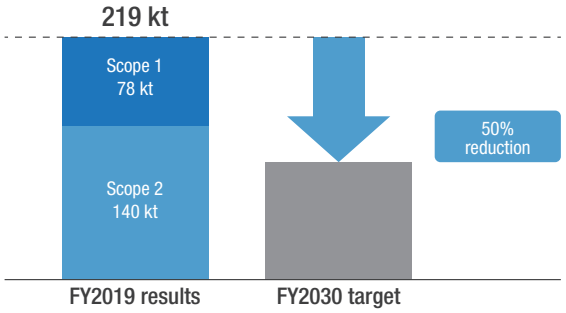
Create businesses that will lead to the realization of a sustainable society

Environmental Management (Web)
TCFD Disclosure (Web)

Recognizing climate change and other global environmental issues as one of the most important management issues, we are striving to reduce the environmental impact of Group business activities. In addition, we analyze the risks and opportunities presented by climate change, reflect them in our management strategies and risk management, and appropriately disclose relevant information, aiming for our sustained growth while contributing to decarbonization of society as a whole.

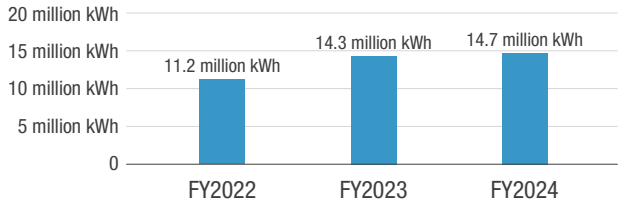
CO_2 emissions reduction targets

The Iwatani Group has announced its goal of achieving carbon neutrality by 2050, targeting as a milestone to be reached by FY2030 a 50% reduction in CO_2 emissions from domestic Group companies compared to FY2019. We aim to achieve our reduction targets for FY2030 through various measures, including the utilization of cold energy and the installation of solar panels at industrial gas plants; switching to renewable energy, including corporate PPA; and utilizing 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 CO_2 emissions reductions for proposed internal investments and use as reference in investment decision-making.



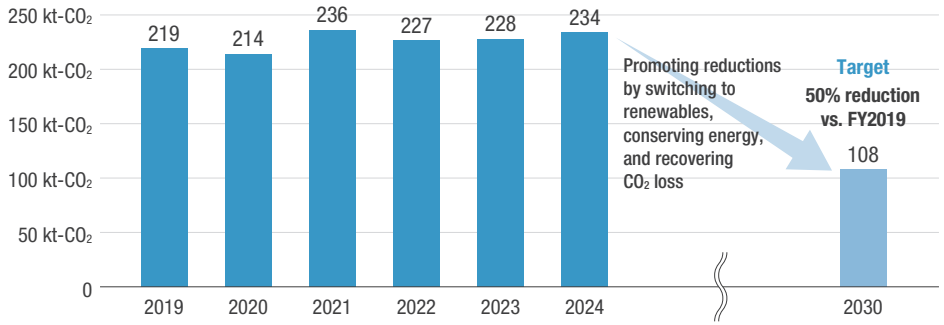
* Totaled for Iwatani Corporation business sites in Japan, Japanese consolidated subsidiaries, and two equity-method affiliates with high volumes of energy use
* CO_2 emissions are calculated based on GHG protocols.
* FY2019 results retroactively include CO_2 emissions of major companies acquired since FY2020.
* This target assumes the electricity emission coefficient for FY2030 of the Japanese government's Plan for Global Warming Countermeasures.

Adoption of green power and solar power (Japan)



While working toward our reduction target for FY2030, we are installing solar panels at industrial gas manufacturing facilities and LPG centers and migrating facilities to green power. Amounts of green power and solar power adopted are growing steadily, and we aim to continually increase both in the future.

Scopes 1 and 2 emissions (Japan)



The Iwatani Group's domestic GHG emissions in FY2024 totaled 234 kt, up 6 kt from the previous fiscal year. To date we have advanced various initiatives to reduce emissions, including installing solar panels at industrial gas manufacturing facilities and LPG centers and switching business sites to green power. While these initiatives have generated some results, emissions increased due to higher plant utilization rates accompanying business growth.

To achieve our GHG emissions reduction target for FY2030, in addition to the efforts currently underway to make industrial gas plants more efficient, we will steadily reduce emissions by further promoting green power.

Climate Change Response

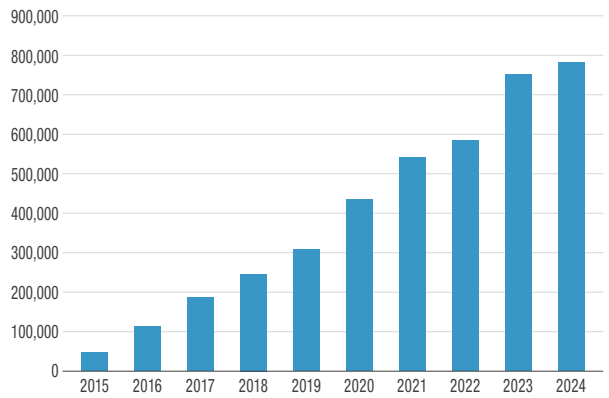
Related Key Issues (Materiality)

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

Transitional initiatives

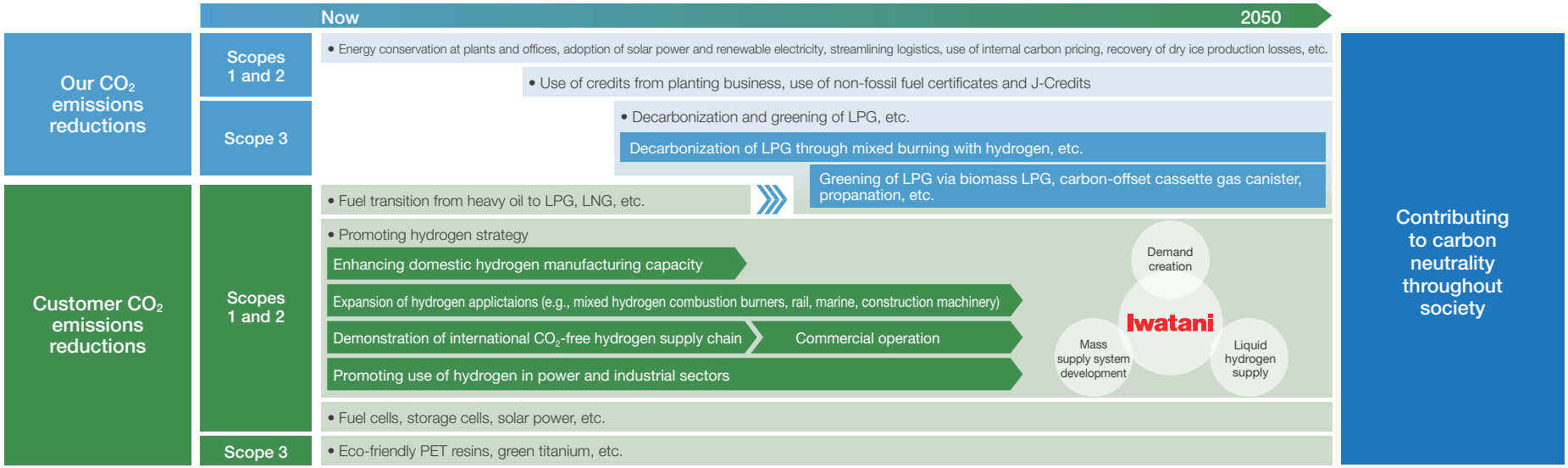
We are promoting the provision of low-/zero-carbon solutions to reduce customer CO_2 emissions and to help cut CO_2 emissions across society. Through fuel conversion to LPG and LNG, supplying hydrogen for fuel cell vehicles and fuel cell buses, and expanding sales of biomass fuel (PKS), biomass PET resin, Hydrogen-based premixed cutting gas (Hydrocut®), and biomass PP resin, we contributed to a CO_2 emissions reduction of approximately 780,000 tons in FY2024. We will continue contributing to global warming prevention through proactive efforts to develop and expand sales of clean energy and other solutions.

■ Contributions to CO_2 reductions (t)



Product, service	Reduction concept
Fuel conversion to LPG and LNG	Contributing to reduced CO_2 emissions (in the usage stage) through fuel conversion from heavy oil and other fuels to LPG and LNG
Supplying hydrogen for FCVs and FC buses	Contributing to reduced CO_2 emissions (in the usage stage) by supplying hydrogen as fuel for FCVs and FC buses
Biomass fuel (PKS)	Contributing to reduced CO_2 emissions (in the usage stage) by supplying PKS for use in power generation
Biomass PET resin	Contributing to reduced CO_2 emissions (in the raw material production and disposal stages) during production, disposal, and incineration by replacing traditional PET resin with plant-based materials
Hydrogen-based premixed cutting gas (Hydrocut®)	Contributing to reduced CO_2 emissions (LCA) by replacing use of acetylene and other cutting gases with Hydrogen-based premixed cutting gas (Hydrocut®)
Biomass PP resin	Contributing to reduced CO_2 emissions (in the raw material production and disposal stages) during production, disposal, and incineration by replacing traditional PP resin with plant-based materials

■ Roadmap toward carbon neutrality



Biodiversity Initiatives (TNFD*1 compliance)

Related Key Issues (Materiality)

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

The Iwatani Group's business activities are highly dependent on the fruits of biodiversity—resulting from the diversity of creatures on the planet and their interactions. For this reason, we recognize consideration for protecting ecosystems and other environmental conservation efforts and maintenance and preservation of biodiversity to be important topics for the Group. For business activities that may significantly impact biodiversity, we first ascertain what kinds of biodiversity they depend on and what the impacts are, and then strive to minimize and contribute to recovery from such impacts on ecosystems.

*1: The Taskforce on Nature-related Financial Disclosures, an international initiative that provides a framework for businesses and financial institutions to identify, assess, and disclose risks and opportunities related to natural capital. It aims to visualize relations with nature from a financial perspective and to encourage sustainable decision-making.

Locating points of contact with nature (identifying dependencies and impacts)

Based on the TNFD's required LEAP approach*2, we started with the Locate process to analyze nature-related risks and opportunities in Iwatani Group businesses. We used the ENCORE*3 nature-related risk assessment tool to verify how our businesses depend on natural capital and how they might impact it.

Identifying points of contact with nature in the Iwatani Group's main businesses (high-impact businesses)

Key: Impact — M: Middle, H: High, VH: Very High

Iwatani Group businesses	Dependency on natural capital								Environmental impact										
	Groundwater	Surface water	Water cycle	Water quality	Natural materials such as fibers	Climate regulation functions	Natural defenses against floods and storms	Ground stabilization and erosion prevention	Nature disturbance	Use of freshwater ecosystems	GHG emissions	Use of marine ecosystems	Air pollution	Soil pollution	Wastes	Use of land ecosystems	Water pollution	Water use	Biological interference/ change
Energy Business						M	M	H	M	H	VH	H	M	H	H	H	H	H	
Industrial Gases Business	H	H					M		H		VH		H	H	H	H	H	H	
Mineral Sands Business	H	H	H			H		M	H	H	VH		H	H	H	VH	H	VH	M
Biomass Business (e.g., PKS)	M	M	M		VH		M				VH		H		H		H	H	

Results of ENCORE analysis showed that among our dependencies on natural capital (dependencies on ecosystem services), a tendency was observed that the biomass business, such as PKS, depends on nature-derived materials, while the mineral sands business relies on water supply services. In terms of our impacts on the environment, the Energy Business, Industrial Gases Business, Mineral Sands Business, and Biomass Business were all quite likely to generate major environmental impacts through GHG emissions and water use. Going forward, we will conduct detailed analyses based on the specific conditions of the regions in which we do business, and use this information to develop initiatives aimed at preserving biodiversity.

*2: Integrated approach to assessments of nature-related issues, including points of contact with nature in business activities and their dependency relationship with nature, impact, risks, and opportunities, developed by the TNFD. Its process consists of the following steps: Locate; Evaluate; Assess; and Prepare.

*3: Tool for identifying nature-related risks, developed chiefly by the United Nations Environment Programme World Conservation Monitoring Centre

Human Resource Strategy

Related Key Issues (Materiality)

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

- Occupational Health and Safety, Health and Productivity Management Web
- Human Rights Web
- Supply Chain Management Web

Basic Policy

Generating a virtuous circle of organizational growth through acquisition, development, and success of human resources

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 strengthening employee satisfaction and motivation by realizing flexible workstyles. Through this cycle of overall organizational growth through acquisition, development, and success of human resources, we will continue to deliver value to the world by growing our businesses and putting our strategies into practice.

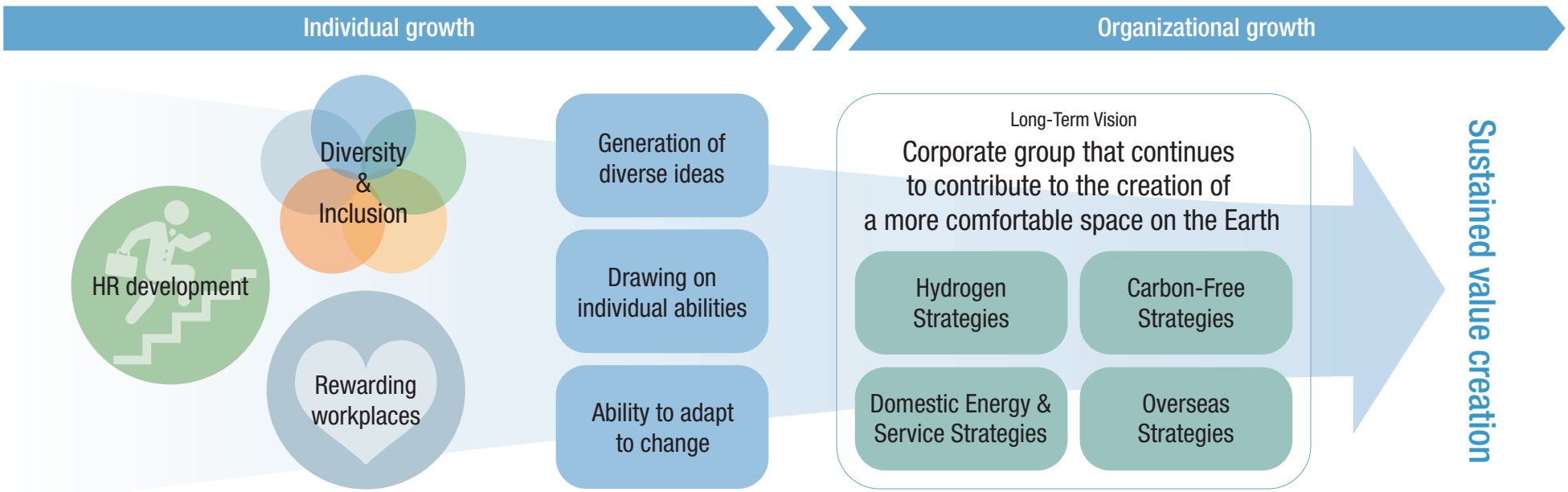
Targets and Progress

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

Indicators	FY2022 results	FY2023 results	FY2024 results	FY2027 targets
Ratio of female managers	6.0%	6.9%	7.8%	10% or higher
Annual training costs per employee	¥86,000	¥118,000	¥138,000	¥150,000
Rate of childcare leave taken by male employees	30.6%	55.9%	73.5%	100%

* Figures shown are for Iwatani Corporation on a nonconsolidated basis.

From individual growth to the growth of the entire organization



Human Resource Strategy

Related Key Issues (Materiality)

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

Initiatives

Promoting diversity and inclusion, and establishing comfortable workplaces

Under the slogan “Toward an organization of acceptance of and mutual respect for diverse values,” we are striving to develop an environment in which our diverse pool of employees can demonstrate their individual abilities and help them enjoy flexible workstyles suited to individual life stages, with a focus on diversity and inclusion (D&I).

To help employees balance work with childrearing, we have contracted with Life Care Partners Co., Ltd., which provides the Childcare Future Concierge service that enables employees to apply for company-operated nursery schools, and provide employees with the necessary information. We also actively encourage men to take childcare leave. As a result of rising Companywide awareness of the importance of this initiative, the rate of men taking childcare leave in FY2024 reached 73.5%. Another focus point is support for balancing work with long-term care. Examples include publication of a Long-term Care Handbook, setting up a consultation contact point, and the long-term care leave program which exceeds legal requirements.

We’ve also initiated semiannual engagement surveys in order to obtain visibility on employee motivation and organizational issues. We formulate a cycle of feedback and action plan formulation and execution repeated at each department level, share positive case outcomes, and support sections facing issues. We plan to continue providing ongoing support through various measures to establish workplaces in which all employees can perform at their best with peace of mind.

Childcare report by an employee who took childcare leave

Adoption of the Childcare Future Concierge service

Developing the human resources needed by society and enhancing training environments

To maintain our status as people needed by society as called for in our Corporate Philosophy, Iwatani supports the autonomous career development of employees and develops human resources to make the organization one that can thrive amid external change. In FY2024, we introduced the new Lead the People training program for mid-carrier personnel to enhance the development of leaders for the next generation. To accelerate the promotion of digital transformation (DX), in April 2025 we established the new Group company Iwatani Digital Force Co., Ltd., and are also focusing on developing DX human resources. We have introduced a foundational Digital Literacy and Application Training Program and a DX Strategy and Promotion Training Program aimed at creating new business models, with the goal of developing 1,200 and 130 personnel respectively by FY2027. In FY2024, we held practical training sessions in which employees used efficiency tools to learn how to improve work efficiency. In FY2025, we began expanding these DX HR development programs to also include Group companies.

A new training center was completed in November 2024 on Port Island, in the city of Kobe, Hyogo Prefecture. This is the carbon-neutral environmental learing facilities which uses hydrogen fuel cells, solar power, and carbon-offset gas and serves as a base for communicating hydrogen energy information. We are also considering introducing green hydrogen and green LPG at the facility in the future. We will continue to enhance our systems and environments for training and developing the human resources needed by society.


A training session

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

Leading to a more comfortable space on the Earth through technological and safety capabilities

Global environmental issues, declining birthrate, aging population, and other social issues are increasingly apparent around the world. Technology is the key to their solutions. In FY2024, looking ahead of a hydrogen energy-based society, more customers conducted demonstration testing of hydrogen and ammonia as fuels. Engineering projects increased in numbers as well as in scale and complexity. We worked to implement efficient engineering with limited personnel, improve productivity, utilize digital transformation (DX) to consolidate knowledge, such as design documents, and thoroughly investigate the causes of problems to prevent their recurrence. As a result, we have shortened the time it takes to resolve customer issues and made progress in passing on knowledge among employees. Meanwhile, we are facing challenges in digitizing past records and experiences and working to improve these conditions.

Regarding safety, there were no major disasters or accidents during FY2024. We continue to promote smart safety and deploy visualization of our plants and filling stations using cameras and sensors both domestically and overseas. During the Noto Peninsula Earthquake in January 2024, we were able to grasp the situation at filling stations in real time and respond quickly. We are establishing an efficient and safe security system, including paperless inspection records.

In FY2025, we will continue to strengthen our engineering functions. Our R&D Center will continue to focus on hydrogen research, refining green LPG synthesis, liquid hydrogen utilization technology, and hydrogen combustion technology.

Basic Policy

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

Key to growing our core Gas and Energy businesses and leveraging the strengths in hydrogen business is enhancing our technological and safety capabilities. Toward this end, we have set out a technology strategy as one of 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.

Specialization

- Advance joint efforts within the Iwatani Group for the development of a liquid hydrogen supply chain
- Acquire expertise to make quick response to market needs

Three themes of Technology Strategy

Technological capabilities

- Acquire knowledge and experience with the use of in-house academy
- Promote Gas and Energy businesses by leveraging technological capabilities
- Pass down safety control technologies accumulated in production, transport, etc. of gases

IP strategy

- Secure competitive advantage by bringing research results from the Iwatani R&D Center and the Iwatani Advanced Hydrogen Technology Center to market
- Strengthen alliances by leveraging the Company's own intellectual property

Technology Strategy

Related Key Issues (Materiality)

Promote innovation with the use of technologies and expertise

Initiatives

Enhancing human resource development and education structures through the internal university, Iwatani Technology and Safety University

Iwatani Technology and Safety University opened in October 2023 as part of efforts to develop human resources to underpin Iwatani's strengths in technology and safety. Its doors are open not just to engineering personnel, but to sales and administrative employees. Enrollment in FY2024 totaled 417 employees, and was expanded in FY2025 to also accept students from Group companies.

The University's curriculum consists of the three parts: classroom sessions, lectures, and practical training. Instruction covers the general technologies in the field of gas over a wide range of topics, including safety laws and regulations, equipment design, and practical learning in the field. It also enables employees to acquire official qualifications. Going forward, in addition to reflecting the results of training in the personnel system, we will build a systematic and dynamic education structure while considering improvements to online courses and cooperation with outside experts. Through this internal university, we will continue to empower employees with the capabilities needed to propose solutions and to adapt to circumstances on site, as well as to pass along expertise to future generations. We aim to grow our businesses with a view to transitioning to a carbon-free society while enhancing our ability to provide new technologies and services.

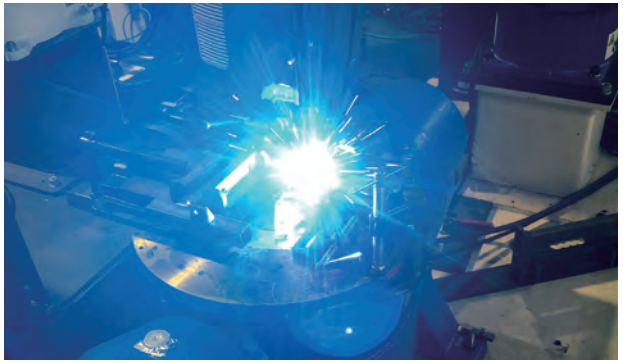
Lecture by visiting instructor

Practical training on handling liquefied gas at the Iwatani R&D Center

Establishing aluminum diecast joining technology using advanced gas and welding technologies

Research and development at the Iwatani R&D Center has solved the challenging technological issue of joining together aluminum diecast materials—for which demand has been growing for use in vehicle bodies and other applications. Normally, aluminum diecast materials form strong oxide films that lead to cracking or pore formation after welding, which makes joining them together highly difficult. Based on our advanced gas mixing and welding technologies, we have realized stable joining by optimizing sealed gas purity and composition and welding conditions.

This new technology is expected to see use in fields where light weight and high strength are required, including transport vehicles, logistics machinery, and energy-related equipment. It will also reduce environmental impact by shortening manufacturing processes and reducing weight for improved fuel efficiency. Iwatani will continue contributing to solving challenges at manufacturing sites and a carbon-free society by drawing on the strengths of its superior gas and welding technologies and the Iwatani R&D Center's materials research.



Aluminum diecast welding

Achieving carbon neutrality and use of cold energy generated from liquid hydrogen at the Iwatani R&D Center

The Iwatani R&D Center is deploying a wide range of measures to achieve the goal of effectively eliminating CO_2 emissions. As part of these efforts, it is seeking to use cold energy generated during the gasification of liquid hydrogen. In FY2022, it began demonstration testing of recovery of cold energy generated from liquid hydrogen using heat exchangers, seeking to use it in applications such as the cooling water for the R&D Center air conditioning and experiments. The focus is on accumulating data for use in equipment design.

Other efforts underway at the Center include the adoption of fuel-cell equipment and the study of an energy management system linked to solar power generation, as well as technologies for green LPG. Through these efforts, the use of grid power in FY2024 was reduced by approximately 26% from FY2019. We will continue to develop carbon-neutral technologies, verify and demonstrate them in the R&D Center, and provide the resulting technologies for use in society.

Liquid hydrogen experimental equipment

Pure hydrogen fuel-cell power generation equipment

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

Evolving security systems and enhancing adaptability through digitalization

The gas center security system enables the integrated management of operations at Iwatani Group gas centers by linking them online. In FY2024, the system had been adopted at 140 facilities, including at our LPG centers and industrial gas centers nationwide. We plan to deploy the system to overseas plants as well in the future. During the January 2024 Noto Peninsula Earthquake, we were able to use cameras and sensors installed at the LPG center in Wajima to check in real time for any damage to tanks and buildings and for gas leaks, which meant we were able to begin recovery activities within 20 minutes after the quake. Each center is enhancing its preparedness for increasingly severe natural disasters such as torrential downpours, heavy snowfall, and high waves, using seismometers and access to weather data from the Japan Meteorological Agency. In June 2023, we adopted as standard practice the tablet entry of results of the three daily inspections of LPG centers. This improves safety and operational efficiency by allowing the automatic detection of abnormal values and instant display of response methods, which helps control input errors, accelerate on-site response, and facilitate information-sharing. We will continue to enhance safety and response capabilities by evolving the security system.

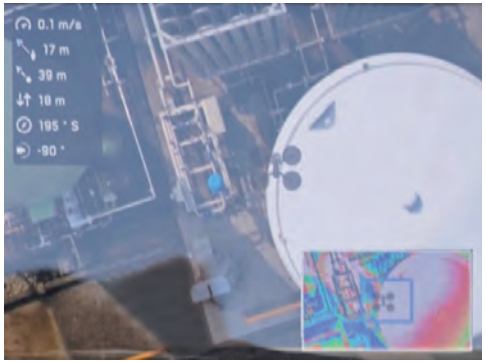
Centralized plant management using cameras


Plant equipment management using the system

Predictive maintenance initiatives to build a comprehensive security system by 2030

Iwatani plans to build a Groupwide comprehensive security syetem by 2030. As part of this effort, we are developing a predictive maintenance system to quickly identify any signs of abnormalities, which is enabled through constant monitoring at LPG centers and industrial gas centers. This will replace the existing system that is based on regular inspections. Specifically, it involves promoting digital transformation (DX) and standardization in safety operations to prevent accidents while enhancing security capabilities and addressing labor shortages through automated and more efficient inspection and operations. In addition, we are proceeding with demonstration testing using drones to check the safety of large-scale facilities in preparation for disasters and other situations where human access is difficult. We expect to use drones to check safety remotely in the event of risk of aftershocks or secondary disasters, and are exploring broadened applications for drones in the future. In addition to database-building and systematizing the advanced security management techniques amassed to date, we will continue to promote the use of new technologies for even safer and more reliable delivery of gas to customers, while promoting the succession of these technologies to future generations.


Plant inspection patrol using a drone



Inspection footage from a drone

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 Policies

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

Business Execution and Oversight System

[Board of Directors]

Responsible for Iwatani's business decision-making and oversight, the Board of Directors consists of 12 members (including four Outside Members of the Board). Together with swift, appropriate decision-making and oversight based on comprehensive and active deliberation in the Board of Directors, the Outside Members of the Board strengthen the functions of the Board by enhancing and improving the transparency of decision-making and the effectiveness of oversight from standpoints independent of company management and based on extensive experience and knowledge of corporate governance.

[Executive officer system]

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

[Board of Corporate Officers]

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

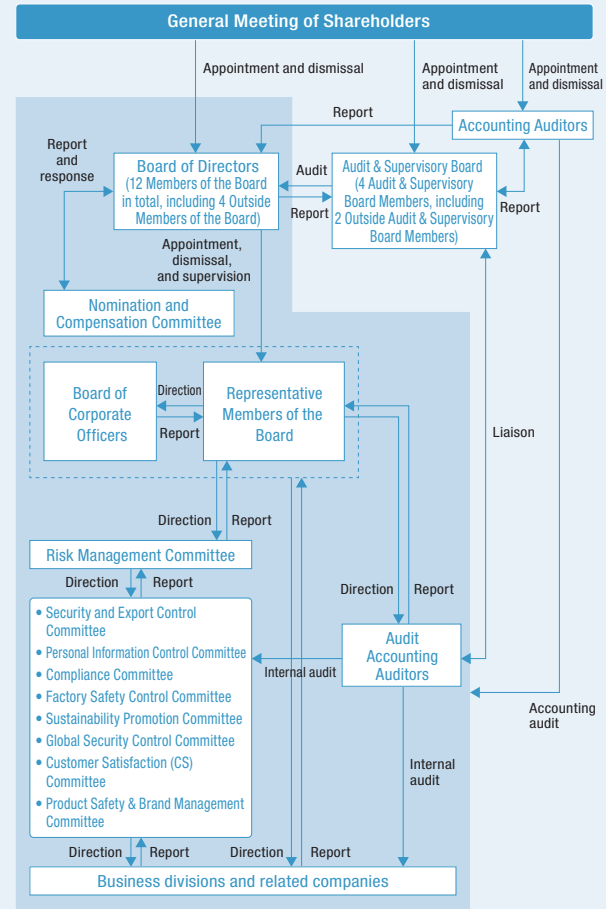
[Nomination and Compensation Committee]

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

▸ Corporate Governance Report Web

▸ Corporate Officers Web

Corporate Governance Structure



Corporate Governance

Related Key Issues (Materiality)

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.

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 (including up to ¥200 million to Outside Member of the Board) in fixed compensation and bonuses for Directors was approved by the Annual General Meeting of Shareholders held June 21, 2023. (This excludes compensation for Directors serving concurrently in employee posts.) An annual maximum of ¥300 million 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 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 has been established under the Risk Management Committee to thoroughly enforce and strengthen legal 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, which is aimed at enhancing compliance management through a structure whereby reports from employees and others concerning organizational or individual actions in violation of laws or regulations can be appropriately handled. Under this system, the Compliance Committee investigates the facts of the matters reported and, as necessary, takes swift corrective and preventive action. Whistleblower contact points have been set up both inside and outside the Company, and response is based on advice from third-party experts. We have stipulated rules prohibiting disadvantageous treatment to safeguard the rights of whistleblowers.

[Prohibition of bribery]

The conduct guidelines in the Iwatani Code of Corporate Ethics prohibit the provision or acceptance of business-related entertainment or gifts that go beyond the bounds of social and international norms. They also prohibit actions constituting bribery vis-a-vis domestic and foreign public servants and quasi-public servants (such as members of public entities, independent administrative agencies, and extra-governmental organizations). We aim to prevent bribery by establishing these guidelines to ensure that all employees is aware of and act according to them.

[Internal awareness raising activities]

We strive to raise compliance awareness by sharing the corporate philosophy, ethics, and values and implementing compliance training under the Iwatani Code of Corporate Ethics. The training is delivered by lawyers, covering topics such as the Antimonopoly Act, to ensure that participants fully understand the importance of compliance.

Corporate Governance

Related Key Issues (Materiality)

Evaluating the Efficacy of the Board of Directors

In March 2025, we surveyed all Members of the Board about the Board's efficacy. The findings were analyzed, assessed, and reported to a meeting of the Board in May 2025. The method and results of evaluation of the Board's efficacy in FY2024 are outlined below. We will continue striving to make the Board even more effective through regular analysis and evaluation of its efficacy.

FY2024 initiatives

- Earlier distribution of materials prior to Board meetings and clarification of summary and supplemental materials
- Enhancement of prior explanations of Board agenda items to Outside Members of the Board and Outside Audit & Supervisory Board Members and sharing with Inside Members of the Board questions, answers, and comments asked or offered in the prior explanation sessions
- Providing opportunities for briefings and tours of affiliate companies to increase understanding of Company businesses by Outside Members of the Board and Outside Audit & Supervisory Board Members
- Sharing information on the status of IR activities and questions and comments from investors and shareholders

Evaluation

Date: March 2025
Subjects: All 12 Members of the Board and four Audit & Supervisory Board Members
Method: Survey format prepared by an external agency, on a five-point scale
Evaluation items:
1. Board of Directors composition and operation
2. Management strategies and business strategies
3. Corporate ethics
4. Risk and crisis management
5. Monitoring of business results, management team evaluation and compensation
6. Dialogue with shareholders and others

Evaluation results

As was the case last year, the results this year indicate that the Board remains effective overall, with generally positive evaluations for all items.
They also identified the following individual issues:
1. Enhancement in the provision of information on management strategies, business strategies, and other important topics
2. Confirming the effective use of management resources through investments conscious of capital costs
3. Checking on efforts to achieve the Sustainable Development Goals (SDGs) through addressing issues related to sustainability

Efforts to further improve efficacy

We are implementing the following initiatives to make the Board more effective with regard to the individual issues identified in FY2024:
1. Individual information-sharing and discussion regarding businesses with issues
2. Ongoing reporting on the state of recovery of investment on capital investment projects and enhancement of efforts through review of investment standards
3. Regular reporting and discussion of nonfinancial information

Messages from Outside Members of the Board

Related Key Issues (Materiality)

Develop more transparent governance

Shosuke Mori

Outside Member of the Board, Chairperson, Nomination and Compensation Committee

April 1963 Joined The Kansai Electric Power Co., Inc.
June 1997 Member of the Board, 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)

Iwatani is active across a wide range of fields, and the Board of Directors discusses diverse issues. In particular, I think efforts to achieve greater efficacy have made progress in recent years. One example is the system of prior explanations. This has made it possible to provide more appropriate comments and advice through Board meetings based on a thorough understanding of the background and issues of each agenda item. As an Outside Member of the Board, my contributions to the Board reflect an awareness of whether its readiness for and responses to risks are appropriate and whether proposals would contribute to growth, from the perspectives of sustained corporate growth and enhanced governance. I was appointed Chairperson of the Nomination and Compensation Committee in 2025. Over the four years since its founding, I believe the committee has played an important role in ensuring fairness, transparency, and objectivity. Going forward, we will seek to further strengthen its functions by clarifying the requirements for candidate officers. Additionally, I believe that in order for our Company to grow, it is essential to develop not only highly specialized personnel but also human resources endowed with a companywide perspective. We will contribute to increasing corporate value through constructive discussions on our approaches to personnel management and HR development measures.

Hiroshi Sato

Outside Member of the Board Member, Nomination and Compensation Committee

April 1970 Joined Kobe Steel, Ltd.
June 1996 Member of the Board, Kobe Steel, Ltd.
April 2009 President, Kobe Steel, Ltd.
April 2013 Chairman, Kobe Steel, Ltd.
April 2018 Advisor, Kobe Steel, Ltd. (current position)
June 2021 Member of the Board, the Company (current position)

Mergers and acquisitions (M&As) are one effective way to achieve business growth, and we also actively pursue M&A opportunities. Iwatani's businesses comprise the two functions of trading company and manufacturer. While developing its businesses, it has engaged in a growing number of M&As to strengthen its manufacturer function. As part of this process, I ask questions and offer comments, drawing on my own insights, from the perspective of whether the target company's technological capabilities and other matters are being assessed properly.

In M&A, post-acquisition integration is vital. I see the process of accurately understanding the target company's strengths and incorporating them into Group business foundations as crucial. If post-acquisition integration with the Group appears to lack insights from a manufacturer's point of view, I intend to take steps such as providing advice based on my own experience. In these ways, I seek to contribute to future growth in corporate value.

Messages from Outside Members of the Board

Related Key Issues (Materiality)

Develop more transparent governance

Hiroyuki Suzuki

Outside Member of the Board
Member, Nomination and Compensation Committee

August 1980	Joined Maruichi Steel Tube Ltd.
June 1983	Member of the Board, Maruichi Steel Tube Ltd.
April 2003	President, 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)

Iwatani has identified overseas strategies as a priority measure under PLAN27.
However, it is vital to pay attention to the changing international business environment and various risks. Our hydrogen business in the U.S., for example, has recorded extraordinary losses. To advance our overseas strategies, it is important to consider what strategic approaches to take in markets with high growth potential, like the large U.S. market and the rapidly growing Southeast Asian market. Growth overseas is essential to the Company's growth, and I personally have high expectations for the Company's future growth in overseas markets.
Further, while Iwatani pursues active investments and acquisitions to grow its businesses, it is important to keep in mind that investment is not itself the ultimate goal. It is essential to verify whether investments made are generating earnings and creating synergies as planned, as well as to check the progress in light of the initial plan. The same is true for acquisitions. The Board has opportunities to receive regular progress reports on these matters, and I intend to contribute to the Company's sustained growth based on careful deliberations on risks and opportunities.

Yuki Saito

Outside Member of the Board
Member, Nomination and Compensation Committee

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)

Diversity management has grown increasingly important in recent years. It is vital to build an environment that fosters new ideas through active exchange of opinions among employees with differing values and backgrounds. The Human Resource Strategy of PLAN27 includes targets for items like the ratio of female managers, and we are continuing to work toward the targets, but we still have a way to go. I look forward to seeing these efforts strengthened and deepened. It is important that such strategies permeate not just among management, but to every corner of the organization, and it is essential to put diversity into practice based on an understanding of its meaning across the organization.
I believe actively incorporating new perspectives and different cultures increases a company's flexibility and competitiveness. I also believe that it is useful to deepen discussions on nonfinancial topics and human resource diversity. I aim to build an effective governance structure by exchanging constructive and multifaceted opinions, including with Outside Members of the Board, who have diverse backgrounds.

Executive Officers As of June 18, 2025

❶ Years in office as a Member of the Board
❷ Shares of Company stock held
❸ Board of Directors meetings attended

Members of the Board

Akiji Makino
Chairman and CEO

❶ 35
❷ 291,178
❸ 16/16

Toshio Watanabe
Vice Chairman

❶ 29
❷ 201,958
❸ 15/16

Hiroshi Majima
President

❶ 13
❷ 97,548
❸ 16/16

Hirozumi Hirota
Vice President
Member of the Board

❶ 11
❷ 66,460
❸ 15/16

Manabu Tsuyoshi
Senior Managing Officer
Member of the Board

❶ 5
❷ 44,141
❸ 16/16

Hiroshi Fukushima
Senior Managing Officer
Member of the Board

❶ 3
❷ 21,396
❸ 16/16

Kenji Takayama
Senior Managing Officer
Member of the Board

❶ 1
❷ 25,580
❸ 13/13

Newly appointed

Kazumasa Terada
Managing Officer
Member of the Board

❶ –
❷ –
❸ –

Outside Independent

Shosuke Mori
Outside Member of the Board

❶ 6
❷ 14,171
❸ 16/16

Outside Independent

Hiroshi Sato
Outside Member of the Board

❶ 4
❷ 13,765
❸ 16/16

Outside Independent

Hiroyuki Suzuki
Outside Member of the Board

❶ 3
❷ 11,081
❸ 16/16

Outside Independent

Yuki Saito
Outside Member of the Board

❶ 2
❷ 1,039
❸ 16/16

* ❷ Shares of Company stock held are current as of March 31, 2025. * ❸ Board of Directors meetings attended are for the fiscal year ended March 31, 2025.

Executive Officers As of June 18, 2025

❶ Years in office as an Audit & Supervisory Board Member
❷ Shares of Company stock held
❸ Board of Directors meetings attended

Audit & Supervisory Board Members

Toyofumi Ohama
Audit & Supervisory Board Member (Full-time)
❶ 17
❷ 91,600
❸ 16/16

Naoki Iwatani
Audit & Supervisory Board Member (Full-time)
❶ 3
❷ 84,162
❸ 16/16

Outside Independent

Yoshinori Shinohara
Audit & Supervisory Board Member (Outside)
❶ 10
❷ 32,046
❸ 16/16

Outside Independent

Yasushi Yokoi
Audit & Supervisory Board Member (Outside)
❶ 4
❷ 8,737
❸ 16/16

* ❷ Shares of Company stock held are current as of March 31, 2025. * ❸ Board of Directors meetings attended are for the fiscal year ended March 31, 2025.

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	Manabu Tsuyoshi					●	●	●	●	●	
Member of the Board	Hiroshi Fukushima			●				●	●	●	
Member of the Board	Kenji Takayama			●	●	●				●	●
Member of the Board	Kazumasa Terada		●			●				●	
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			●	●					●	

Skill	Grounds for skill selection
Corporate management	Based on the importance of corporate management experience and knowledge to increase corporate value and promote sustained growth, in the course of developing businesses centered on Gas and Energy extensively in Japan and overseas, as a company needed by society
Financial accounting	Based on the importance of specialized experience and knowledge in the fields of finance, accounting, and taxation to ensure financial soundness, investment in sustained growth, and rising corporate value
Legal affairs / risk management	Based on the importance of specialized experience and knowledge in law and risk management to enhance compliance management and strengthen the risk management structure
HR / talent development	Based on the importance of experience and knowledge concerning matters such as HR development, appropriate placement, diversity, and workstyles to enable human resources—the source of sustained value creation—to demonstrate their individual capabilities to the fullest
Sales / marketing	Based on the importance of professional sales experience and marketing knowledge in each business field to meet the increasingly diverse needs of customers and markets
Global	Based on the importance of overseas business management experience and knowledge of international affairs, economics, and culture in developing businesses in each overseas region based on its distinguishing features
R&D	Based on the importance of experience in and knowledge of technology and R&D for business development leveraging technological strategies and R&D centering on Gas and Energy
Production engineering	Based on the importance of experience in and knowledge of gas production, filling, and safety management to strengthen Gas and Energy handling technologies, engineering capabilities, and safety systems
ESG / sustainability	Based on the importance of experience in and knowledge of solutions to environmental and social issues to practice sustainable management reflecting environmental, social, and corporate governance perspectives in growth strategies
IT / digital	Based on the importance of experience in and knowledge of information technologies and digital transformation (DX) to achieve the digitalization, business efficiency improvements, and information security enhancements needed for business transformation

Business Strategy

Business Segment Strategies

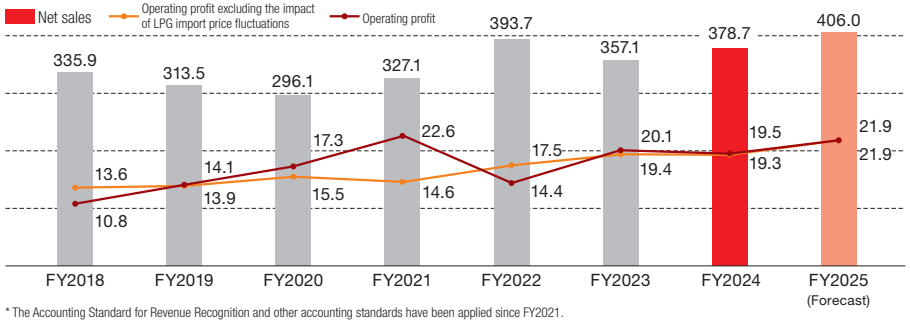
Contents

Net Sales by Business Segment

*1: China, Taiwan, South Korea
*2: Singapore, Thailand, Malaysia, Indonesia, Vietnam
*3: U.S., Australia

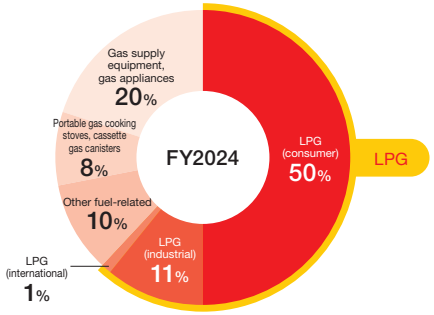
Integrated Energy Business

■ Trends in net sales and operating profit (¥ billion)

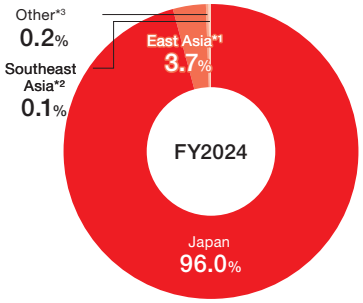


* The Accounting Standard for Revenue Recognition and other accounting standards have been applied since FY2021.
* Business segment categories were revised with the FY2023 corporate reorganization. Figures for FY2022 reflect these segment changes.

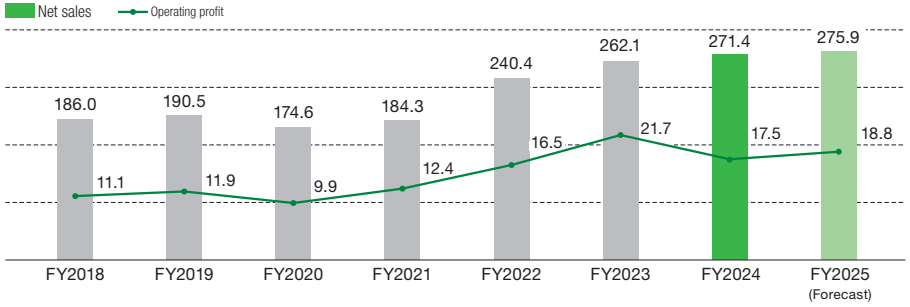
■ Sales composition



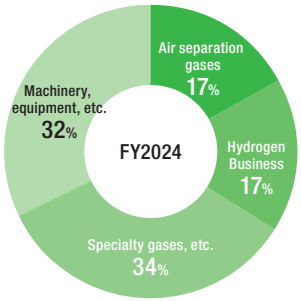
■ Sales composition by region

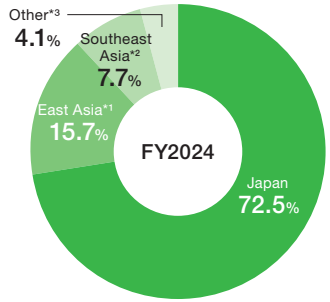


Industrial Gases & Machinery Business

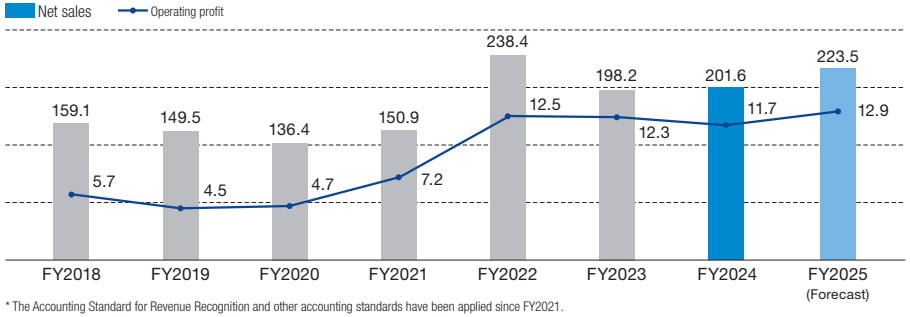


* The Accounting Standard for Revenue Recognition and other accounting standards have been applied since FY2021.

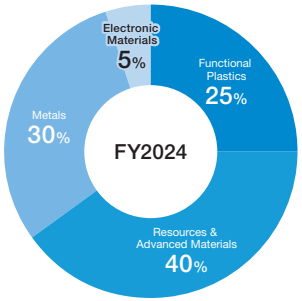


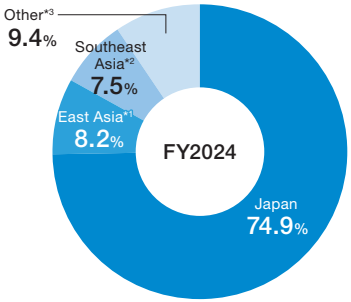


Materials Business



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





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 every area by expanding the customer base while reducing business costs

In FY2024, the Energy Division further solidified its business foundations in the Kanto and Tokyo Metropolitan Areas with the acquisition of all shares of stock in ISG, Inc., which engages in the LPG retail business, chiefly in Chiba and Ibaraki prefectures. We also cut business costs and strengthened our business management structure by consolidating Group retail and delivery companies. Additionally, we built a new cylinder filling base on the site of the Negishi Liquefied Gas Terminal in Yokohama, in order to rationalize our logistics through mass transport of cylinders loaded directly to trailers from an import facility. To grow our business further in the future, we will expand our LPG market share through proactive M&As and reduce business costs through mergers and closures of Group companies' sales offices and logistics facilities. In the area of low-carbon and zero-carbon efforts, we will continue to promote conversion from fuels like heavy oil to LPG and LNG, strengthen sales of carbon-offset gas through J-Credits, and conduct research and development of green LPG.

Yasushi Sakai
Senior Managing Officer
General Manager,
Daily Commodity Division

Leveraging business infrastructure to expand equipment sales and services that lead to solving social issues and improving customer satisfaction

In FY2024, the Daily Commodity Division continued to expand sales of gas appliances and safety equipment while working to expand services that solve social issues. Acting as a precedent for such services, in the city of Goto, Nagasaki Prefecture, we conducted pilot testing of frailty risk analysis and watch services for seniors under contract to the local government, gaining various insights. In addition, we completed installation of Iwatani GateWay terminals covering the central city of Oda, Shimane Prefecture, completing the infrastructure to enable demonstration testing of services. In FY2025, we will advance infrastructure development in the city of Kyotango, Kyoto Prefecture. At the same time, some issues have surfaced in the process of infrastructure development and service demonstration testing. In particular, in terms of commercialization, we have yet to establish services that serve as a core business because social issues vary by locale and the services that can be provided using our current terminals are limited. In FY2025, we aim to be a business that is even more needed by communities by providing solutions to the issues LPG customers face, to give practical form to energy & living total service while also continuing to expand equipment sales.

Atsunori Kometani
Executive Officer
General Manager,
Cartridge Gas Division

Aiming for market expansion by domestically and globally stimulating new demand for cassette gas canisters

The main mission of the Cartridge Gas Division is to ensure that people around the world use our cassette gas canisters on a daily basis. As our domestic market is already mature, business growth requires new products to generate new demand in areas besides just food preparation (in other words, other than hot pots and grilled meat). In FY2024, we introduced MYDANRO interior fireplaces, which use cassette gas canister to provide the warmth and enjoyment of real flames indoors, and MY ROAST, a home coffee roaster based on a portable gas cooking stove. As one effort toward decarbonization, we introduced carbon-offset cassette gas canister that uses the J-Credits generated by Iwatani to realize net zero CO_2 emissions. Overseas, we are enhancing our competitive strengths in sales in Asia centered on China and Thailand, where we have production facilities, and in U.S., as well as product development to meet dietary needs in Southeast Asia. Both in Japan and overseas, we are promoting development of new demand for cassette gas canisters with a sense of urgency. We will also work to grow sales of our division's other product lines, including natural mineral water from Mt. Fuji for home delivery, the ALALA eco-friendly detergent series using natural palm oil, and health foods.

Integrated Energy Business

Products

● LPG ● Electricity, city gas (safety) ● Gas equipment, lifestyle products ● Portable gas cooking stoves, cassette gas canister


LPG


LPG supply equipment


LPG emergency generator


Portable gas cooking stove, cassette gas canister

Opportunities

❶ **Growing demand for fuel conversion in response to the rising need to reduce CO_2 emissions**
❷ **Structural changes amid the decarbonization movement within the LPG industry**
❸ **Growing need for solutions to community issues**

Risks

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

Business Capital

Nationwide network and LPG dealership organization

Supply network

- ○ A nationwide network, from import terminals to filling stations and delivery facilities
- ○ Disaster-resistant core LPG centers in communities across Japan

[Strengths] Building stable supply structures nationwide

Import terminals	5	Filling stations	114
Delivery facilities	134 locations / approx. 1,600 staff / approx. 1,300 vehicles		

Customer network

- ○ Top market share in direct sales of LPG, serving more than 1.2 million households
- ○ Community-based real-world contact points

Sales offices	309 locations / approx. 3,400 staff

LPG dealership organization (Marui-Kai)

- ○ Nationwide distributor organization under our MaruiGas LPG brand

[Strengths] Deployment of LPG supply and services from community-based real-world contact points

Dealers	Approx. 1,400 companies (total customers: approx. 3.4 million households)

Nationwide mutual aid organization (MaruiGas Disaster Relief Corps)

- ○ A nationwide disaster prevention organization established jointly with distributors to ensure rapid LPG recovery in response to disasters
- ○ Largest in the LPG industry

Participating members	Approx. 3,600 qualified gas technicians

Portable gas cooking stove and cassette gas canister manufacturing plants

- ○ Plants located in Japan, China, and Thailand
- ○ Building safe and reliable quality control and stable supply structures
- ○ High domestic market share, brand power based on long history and trust

[Strengths] Product development capabilities that incorporate customer needs through integrated production and sales

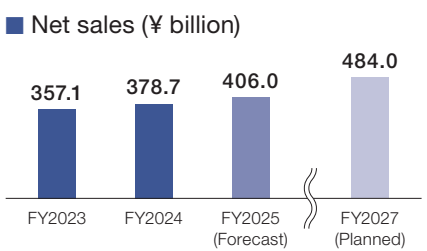
Iwatani GateWay

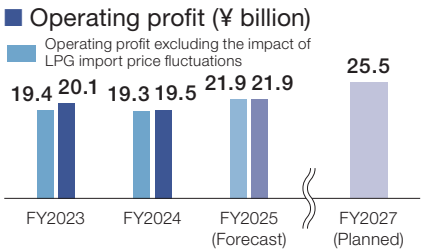
- ○ An IoT platform using gas alarms with communication features
- ○ Building support systems for solving community and household problems

[Strengths] Solving local social issues with Digital transformation (DX)

PLAN27 Medium-Term Management Plan targets and progress

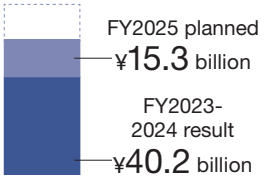
Targets





Five-year cumulative investment

¥70.0 billion



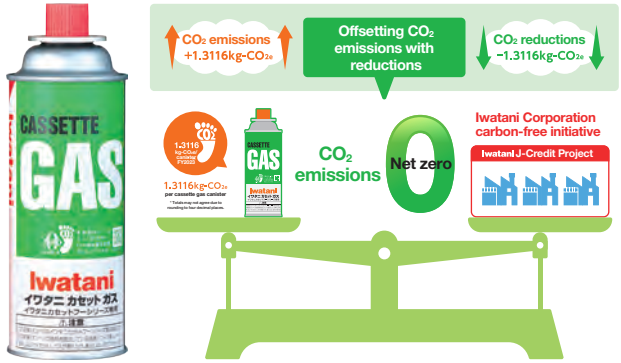
Integrated Energy Business

Initiatives

Introducing carbon-offset cassette gas canister using J-Credits

In March 2025, we introduced carbon-offset cassette gas canister that achieves net zero CO_2 emissions throughout the cassette gas life cycle. This solution realizes effective carbon neutrality, including CO_2 emissions during gas use, by applying J-Credits to offset CO_2 emissions generated throughout the product life cycle from procurement of raw materials through disposal and recycling. This product uses carbon credits generated through the Iwatani J-Credit Project to offset CO_2 emissions. This is the first initiative of its kind in the cassette gas canister industry to complete all processes from J-Credit generation to offsetting in-house.

We expect this product to see use not just in general households, but in lodging facilities, educational institutions, and other facilities that are increasingly expressing interest in decarbonization. We will continue to propose carbon-free products that can be incorporated into everyday life.



Carbon-offset cassette gas canister

New product development proposing new value in cassette gas

In FY2024, to meet diversifying consumer needs, we introduced a succession of products to broaden the uses of cassette gas. We are developing products that combine functionality with excitement and fun. These products include the Yokubarinabe pot accessory for the Iwatani Cassette-Feu series, which allows users to enjoy a hot pot and grilled dish at the same time using a single unit, and the Toratako, the cassette gas takoyaki maker, produced in collaboration with the Hanshin Tigers, a professional baseball team in Japan.

We are also taking on the challenge of product development based on new possibilities for cartridge gas, including use of the Makuake crowdfunding service to introduce the easy-to-use MY ROAST coffee roaster and the MYDANRO interior fireplace for the relaxing warmth of natural flames indoors. These are intended for making contact with highly trend-sensitive users and test marketing. We will continue to deliver new ways of enjoying life by broadening the value of cassette gas to include even more aspects of everyday life.

MYDANRO interior fireplace

Using existing infrastructure to supply mixed hydrogen and LPG through pipelines

To realize a decarbonized society, in the city of Minamisoma, Fukushima Prefecture, we are planning to demonstrate testing of Japan's first mixed hydrogen and LPG pipeline supply, using the existing LPG supply infrastructure and gas equipment (part of the New Energy and Industrial Technology Development Organization [NEDO] Mixed Hydrogen and LPG Project for Community Green Hydrogen Use). In FY2024, we checked the safety of pipes and gas equipment at each unit of the housing complexes in the demonstration area, and then completed safety verification for increased hydrogen mixing ratios in cooperation with gas equipment manufacturers. In FY2025, after obtaining authorization from regulatory authorities under the Gas Business Act, we will begin supply at mixing ratios of 10-20% hydrogen, assess safety and business viability, verify CO_2 emission reduction effects in a real-world usage environment, identify issues upon service adoption, and consider improvements to address these issues. Green hydrogen produced by the Fukushima Hydrogen Energy Research Field (FH2R) will be used in this demonstration project. We will build a decarbonization model with roots in the community and prepare for its deployment to other regions in the future.

Homes in the city of Minamisoma participating in hydrogen-mixed LPG pipeline supply demonstration testing (80 units)

Industrial Gases & Machinery Business

Leveraging our technological expertise cultivated over many years and our research and development facilities, we contribute to solving our customers' challenges by ensuring a stable supply of various industrial gases and offering a wide range of gas supply systems and machinery.

Kazutaka Yokoya

Senior Managing Officer
General Manager,
Industrial Gases Division

Taking on the challenges of stable supply and a sustainable society

The Industrial Gases Division supplies a wide range of industrial gases in Japan and overseas, including air separation gases (oxygen, nitrogen, and argon), helium, CO_2, and semiconductor gases, supporting diverse industries, including the automotive, semiconductor, medical, and food products industries. In FY2024, amid the increasingly tight supply of CO_2 in Japan, we sought to ensure supply stability by enhancing the production capacity of the Chiba Plant and importing from overseas. We will continue to enhance other plants and develop new sources of CO_2. In the refrigerant business, in addition to expanding sales of eco-friendly refrigerants, we are contributing to a sustainable society through recovery and recycling of spent refrigerants not just in Japan, but also in Malaysia, Thailand, Indonesia, and other Southeast Asian markets. In overseas, we aim to expand business by enhancing our industrial gases supply capacity, centered on U.S., China, and Southeast Asia. We remain committed to ensuring stable supply and safety, while further enhancing our focus on environmental sustainability.

Hiroyuki Yano

Senior Managing Officer
General Manager,
Machinery Division

Toward sustainable growth with our customers

The Machinery Division handles a wide range of machinery and equipment, including the equipment used to supply hydrogen, ammonia, and other gases, as well as welding systems, industrial robots, and semiconductor-related equipment. We aim to grow together with our customers by working alongside them toward solutions based on practical proposals. We leverage our extensive domestic and international networks to meet diverse customer needs, drawing on our wide-ranging product lineup and technical capabilities. In recent years, we have sold products like hydrogen mixed combustion burners that reduce CO_2 emissions in stages and hydrogen cutting machine that reduces CO_2 emissions while minimizing distortion during the cutting of thick sheet metal. These products are being used by many customers. To contribute to society while growing together with our customers, we will continue to develop unique machinery and equipment to meet customer needs as well as provide gas-based services. Moving forward, we will continue to flexibly adapt to the changing business environment while demonstrating our presence and contributing to a sustainable future, guided by the keywords Decarbonization, Automation, and Customer first.

Manabu Tsuyoshi

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

Establishing a hydrogen energy-based society

▸ Message [➡ P. 17]

Industrial gas production plant

Welding robot system

Industrial Gases & Machinery Business

Products

- Industrial gases (air separation gases, hydrogen, helium, etc.)
- Gas production and supply equipment
  Industrial machinery

High-pressure gas supply facilities

Liquefied gas trucks

Welding robots

Semiconductor manufacturing equipment

Opportunities

❶ Advancing decarbonization, automation, and labor saving in manufacturing
❷ Market expansion in China, Southeast Asia, and the U.S.

Risks

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

Business Capital

Gas supply chain

- ○ Building stable domestic and international supply chains from production through supply
- ○ Customizing gas supply systems to meet customer needs

[Strengths] Stable procurement and supply capacity as a producer

Air separation gases	High-level quality control system certified to the international standard ISO 9001
Hydrogen	Handling technologies backed by years of experience and expertise
Helium	High competitive strengths due to multiple suppliers and Company-owned containers

Domestic sites	Industrial gas centers	21
	Air separation plants	9
	Hydrogen plants	11
	Helium centers	2
	Liquefied CO_2 plants, etc.	6
Overseas sites	Air separation plants, etc.	11

Applications technologies

- ○ Freely handling diverse gases based on their properties
- ○ Strengthening technological development capabilities at the Iwatani R&D Center, Iwatani Advanced Hydrogen Technology Center, etc.

[Strengths] Gas handling technologies, integrated capabilities from design through maintenance, proposal capabilities backed by an extensive adoption track record

Comprehensive abilities combining gases with machinery

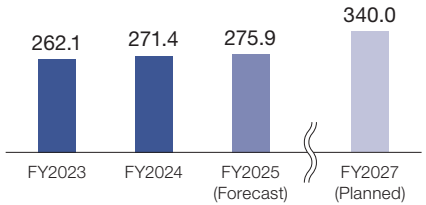
- ○ Our extensive product lineup across broad-ranging domestic and international networks and years of expertise support customer production activities.
- ○ Regional maintenance and safety structures

Regenerative Medicine and Biotechnology Research Laboratory at the Iwatani R&D Center

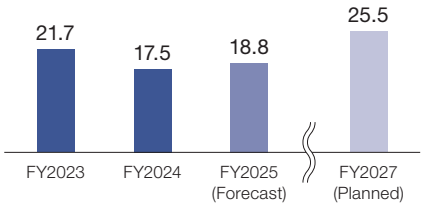
PLAN27 Medium-Term Management Plan targets and progress

Targets

■ Net sales (¥ billion)

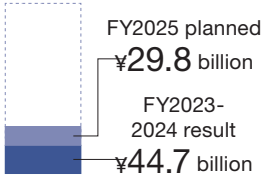


■ Operating profit (¥ billion)



Five-year cumulative investment

¥270.0 billion



Industrial Gases & Machinery Business

Initiatives

Technological developments and supply-structure enhancements for semiconductor gases

The global semiconductor market is booming in certain areas such as generative AI and data centers, and countries are moving to construct domestic semiconductor plants to secure a stable supply of semiconductors for the purpose of economic security.
Having recognized this growing market as an important business opportunity, we are focusing on strengthening the semiconductor gas business. As circuits become finer and structures become more multi-layered, the gases used are required to have higher purity and properties suited to their applications. To meet increasingly advanced and diverse manufacturing needs, we are transitioning from a trading company to a manufacturer through efforts to develop and produce deuterium, deuterium compounds, and high-purity gases. We consider such technological developments to be important technological assets for meeting increasingly advanced market needs.
We are also striving to build stable supply structures. In December 2025, we plan to complete the construction of a new dedicated warehouse for semiconductor gases in Kumamoto Prefecture, home to a concentration of semiconductor firms, to enhance our supply capacity for domestic semiconductor manufacturing facilities. In 2024, we built a new gas center in Singapore as part of efforts to enhance our infrastructure to supply Asian markets. We will further build on our presence in the semiconductor industry based on our technology and supply capabilities by leveraging the expertise we have accumulated in industrial gases such as hydrogen and helium.

Planned semiconductor gas warehouse in Kumamoto Prefecture (illustration)

Expanding onshore aquaculture solutions using our high density oxygen dissolution technologies

Iwatani offers onshore aquaculture solutions, including oxygen supply devices and various related equipment based on our high density oxygen dissolution technologies. Onshore aquaculture requires a highly efficient supply of oxygen to raise fish on land in controlled tank environments, and we have over 30 years of experience in supplying oxygen and oxygen dissolution equipment to eel farmers. In recent years, we have put this expertise to use in the onshore aquaculture business.
The onshore aquaculture market continues to grow domestically and internationally. General trading companies and foreign companies have begun operating onshore aquaculture plants in Japan; firms from other industries are also entering the market. In response, in 2023, we introduced dedicated research equipment at the Iwatani R&D Center to advance practical research and development. This makes it possible to propose optimal system solutions combining high-efficiency aquaculture methods using oxygen gas with LPG boilers to maintain water temperature, emergency generators, and fiberglass-reinforced plastic (FRP) cultivation tanks. Our one-stop solution capabilities combining the ability to supply equipment with oxygen-handling technologies have been well received by new market entrants in particular, and they are steadily building a track record in adoption.
Onshore aquaculture is attracting attention as a means to ensure a stable supply of seafood less affected by climate or location. We will continue to develop the domestic market while also considering expansion into overseas markets centered on Asia to develop this business as a sustainable solution to social challenges in areas such as environmental protection and resource depletion.


Onshore aquaculture experimental facility

Industrial Gases & Machinery Business

Initiatives

Strengthening supply structures for ammonia as a next-generation energy source and delivering related equipment

Ammonia emits no CO_2 when burned, and is therefore attracting attention around the world as a next-generation clean energy source. Until now, ammonia has been used mainly for denitration in thermal power plants, but the use of ammonia as an energy source is now being seriously considered. In response, we are working to strengthen our supply structures and equipment capabilities. In FY2023, we delivered fuel supply equipment to Japan's first dedicated ammonia-powered gas turbine demonstration equipment. Aiming to realize CO_2-free power generation by burning 100% ammonia, this project draws on expertise we have accumulated in ammonia supply equipment for denitration use. This track record led to additional deliveries of ammonia supply equipment to multiple plant builders in FY2024. Efforts to put ammonia to use are accelerating rapidly in industries such as shipping, backed by government subsidies for development of ammonia import facilities and promotion of zero-emissions shipbuilding. In response, demand is growing for ammonia supply equipment and abatement systems. Seeing this as a new business opportunity, we are expanding proposals of optimal ammonia-related equipment to companies aiming to decarbonize. Moving forward, we will contribute to achieving the CO_2 reduction targets in 2030 and 2050 through providing optimal solutions for a carbon-free society, with a focus on strengthening ammonia supply structures and technological development for related equipment.

Ammonia supply facility

Market growth in the Hydrocut® series to promote decarbonization of construction sites

Acetylene used in steel material cutting, brazing, and gas pressure welding emits considerable volumes of CO_2 during combustion. We offer the Hydrocut 60, a mixed gas composed mainly of hydrogen and ethylene as an alternative which can reduce CO_2 emissions by up to 84% compared to acetylene. In addition, it generates less radiant heat for improved working comfort and is less likely to backfire, ensuring safety. It is now being used in wide-ranging fields, including shipbuilding, construction, and automotive parts.

Utilizing our nationwide sales network, we are expanding sales of the product renamed Hydrocut 60 in 2024, which delivers cost advantages to address rising acetylene prices, chiefly in the steel, shipbuilding, construction, and automotive parts industries. On the other hand, Hydrocut 90, developed as an alternative to LPG cutting gas, is a high-performance gas with a higher hydrogen ratio of 90%. This makes it possible to reduce CO_2 emissions by 90% or more compared to LPG. We are enhancing proposals of solutions incorporating this gas, chiefly to the steel industry, which have won high regard in the areas of cut quality, safety, and ease of use. In 2025, we also have begun approaching overseas markets, centered on the U.S. market.

We will continue contributing to solve customer issues through our products that lead to environmental improvements and CO_2 emissions reductions at processing sites in Japan and overseas, which are said to generate significant CO_2 emissions.

Hydrocut series

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 resource-circulating society.

Kenji Motoori
Senior Managing Officer
General Manager,
Materials Division

Targeting growth through building supply chains for important mineral resources and deepening engagement in the environmental solutions business

Amid uncertain tariff policies and rising geopolitical risks, corporate supply chains for products including resources and raw materials are likely to be revised. Focusing on important mineral resources, the Materials Division is striving to grow business through measures for stable procurement. In the area of rare earths, we have established a joint venture with JOGMEC and concluded an investment agreement with a French firm to make a long-term purchase of 50% of its rare earths production. In addition to expanding our own mineral sands concession in Australia, we plan to begin procurement of green titanium ore from Norway in FY2025 as part of efforts to secure a stable supply of raw materials essential to fields such as renewable energy, electronics, and mobility. We are also promoting the plastics and metals recycling businesses in Japan and ASEAN, to contribute to resource-circulating society. We will continue to promote efforts that realize the mission expressed in our slogan of creation of a more comfortable space on the Earth alongside our partners.

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.


PET resins


Air conditioner panel

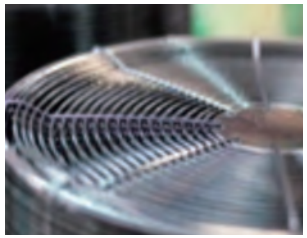

Films (protective tape)

Metals

- Metal materials (stainless steel, aluminum)
- High-performance materials (precision stainless steel, functional aluminum foil)
- Processed metal products

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


Stainless steel


Wire processing

Resources & Advanced Materials

- Mineral sands (zircon, titanium raw materials)
- Biomass fuels (PKS, wood pellets)
- Ceramic raw materials (rare earths)
- Refractory raw 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.


Automotive battery materials


Smartphone materials

Materials Business

Products

● Functional Plastics ● Resources & Advanced Materials ● Metals
● Electronic Materials


PET resins


Resources business


Stainless steel


Display materials

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

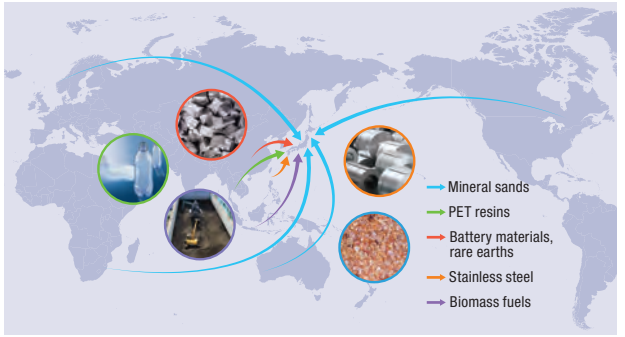
- **Market contraction for existing products due to rising environmental awareness**
- **Rising costs of development, production, procurement, logistics, etc.**
- **Supply risks associated with rising geopolitical risks and natural disasters**

Business Capital

Strong supplier network

○ Building an extensive network of overseas suppliers
○ Diversification and greening of procurement sources to meet customer needs
○ Enhancing our lineup of eco-friendly materials based on our network, including eco-friendly resins and biomass fuels

[Strengths] Stable procurement capabilities including in-house sources and an extensive lineup of eco-friendly materials



Mineral sands business infrastructure

○ Ownership of mining concession in Australia
○ Leading share of sales in Japan in combination with procurement from major resource firms

[Strengths] Stable supply capabilities based on diversification of procurement sources

Domestic and overseas metal processing plants

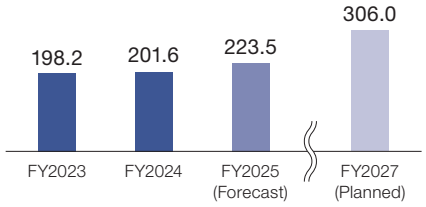
○ Ownership of processing plants in Japan (Fukuoka, Osaka, and Hyogo prefectures) and overseas (China and Thailand)
○ Possesses product development and processing capabilities to meet customer needs

[Strengths] Integrated structure from materials procurement through processing

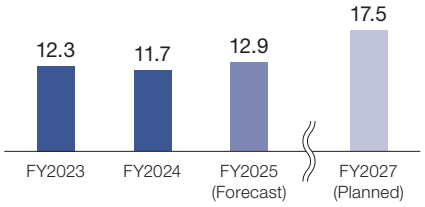
PLAN27 Medium-Term Management Plan targets and progress

Targets

■ Net sales (¥ billion)

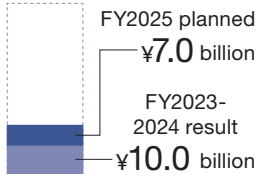


■ Operating profit (¥ billion)



Five-year cumulative investment

¥60.0 billion



Materials Business

Initiatives

Strengthening stable supply structures for important mineral resources that support advanced industries

Mineral sands (such as zircon sand and titanium ore) are critical mineral resources essential for advanced fields such as the environmental, electronics, automotive, and aerospace industries. In addition to imports from South Africa and Canada, we have operated a wholly-owned concession in Australia for more than 20 years, and are working to scale up our supply chain through development of new concessions and M&As. Furthermore, with our investments in Nordic Mining ASA of Norway, we have secured long-term offtake rights to highly pure titanium ore from a new concession planned to begin production in 2025. Since the power supply in Norway has a high percentage of renewables, this ore is attracting a lot of interest domestically and internationally as an eco-friendly material to contribute to decarbonization. Through the expansion of concessions and securing resource rights, we will further strengthen stable supply structures on a global scale and build sustainable supply chains for critical minerals.

Nordic Mining ASA will begin supplying green titanium ore in FY2025.

Integrating procurement capabilities and processing functions to expand the stainless steel business

Seeking to grow earnings in the stainless steel business, the mainstay of the metals segment, in March 2024, we acquired all shares of stock in Taihei Kozai Co., Ltd. and TAIHEIKINZOKU Co., Ltd. Taihei Kozai absorbed TAIHEIKINZOKU in January 2025 and became an Iwatani consolidated subsidiary in April 2025. Powered by the strengths of its extensive product inventories, swift processing and delivery structures, and sales development based on close ties to customers, Taihei Kozai boasts one of the leading market shares in the Kansai region. The addition of Taihei Kozai's processing functions to the Iwatani Group's materials procurement functions has resulted in integrated services that further enhance our capacity to propose solutions to major customers in fields such as heavy industry and hydrogen plants. We will continue to promote business growth through means including potential M&A activities with companies that have similar functions to these while further enhancing our manufacturing functions.


Stainless steel (rolling rolls), the leading product in the metals segment

Growing sales of I-WRAP, usable every day and in emergencies

Heat- and cold-resistant I-WRAP household plastic bags can withstand boiling and use in microwave ovens. Thanks to safety characteristics that meet the requirements of the Food Sanitation Act and easy-to-use gussets, they have earned backing as products ideally suited to everyday cooking and food storage. Demand has also grown for use in connection with versatile emergency supplies, since they can be used to cook rice in hot water or serve as rudimentary gloves. The launch of an I-WRAP social media account in 2018 greatly increased its brand recognition by communicating a broad range of uses including cooking examples. The product's fan base is growing, as seen in the publication of a cookbook of recipes using I-WRAP, and its sales are also growing. We will continue to use social media and other means to communicate with consumers, with the goals of growing demand and creating new value by proposing new uses and achieving permeation in various situations in everyday life.

Iwatani in-house brand product I-WRAP

Data

Contents

ESG Data

Environment

Material balance*1*2

Material balance			FY2021	FY2022	FY2023	FY2024
Inputs	Electricity (MWh)		344,793	336,325	335,171	347,393
	Steam (GJ)		11,875	17,197	16,228	18,132
	Fuels (GJ)	LPG	153,305	140,036	129,118	125,638
		City gas/LNG	54,235	58,809	53,229	49,991
		Diesel	175,902	174,239	179,969	182,293
		Gasoline	147,307	143,405	137,142	131,669
		Kerosene	13,797	13,359	8,245	8,765
		Bunker A	8,868	8,009	5,682	5,783
	Total water intake (thousand cu. m)*3		–	–	7,467	6,997
	Breakdown of water intake	Service water (thousand cu. m)	–	–	195	201
		Groundwater (thousand cu. m)	–	–	651	724
		Industrial water (thousand cu.	–	–	425	423
		River water (thousand cu. m)	–	–	58	58
		Sea water (thousand cu. m)	–	–	6,136	5,591
		Other (thousand cu. m)	–	–	0	0
Outputs	GHG emissions (t)	Domestic Scopes 1 and 2*1	236	227	228	234
		Overseas Scopes 1 and 2*4	–	159	199	209
	Total wastewater (thousand cu. m)*3		–	–	6,927	6,529
	Breakdown of wastewater	Sewer (thousand cu. m)	–	–	195	255
		River (thousand cu. m)	–	–	252	300
		Sea (thousand cu. m)	–	–	6,305	5,742
		Other (thousand cu. m)	–	–	173	232
	Recycled water (thousand cu. m)		–	–	274	273
	Total industrial waste discharge (t)		–	–	26,500	21,382
	Industrial waste discharge (t)		5,722	11,024	14,885	12,221
	Specially managed industrial waste discharge (t)		–	–	2,351	79
	Valuable waste sold (t)		–	–	9,264	9,082
	Hazardous waste discharge (t)		–	–	3	0
	Recycled waste (t)		–	–	1,187	1,067
	Mandatory recycling volume for containers and packaging (kg)		–	–	–	290,216
	Glass bottles (kg)		–	–	–	1,200
	PET bottles (kg)		–	–	–	3,020
	Paper containers and packaging (kg)		–	–	–	315
	Plastic containers and packaging (kg)		–	–	–	285,681
	Sulfur oxide (SOx) emissions (t)		–	–	1	0
	Nitrogen oxide (NOx) emissions (t)		–	–	7	7
	Soot emissions (t)		–	–	82	78
	Volatile organic compound (VOC) emissions (t)		–	–	19	10
	Chemical oxygen demand (COD) emmisions (t)		–	–	0	0
	Substances subject to PRTR reporting (t)	Emissions	–	–	12	14
		Transported	–	–	18	11

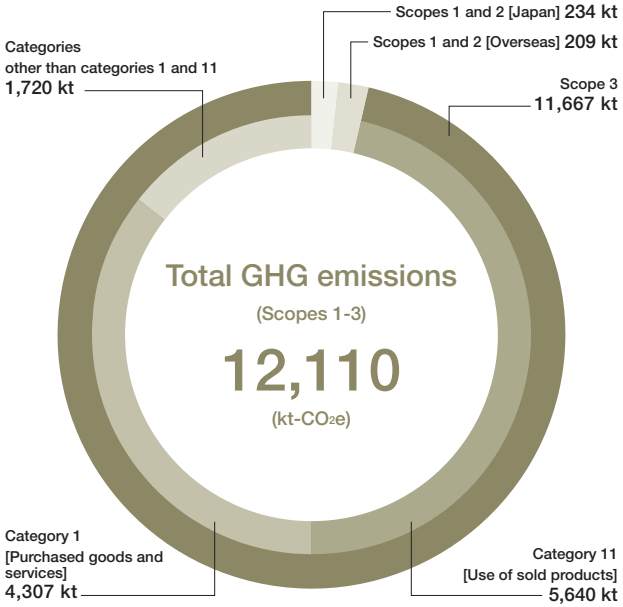
Greenhouse gases (GHG)

GHG emissions (kt-CO2e)			FY2021	FY2022	FY2023	FY2024
Scope 1 (direct emissions)	Japan*1		85	86	83	84
	Overseas*4		–	38	33	35
	Total		–	124	116	119
Scope 2 (indirect emissions)	Japan*1		151	142	145	149
	Overseas*4		–	121	165	174
	Total		–	263	310	323
Scopes 1 and 2	Total of Japan and overseas		–	387	427	443
Scope 3*5	Total of all categories		8,846	10,764	11,691	11,667
	1	Purchased goods and services	3,181	4,233	4,209	4,307
	2	Capital goods	25	71	64	48
	3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	–	44	50	52
	4	Upstream transportation and distribution	–	57	56	52
	5	Waste generated in operations	15	30	40	36
	6	Business travel	1	1	1	1
	7	Employee commuting	4	5	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	5,640
	12	End-of-life treatment of sold products	–	–	–	–
	13	Downstream leased assets	0.4	0.3	0.3	0.3
	14	Franchises	–	–	–	–
	15	Investments	125	124	1,531	1,523
Solar power consumed in-house (MWh)*6			–	–	5,001	4,942
Green power purchased (MWh)			–	–	12,418	12,455

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

FY2024 independent assurance report (Web)

FY2024 GHG emissions (Scopes 1-3)*7



* Total figures may vary due to rounding.
*1: Totaled for Iwatani Corporation business sites in Japan, Japanese consolidated subsidiaries, and two equity-method affiliates with high energy use
*2: Items shown have been changed since FY2023 in accordance with Environmental Reporting Guidelines 2018.
*3: In some cases, estimates of water intake and wastewater are based on employee numbers or floor area weighted by rate of use.
*4: Overseas Scopes 1 and 2 figures are totaled for Iwatani Corporation's overseas business sites and overseas consolidated subsidiaries.
*5: Calculations exclude the following categories:
Category 8 (included in Scopes 1 and 2 calculations), categories 9, 10, and 12 (difficult to ascertain due to wide-ranging subjects), and category 14 (no subject activities).
*6: Solar power includes PPAs.
*7: Graph data source: tables at left

ESG Data

Social

Iwatani Corporation (nonconsolidated)		FY2022	FY2023	FY2024
Employees	Male	960	921	950
	Female	391	400	418
	Percentage of female employees (%)	28.9	30.3	30.6
Managers	Male	639	488	509
	Female	41	36	43
	Percentage of female employees (%)	6.0	6.9	7.8
Average age (years)		39.7	39.6	39.9
Average annual salary (¥ thousand)	Male	10,952	11,320	11,966
	Female	5,466	5,735	6,164
	Total	9,413	9,702	10,254
New-graduate hires	Male	37	37	42
	Female	33	44	38
	Percentage of female employees (%)	47.1	54.3	47.5
Midcareer hires	Male	8	12	22
	Female	3	3	1
	Percentage of female employees (%)	27.3	20.0	4.3
Voluntary separation rate (%)	Male	3.2	3.9	3.3
	Female	6.4	4.8	4.5
	Total	4.1	4.2	3.7
Average overtime hours per month		13.7	14.1	14.7
Percentage of taking childcare leave (%)*1	Male	30.6	55.9	73.5
	Female	83.3	120.0	93.3
Rate of taking annual paid leave (%)		48.8	51.2	50.4
Percentage of employees with disabilities (%)		2.78	2.62	2.44
Number of occupational injuries (fatalities)		0	0	0
Number of occupational fatalities		0	0	0
Number of participants in training programs (cumulative number)		456	2,256	2,723
Hours of training per person		13	23	23
Training costs (¥ thousand)		116,227	156,589	189,117
Training costs per employee (¥ thousand/person)		86	118	138

Governance

Iwatani Corporation (nonconsolidated)	FY2022	FY2023	FY2024
Members of the Board	12	13	13
Outside Members of the Board	4	5	5
Independent Members of the Board (included in above)	4	5	5
Outside Members of the Board (%)	33.3	38.5	38.5
Board of Directors meetings	15	17	16
Member of the Board attendance rate (%)	99.4	99.5	93.2
Audit & Supervisory Board Members	4	4	4
Outside Audit & Supervisory Board Members	2	2	2
Independent Audit & Supervisory Board Members (included in above)	2	2	2
Audit & Supervisory Board meetings	13	14	13
Average attendance rate in Audit & Supervisory Board meetings (%)	100.0	100.0	100.0
Members of Nomination and Compensation Committee	6	7	6
Members of Nomination and Compensation Committee who are Outside Members of the Board	4	5	4
Nomination and Compensation Committee meetings	1	2	1
Average attendance rate in Nomination and Compensation Committee meetings (%)	100.0	100.0	100.0

*1: Calculated as follows pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace:

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

Company Data (As of March 31, 2025)

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: 3-1, Hamamatsucho 2-chome, Minato-ku, Tokyo 105-8458, Japan* TEL 81-3-5405-5711		
Paid-in capital	35,096 million yen	Business sites	51 (47 in Japan, four overseas)
Employees	1,368	Consolidated Employees	11,859
Fiscal-year end	March 31		
Domestic network	Head offices: two; block branches, branches: 42 Research and other facilities: Iwatani R&D Center, Iwatani Advanced Hydrogen Technology Center, Kobe Training Facility		
Overseas network	Four representative offices, four holding companies, 27 trading-company subsidiaries, 42 operating companies		
Consolidated subsidiaries	105 companies	Website	https://www.iwatani.co.jp/eng/

* The address shown for the Tokyo Head Office is after the relocation on June 30, 2025.

Share Information

Listed exchange	Tokyo Stock Exchange Prime Market
Total shares issued and outstanding	230,359,540 shares (excluding 3,887,056 shares of treasury stock)
Shareholders' registry management agent	Mitsubishi UFJ Trust and Banking Corporation
Distribution of shares by shareholder type	Financial institutions 29.6% / Foreign corporations and others 20.5% / Individuals and others 28.0% / Other corporations 20.0% / Securities firms 1.9%

Major shareholders

Shareholder	Shares held (thousand)	Percentage of shares held*1
The Master Trust Bank of Japan, Ltd. (Trust Account)	27,553	11.96
The Iwatani Naoji Foundation	16,530	7.18
Custody Bank of Japan, Ltd. (Trust Account)	8,927	3.88
Government of Norway	7,603	3.30
MUFG Bank, Ltd.	5,344	2.32
Resona Bank, Ltd.	4,711	2.05
Tetsu Iwatani Co., Ltd.	4,000	1.74
Nippon Life Insurance Company	3,613	1.57
Iwatanisangyou Senyukai*2	3,593	1.56
Iwatani Enyukai*3	2,948	1.28

*1: Shareholding ratios are calculated excluding treasury stock (3,887,056 shares).
*2: Iwatanisangyou Senyukai is Iwatani's employee stock ownership program.
*3: Iwatani Enyukai is a stock ownership program for companies engaged in long-term transaction relationships with Iwatani.

Financial Data

Performance trends over the past 10 years are available in the Fact Book.

▸ Fact Book Web

Business Overview

We publish various materials to help analysts and investors who learn about Iwatani for the first time better understand our businesses.

▸ Investors' Guide Web

▸ Corporate Profile Web

Dialogue with Stakeholders

Iwatani discloses information promptly, fairly, and accurately to all stakeholders, including shareholders and investors, and implements constructive dialogues.

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 (as briefing presenter)
Individual meetings with analysts and institutional investors		138	Individual dialogues (including ESG meetings) led by the IR section
	Japanese institutional investors	93	
	International institutional investors	45	
Business briefing for analysts and institutional investors		1	Briefing and question-and-answer session attended by individuals responsible for the relevant sections

Social Contribution Activities

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

▸ Social Contribution Activities Web