

Iwatani

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

Integrated Report 2022



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

Our corporate philosophy—“Become a person needed by society, as those needed by society can prosper”—expresses Iwatani Corporation’s philosophy since its founding. We are pursuing the satisfaction of both society and consumers, the philosophy handed down over the years as the foundation of all our businesses. Today, our core business of LPG, which spurred a revolution in household fuel and reduced the burden of household tasks, provides a reliable and widely used clean energy source for daily life, for commercial activity, and for emergencies. Industrial gases, another core business, are essential to the manufacture of nearly all of the products around us. They play a key role as an infrastructure on which industrial progress is based. Iwatani is a market pioneer in hydrogen, which, in addition to its industrial applications, is on the verge of becoming a major driving force toward the realization of a sustainable society as the ultimate zero-carbon energy source. While today’s society faces a wide range of challenges in areas ranging from the environment and global warming to energy, we will continue striving to establish a sustainable, resource-circulating, carbon-free society by ceaselessly creating and supplying what society needs.



Editorial Policy

This Integrated Report, the first of such for Iwatani, seeks to promote understanding among an even broader range of stakeholders. It provides an overview of the Iwatani Group and its medium- to long-term business strategies from both financial and non-financial perspectives while communicating our plans for medium- to long-term growth by explaining matters such as our major initiatives and business strategies intended to create social value and increase corporate value. We will continue to enhance its content as a tool for clearly and transparently presenting information on the Iwatani Group’s efforts to increase corporate value over the medium to long term.

Period Covered Most of the information provided in this Report concerns the period from April 1, 2021 through March 31, 2022, the Group fiscal year. Some information also refers to events before and after this period.

Published

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.

CONTENTS

P. 1 Corporate Philosophy	P. 17 Medium-Term Management Plan	P. 37 Creating a Vibrant Workplace	P. 59 Technological Development Sites that Support Iwatani’s Strengths in Technology
P. 3 Message from Top Management	P. 19 Toward a Carbon-Free Society	P. 39 Reinforcing Governance	P. 61 Initiatives toward Climate Change
P. 5 Iwatani’s History	P. 21 Establishing a Hydrogen Energy-Based Society	P. 41 Executive Structure	P. 63 Promoting Environmental Management
P. 7 Business Summary	P. 25 Materiality and SDGs	P. 47 Integrated Energy	P. 64 ESG Data
P. 9 Iwatani’s Value Creation Process	P. 27 Building Energy Infrastructure to Support Local Communities	P. 51 Industrial Gases & Machinery	P. 65 Social Contribution Activities
P. 11 Iwatani’s Value Creation Capital	P. 31 Transition to a CO ₂ -Free Society	P. 55 Materials	P. 67 Financial Highlights
P. 13 Interview with the President	P. 35 Realizing a Sustainable Society	P. 57 Agri-Bio & Foods	P. 68 Company Data

Contributing to society as a trusted company by creating new value

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

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

As a co-representative of the Japan Hydrogen Association established in December 2020 and as a key member of the Hydrogen Council established chiefly by global energy firms, we are acting to promote use of hydrogen around the world with the aim of moving toward a hydrogen energy-based society. To stimulate new hydrogen demand, we are developing hydrogen refueling stations for fuel cell vehicles (FCVs). We are expanding our network of hydrogen refueling stations in the US state of California, a forerunner in FCVs. We are also considering producing liquid hydrogen in California at some point in the future. Our efforts to secure CO₂-free hydrogen sources include initiatives in Australia—the large-scale production of liquid hydrogen from renewable energy sources and the development, currently underway, of systems for the production, transport, storage, and use of CO₂-free hydrogen from brown coal using carbon capture and storage technologies for the CO₂ generated. The Liquefied Hydrogen Supply Chain Commercialization Feasibility Study Project in which we participate as part of efforts to achieve full-fledged

social implementation of CO₂-free hydrogen supply chains has been selected for the Green Innovation Fund by the New Energy and Industrial Technology Development Organization (NEDO). Feasibility studies are underway on the development of global liquid hydrogen supply chains spanning oceans and national borders, like those for LPG and LNG. Our domestic initiatives in Japan include participating in the Fukushima Plan for a New Energy Society, a project intended to produce green hydrogen using electric power generated from renewable energy sources. In these and other ways, we are making progress to establish a hydrogen energy-based society both in Japan and around the world.

Our main LPG business has a customer base of more than 3.3 million households across Japan. We are creating new services to contribute to solutions to society's issues through these real contact points, along with digital contact points centered on our proprietary Iwatani GateWay IoT platform. We are also making energetic progress toward LPG decarbonization via various efforts, including research on decarbonization through mixed burning of LPG and hydrogen.

In the Industrial Gases & Machinery business, we have established a stable supply structure for helium, which is a natural resource, procured from abroad and various industrial gases, including air separation gases such as oxygen and nitrogen by developing a domestic and international network of production and distribution facilities. We also provide support for industry as a whole by delivering optimal solutions to customers through a broad-ranging lineup of machinery and equipment utilizing the technological capabilities and gas solutions that we have built up over many years. In the Materials business, we are advancing efforts ranging from the establishment of stable supply structures for rare resources, including the development of mineral sands as mineral resources, to the development of eco-friendly products for a resource-circulating society.

As we advance toward our 100th anniversary and beyond, we remain firmly committed to achieving sustained growth, and will continue to offer new value to all our stakeholders.

Chairman and CEO

Akiji Makino

President

Kiroshi Majima



Iwatani Code of Corporate Ethics

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

A history of meeting society's needs and rising to the challenge of innovation

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

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



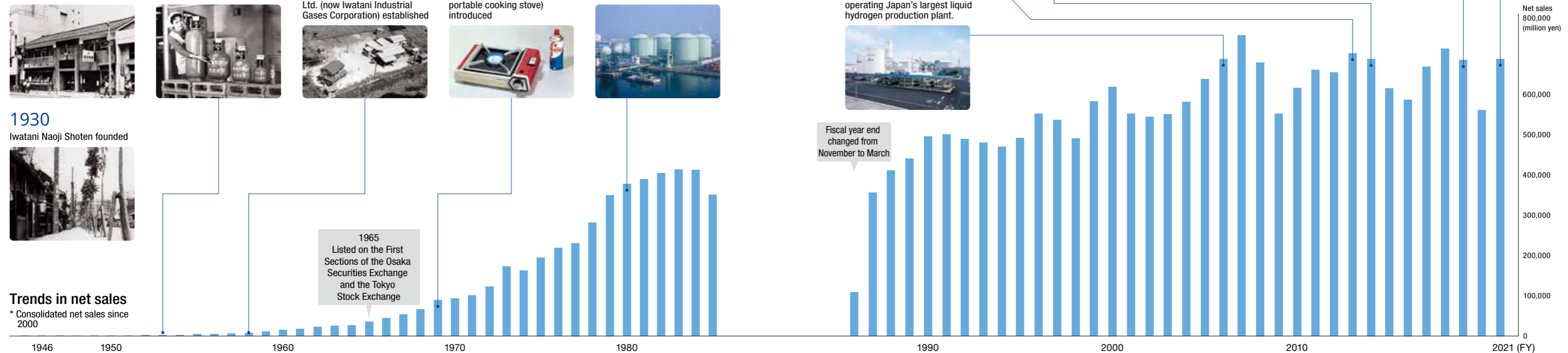
1980
Sakai LPG Terminal completed



1930
Iwatani Naoji Shoten founded



Trends in net sales
* Consolidated net sales since 2000



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

2013
First procurement of helium from Qatar



2014
Iwatani Hydrogen Refueling Station in Amagasaki, Japan's first commercial hydrogen refueling station, opens.



2019
Start of hydrogen refueling station operations in the United States



2021
Iwatani GateWay service introduced



2022
Completion of the world's first maritime transport demonstration tests of liquid hydrogen between Japan and Australia, including loading and unloading



2006
Hydro Edge Co., Ltd. commences operating Japan's largest liquid hydrogen production plant.



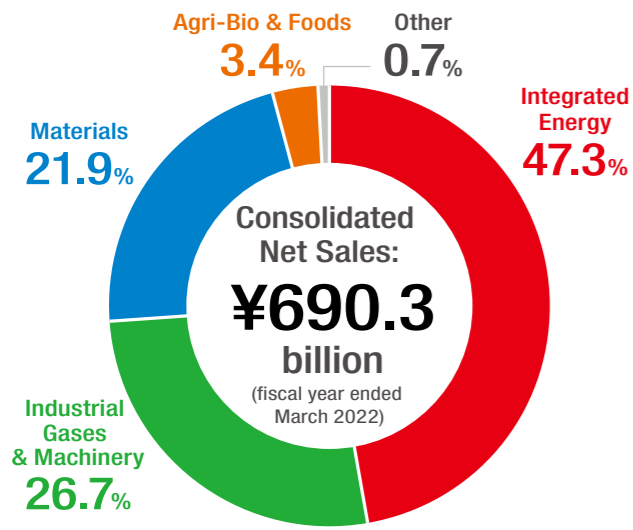
Fiscal year end changed from November to March

Iwatani's Business Development

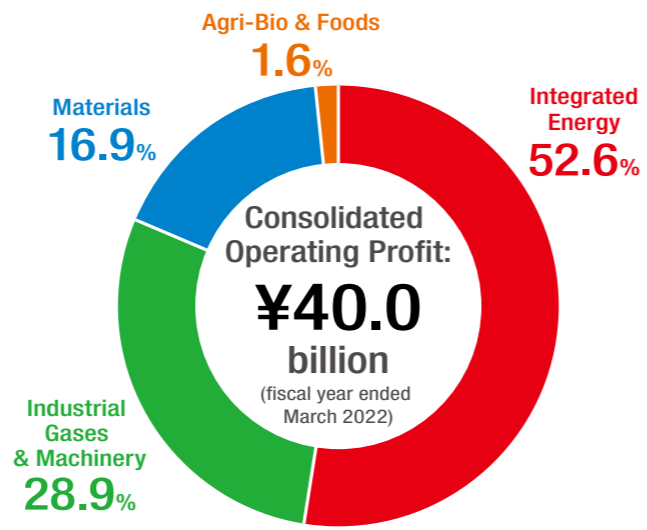
1930	1950	2010
<p>1930 Iwatani Naoji Shoten founded: first sales of oxygen, carbide, and welding rods</p> <p>1941 Hydrogen sales begin.</p> <p>1945 Iwatani Corporation established</p>	<p>1953 Marui Propane introduced</p> <p>1969 Cassette-Feu (a hose-free portable cooking stove) introduced</p>	<p>1981 Imports commence for LPG from Saudi Arabia</p> <p>1994 Kashima LPG Joint Stockpiling Terminal completed</p> <p>1995 MaruiGas Disaster Relief Corps launched</p>
<p>1946 Begins supplying metals and other raw materials to industrial gas customers.</p>	<p>1958 Osaka Hydrogen Industries Co., Ltd. (now Iwatani Industrial Gases Corporation) established Full-scale entry into the hydrogen business</p>	<p>1975 Cold Air Products Co., Ltd. established Secured position as an industrial gas manufacturer</p> <p>1978 Japan's first commercial liquid hydrogen plant completed</p> <p>1980 First helium gas imports</p>
<p>1947 Enters frozen foods business using liquid nitrogen and other materials.</p> <p>1948 Enters the livestock business, supplying LPG to heat chicken coops.</p> <p>1949 Development of pig breeding business</p>	<p>1952 Initial sales of synthetic resins</p> <p>1953 Sales begin for gas pipes, joints, valves, and other metal products and raw materials, such as rutile sand (lagging material)</p>	<p>1976 First sales of I-WRAP plastic bags, which are easy to pull out from the package, eventually a long-running staple product</p> <p>1977 Named primary trading company of Kawasaki Steel Corporation (now JFE Steel Corporation) alongside expansion of the metals division</p> <p>1997 Acquisition of Doral Mineral Industries Ltd. (Australia)</p>
	<p>1960 Imports/sales commence for brooder poultry farming equipment</p> <p>1968 Imports/sales commence for peat moss, a material used to improve soil</p>	<p>1974 First sales of frozen foods (using cold heat from liquid carbon dioxide, liquid nitrogen, etc.)</p> <p>1981 Introduction of health food product based on Chinese softshell turtle created by freezing and crushing with liquid nitrogen</p> <p>1982 Iwatani Camborough Co., Ltd. established (agreement concluded with Pig Improvement Company)</p> <p>1988 Iwatani Agri Green Co., Ltd. established</p>
		<p>1985 Alliance formed with Union Carbide Corporation (US) for joint operations involving industrial gases</p> <p>1994 Kitsuregawa Gas Plant completed</p> <p>2006 Hydro Edge Co., Ltd. brings Japan's largest liquid hydrogen production plant online</p>
		<p>1999 General distribution rights in Japan for zircon sand acquired from Rio Tinto Group</p> <p>2004 Ultra-precision slit processing business launched in China</p>
		<p>2012 Initial sales of smartphone materials</p> <p>2012 Initial sales of biomass PET resin derived from plant-based materials</p> <p>2014 Initial sales of palm kernel shells (PKS) as biomass fuel</p> <p>2016 Initial sales of aluminum catalyst PET resin featuring superior recyclability</p> <p>2020 Capital participation in R Plus Japan Ltd.</p> <p>2022 Capital participation in Nordic Mining ASA</p>
		<p>2013 First helium procurements from Qatar</p> <p>2014 Iwatani Hydrogen Refueling Station, Japan's first commercial hydrogen refueling station, opens in Amagasaki</p> <p>2019 First venture into hydrogen refueling station business in the United States</p> <p>2021 Helium center opens in Thailand</p> <p>2022 HySTRA feasibility testing completed</p> <p>2022 Tokico System Solutions, Ltd. made wholly-owned subsidiary</p>
		<p>2014 First import of LPG from United States</p> <p>2016 First venture into retail electric power</p> <p>2017 First venture into the retail city gas market</p> <p>2021 New cassette gas canister plant opens</p> <p>2021 Iwatani GateWay service introduced</p> <p>2022 Enelife Corporation established</p>
		<p>2016 Iwatani Tashiro Farm completed by Iwatani Camborough Co., Ltd.</p> <p>2021 UM-System Corporation made wholly-owned subsidiary</p> <p>2022 Iwatani Camborough Co., Ltd. renovates Iwatani Tohoku Farm</p>

Our Businesses

Financial Results for FY2021



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



* Excludes other businesses/adjustments.

Four Businesses: Our Core Businesses Are Gas and Energy



Integrated Energy

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



Industrial Gases & Machinery

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



Materials

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



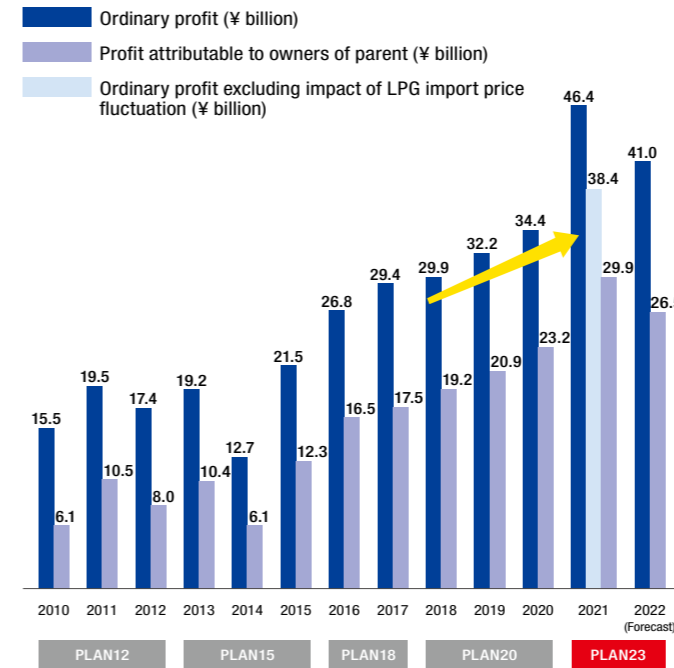
Agri-Bio & Foods

- Frozen foods
- Agricultural materials and equipment
- Pig breeding stock and livestock equipment

Earning Power

Steady Income Growth

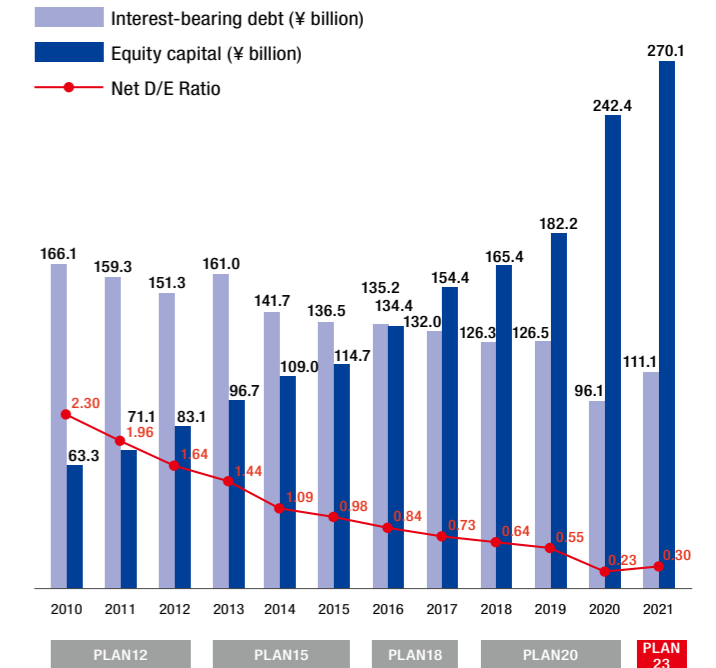
A new record for the seventh consecutive year



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

Financial Standing

Improved Financial Standing with a Net D/E Ratio of 0.30



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

Investment

Proactive Investment Based on Growth Strategies

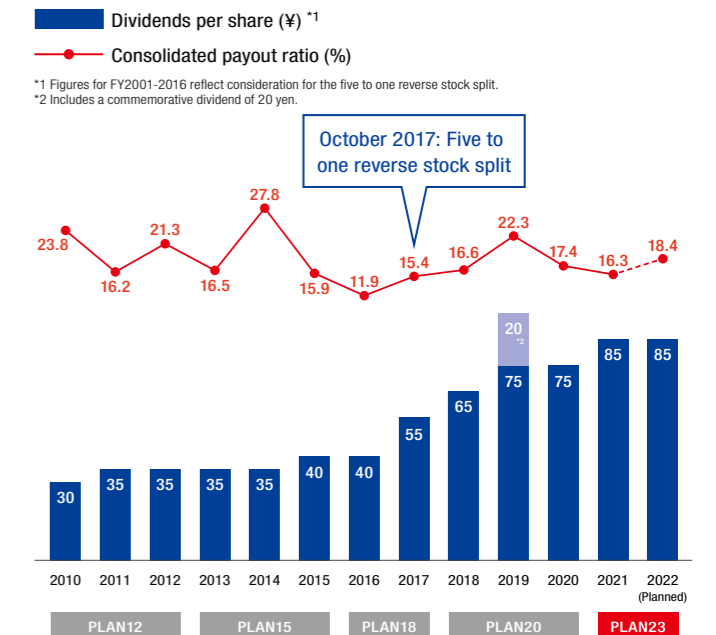


* Figures for investment and depreciation through FY2014 are for property, plant, and equipment. Figures for investment and depreciation since FY2015 are totals for property, plant, and equipment and intangible assets (excluding goodwill) and investment securities. Figures for investment and depreciation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

Return to Shareholders

A Basic Policy of Paying Stable, Continuous Dividends

Paying appropriate returns from profits with consideration for financial results and business conditions



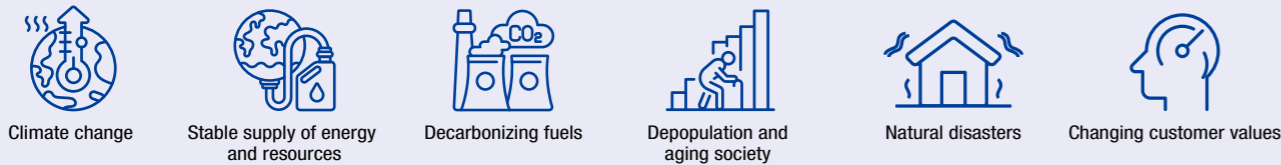
*1 Figures for FY2001-2016 reflect consideration for the five to one reverse stock split. *2 Includes a commemorative dividend of 20 yen.

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

Iwatani's Value Creation Process

The Iwatani Group strives to achieve sustained growth and deliver new value to society by tackling environmental, social, and other challenges through business activities.

Social issues targeted by the Iwatani Group



Basic Strategies Under the Long-Term Vision

1. Achieving a carbon-free society through initiatives involving the entire Iwatani Group
2. Evolving into an energy & living total service provider
3. Establishing a hydrogen energy-based society
4. Expanding environmental businesses
5. SDG initiatives
6. Roadmap toward carbon neutrality in 2050

INPUT

BUSINESS MODEL

OUTPUT

OUTCOME

Financial Capital

- Ordinary profit: ¥38.4 billion (excluding impact of LPG import price fluctuation)
- Equity ratio: 48.4%
* As of March 31, 2022

Manufacturing Capital

- Five LPG import terminals, 96 filling stations, and about 140 distribution centers
- 69 overseas sites and a network of 49 industrial gas production and supply sites in Japan
* As of August 2022

Intellectual Capital

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

Human Capital

- Consolidated number of employees: 10,163
* As of March 31, 2022
- Certified and specialized human resources supporting manufacturing and safety
High-pressure gas production safety managers: 850
High-pressure gas sales managers: 377
* As of September 2021 (nonconsolidated)
- Promoting diversity and inclusion
- HR development systems to achieve continuing growth for employees

Social and Relationship Capital

- LPG direct sales customers: 1.09 million households
Wholesale customers: more than 3.3 million households
- Strong ties with 190 Iwatani-Kai member and some 1,250 Marui-Kai member dealerships
- Strong ties with overseas suppliers (Saudi Arabia, US, Qatar, Southeast Asia)
* As of August 2022

Natural Capital

- Energy use (total converted to caloric value): 1,722 TJ
* FY2021 (in Japan)

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



Reinforcing Governance Creating a Vibrant Workplace
Iwatani Code of Corporate Ethics / The Iwatani Group Environmental Charter

Risk Management Committee

Security and Export Control Committee, Personal Information Control Committee, Compliance Committee, Factory Safety Control Committee, Sustainability Promotion Committee, Global Security Control Committee, Customer Satisfaction (CS) Committee, Product Safety & Brand Management Committee

Financial Capital

- Ordinary profit: ¥40 billion
- ROE: 9% or higher
* PLAN23 targets

Manufacturing Capital

- LPG wholesale/retail market share: No. 1
- Hydrogen (including liquid hydrogen) market share: approx. 70%
- Helium market share: approx. 50%
* As of March 31, 2022 (in Japan)

Intellectual Capital

- Delivering low-/zero-carbon solutions
- Establishing decarbonization technologies
- Developing advanced technologies to contribute to a sustainable society
- Developing a CO₂-free hydrogen supply chain

Human Capital

- Fostering an organizational culture focused on tackling the challenges of creating new value
- Realizing diversity management to inspire ideal performance from diverse human resources

Social and Relationship Capital

- Creating new value and services reflecting increasingly diverse customer needs
- Enhancing structures to ensure the stable supply of gas and energy
- Enhancing structures to ensure the stable supply of rare resources

Natural Capital

- CO₂ reductions in society through environmental products: Fuel conversion, supply of hydrogen for fuel cell vehicles (FCVs), expanded PKS sales, etc. approx. 520,000 t
* FY2021
- CO₂ emissions from business activities: approx. 200,000 t (FY2030 target: 50% vs. FY2019).
* FY2021 (in Japan)

Building Energy Infrastructure to Support Local Communities



Transition to a CO₂-Free Society



Realizing a Sustainable Society



SUSTAINABLE DEVELOPMENT GOALS

Iwatani's Value Creation Capital

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

Financial Capital

Sound financial foundations to enable proactive investment in growth

The Iwatani Group has made steady progress on enhancing its financial foundations using funds raised through continued efforts to strengthen our earning capabilities. In 2020, ¥30 billion in convertible bonds were converted to shares of common stock. In 2021, we earned a long-term issuer rating of A and issued our first green bonds. Through these and other efforts, we have been able to establish sound financial foundations. Under our PLAN23 medium-term management plan, we will take advantage of this foundation to aggressively invest ¥150 billion over three years. We also plan large-scale investments to realize our long-term vision of a carbon-free society, including plans currently underway to develop a CO₂-free hydrogen supply chain.



● Net D/E ratio 0.30	● Ordinary profit (excluding impact of LPG import price fluctuation) ¥38.4 billion	● Total assets ¥558.4 billion	● Equity ratio 48.4%	● External financial rating (Japan Credit Rating Agency) Long-term Issuer Rating of A <small>(As of March 31, 2022)</small>
--------------------------------	---	---	--------------------------------	--

Manufacturing Capital

LPG and industrial gases networks to realize stable supply

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



● LPG sites	● Industrial gas sites	● Hydrogen refueling stations
Import terminals 5 sites	Industrial gas centers 21 sites	Japan 53 sites
Pressurized terminals (LPG terminals) 3 sites	Hydrogen plants 11 sites	Overseas 5 sites
Filling stations 96 sites	Japan Air-separation plants 9 sites	
Distribution centers Approx. 140 sites	Helium centers 2 sites	
	Liquefied carbon dioxide plants, etc. 6 sites	
	Overseas sites 11 sites	<small>(As of August 31, 2022)</small>

Intellectual Capital

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

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



● Joint R&D projects with national projects and public research institutes 13 projects in total	● Center visitors 3,339 persons from 778 companies <small>(FY2021)</small>
---	--

Human Capital

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

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



● Consolidated number of employees 10,163 <small>(As of March 31, 2022)</small>	● Ratio of female new graduates in career track 26.0% <small>(FY2022 [nonconsolidated])</small>	● Investment in HR development Approx. ¥100 million/year <small>(As of March 31, 2022 [nonconsolidated])</small>	● Certified and specialized human resources supporting manufacturing and safety High-pressure gas production safety managers: 850 High-pressure gas sales managers: 377 <small>(As of September 2021 [nonconsolidated])</small>
--	--	---	--

Social and Relationship Capital

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

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



● LPG customers Direct sales customers: 1.09 million households Wholesale customers: more than 3.3 million households <small>(As of August 2022)</small>	● Strong ties to dealerships Marui-Kai members ^{*1} : approx. 1,250 Iwatani-Kai members ^{*2} : 190 <small>(As of August 2022)</small> <small>*1 LPG dealership network *2 Industrial gases dealership network</small>	● Purchases from overseas suppliers included in the top 10 suppliers Approx. ¥53 billion <small>(FY2021)</small>
---	---	---

Natural Capital

Efforts to achieve a carbon-free society

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



● Contributions to CO ₂ emissions reductions	
Our CO ₂ emissions:	approx. 200,000 t <small>* FY2021 (in Japan)</small> <small>(FY2030 target: 50% vs. FY2019)</small>
CO ₂ reductions in society through environmental products:	approx. 520,000 t <small>* FY2021</small>

Interview with the President



Hiroshi Majima
President

Striving to establish a carbon-free society through initiatives centered on the LPG and hydrogen businesses across the entire Iwatani Group

Q Can you give an overview of the FY2021 financial results and progress on the PLAN23 medium-term management plan?

A Our profit set a new record for the seventh consecutive year. We are striving to reach the goals set for the medium-term management plan one year ahead of schedule.

Overview of financial results in FY2021

Despite constraints on economic activity due to the COVID-19 pandemic, the economy as a whole showed a trend toward recovery in FY2021. Sales of our main products grew steadily. Our profit set a new record for the seventh consecutive year. Ordinary profit reached ¥46.4 billion, while net income reached ¥29.9 billion, thanks in part to rising resource and energy prices in the second half and the positive effects of ¥7.9 billion from the impact of LPG import price fluctuation*.

We focus on ordinary profit excluding the impact of LPG import price fluctuation as an indicator of our essential earning capability. This figure, ordinary profit excluding the impact of LPG import price fluctuation, also reached a new record of ¥38.4 billion.

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

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

Progress on the PLAN23 medium-term management plan

Thanks to promotion of measures based on our basic strategies and proactive investments specified by the PLAN23 medium-term management plan, we are making progress on enhancing the earning capabilities of existing businesses and strengthening our medium- to long-term growth capabilities.

In the LPG business, in addition to efforts to build further on our customer infrastructure, including the addition of Tokyo Gas Energy (renamed Enelife Corporation in June 2022) to the Group, we are developing new services leveraging our Iwatani GateWay platform.

In the hydrogen business, in addition to success with feasibility testing of long-distance sea transport of liquid hydrogen between Japan and Australia, we have launched a large-scale project to commercialize this technology. This represents another step toward establishing a hydrogen energy-based society. Additionally, demand is growing steadily for hydrogen use in feasibility testing

toward the goal of decarbonization, and this business is beginning to contribute to profits.

We are growing our international businesses in various ways, including opening a helium center in Thailand, expanding our Cartridge Gas business internationally, and securing an interest in titanium ore in Norway.

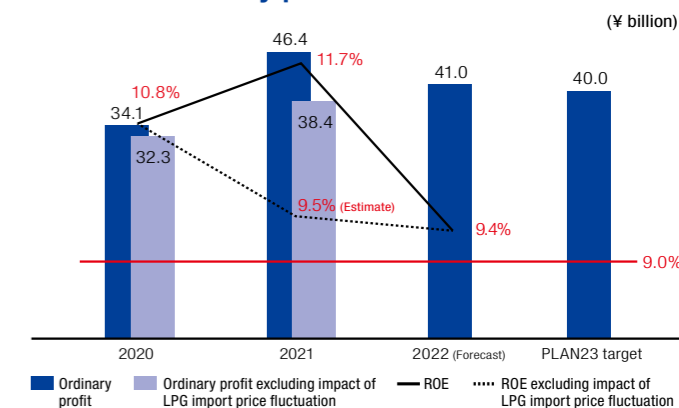
A look at investment shows even faster progress with investment than planned. We expect to have invested ¥117 billion by year two of the medium-term management plan vs. the planned total of ¥150 billion in investment over the entire three-year period of the plan.

Since we expect to achieve PLAN23's target ordinary profit figure of ¥40 billion one year ahead of schedule, with projected ordinary profit of ¥41 billion in FY2022, we are currently in the process of formulating a new medium-term management plan. ROE, at 11.7% in FY2021, or roughly 9.5% when impact of LPG import price fluctuation is excluded, is also trending above the plan's target.

(See "Medium-Term Management Plan: PLAN23" on p. 17.)

In the runup to our 100th anniversary in 2030, our goal is to grow corporate value even further by developing ambitious growth strategies.

Trends in ordinary profit and ROE



Q What do you see as important management topics for the long-term vision announced at the same time as the medium-term management plan? How are you addressing them?

A Addressing special challenges like decarbonization is a major theme. We will strive to achieve sustained business growth through initiatives that target appropriate solutions.

Long-term vision

In light of the pressing need to address climate change, we believe decarbonization will be essential to sustained long-term growth. Accordingly, we are making progress on reducing CO₂ emissions throughout society through our business activities while decarbonizing our own business activities.

Our long-term vision seeks to establish a carbon-free society through groupwide initiatives centered on the LPG and hydrogen businesses. We consider our ability to deploy businesses related to decarbonization across the organization to be among our strengths.

(See "Toward a Carbon-Free Society" on p. 19.)

Behind these efforts is a long history of contributing to solutions to environmental and social issues based on our corporate philosophy, "those needed by society can prosper," and the corporate slogan adopted in 1970: "Creation of a more comfortable space on the Earth is what Iwatani wishes and strives for."

For example, LPG is a clean energy source with a lower environmental impact than sources like petroleum and coal. We have worked to promote and expand LPG use since 1953. Our founder identified hydrogen as the ultimate clean energy source, and we have been developing the hydrogen business since 1941, working toward our dream of realizing a hydrogen energy-based society.

These initiatives, which were underway long before concepts such as decarbonization and the SDGs became mainstream, are part of our corporate DNA. This heritage is the driving force behind our efforts to create new value.

Growing the hydrogen business

In the hydrogen business, one of the key pillars for medium- to long-term growth is to develop a supply chain capable of delivering

clean, low-cost hydrogen in bulk. We aim to establish a hydrogen energy-based society by linking our supply network, which delivers hydrogen to customers across Japan, with overseas projects for supplying high-volume CO₂-free hydrogen at low prices.

Enhancing our manufacturing and engineering functions is another key topic, and in April 2022 we added Tokico System Solutions to the Iwatani Group. Looking to the future, we will strive to expand demand for hydrogen energy while enhancing our supply capacity, seeking to grow the hydrogen business tenfold to more than ¥200 billion by 2030.

(See "Establishing a Hydrogen Energy-Based Society" on p. 24.)

LPG industry reforms

In our main Integrated Energy Business, we must decarbonize LPG over the medium to long term despite recently growing demand for fuel conversion to LPG and LNG, amid society as a whole moving toward carbon-free technologies.

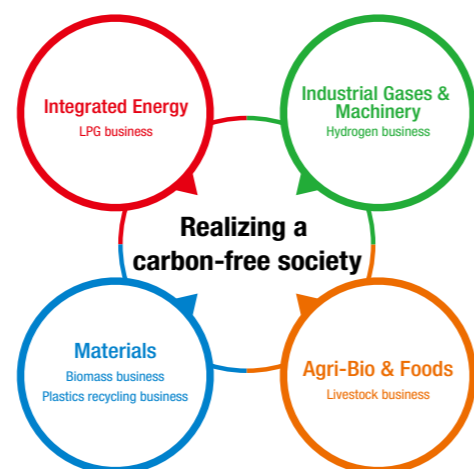
The Iwatani Advanced Hydrogen Technology Center is working to develop carbon-neutral LPG production technologies based on resources like biogas and waste plastics, while also considering the production of synthetic LPG using CO₂-free hydrogen.

Since many of the regions in which we supply LPG face social issues like low birth rates and aging populations, our goal is to offer new businesses and services to help achieve solutions to community issues by utilizing our LPG infrastructure and the Iwatani GateWay IoT platform.

In addition to evolving into the energy & living total service provider our communities need, we plan to promote sustained growth by advancing decarbonization efforts and playing a leading role in reforms across the LPG industry.

Toward a carbon-free society

Many of our industrial customers regard us as a key partner in their decarbonization efforts. We believe proposing lower- and zero-carbon solutions and deploying them across our multiple businesses through the development of new solutions will promote the growth of the entire Iwatani Group. Some 70% of CO₂ emissions from our business activities come from industrial gas production processes. By reducing these emissions through expanded use of solar power and reducing power consumption based on cold heat, our goal is to reduce emissions in FY2030 vs. FY2019 by 50%.



In recent years, risk management related to climate change has grown ever more important. Our efforts in this sphere include assessments of risks and opportunities and goal-setting and checking on progress toward goals in the Sustainability Promotion Committee. In the areas of safety and compliance, which are also key to business continuity, we established the management structures to ensure proper business operations.

In addition to this series of efforts, we are developing workplace environments in which employees can carry out constructive and rewarding work with cheerfulness, fun, and liveliness. We intend to realize sustained growth and raise corporate value through the concerted efforts of employees working with a common vision of the future and addressing important topics, including establishing a society based on hydrogen energy.

Q How is the Group developing and enhancing the management foundations needed to support sustained growth?

A In addition to enhancing our human resources, organizations, and technologies to create new value, we are striving to enhance corporate governance.

Iwatani's businesses are based on proposing solutions to the challenges facing society and our customers and creating new value. Our key business foundations also include the supply structures to safely and reliably deliver gases, which are hazardous materials, to our customers. We believe we can achieve sustained growth by enhancing the supporting human resources, organizations, and technologies and building on the trust earned through a sincere approach to business.

Finances

We experienced a major financial turning point in 2000, when we experienced some difficult challenges, including two consecutive fiscal years of substantial consolidated ordinary losses and the need to ask for shareholder understanding as we cut dividends following efforts to withdraw from unprofitable businesses and dispose of nonperforming assets. During that time, the entire Group worked together to implement decisive business structural reforms while also striving to improve our earning potential, with the goal of increasing ROA as a target of the medium-term management plan. Through these and other efforts, we succeeded in improving our financial standing and enhancing the corporate structure, which led to the favorable conditions of today.

Our financial standing reached new levels thanks to various efforts, including the conversion of all convertible bonds to stock shares in 2020. Under PLAN23, we are targeting proactive investment in growth and strategic investment in the hydrogen business to achieve increased returns reflecting equity growth.

Organizations and human resources

By enhancing the environment for development of human resources to put into practice our corporate philosophy, "Become a person needed by society, as those needed by society can prosper," we have developed the organizational culture needed to take on the challenge of value creation in line with our founding spirit. As part of these

efforts, we are developing human resources capable of responding sensitively to customer concerns and of contributing to growing our businesses through proposals based on new approaches only Iwatani can achieve. Examples include the development of training structures and support for employee career development. Given the essential nature of incorporating diverse values to create the new value needed by society today, we will also continue to work energetically to promote diversity and inclusion in various ways. These include providing support for the work-life balance and childcare and promoting the role of women in the workplace. (See "Creating a Vibrant Workplace" on p. 37.)

Technologies

In the area of technologies, we are focusing on enhancing the R&D and engineering functions needed to deliver solutions to customer challenges and promoting the use of hydrogen energy in society. The Iwatani R&D Center and the Iwatani Advanced Hydrogen Technology Center are redoubling their efforts, particularly in promoting growth fields such as decarbonization and regenerative medicine. (See "Technological Development Sites that Support Iwatani's Strengths in Technology" on p. 37.)

Governance

In making important management decisions, including those related to the measures mentioned above, we are discussing the aims and foundations of management decisions with independent Outside Members of the Board, explaining related risks and proposed countermeasures to them, and obtaining their impartial perspectives, thereby working to execute rational management that will strengthen corporate value and ensure transparency and fairness. Our risk management structure consists of the Risk Management Committee, led by the President, and individual committees supervised by the Risk Management Committee. Especially important matters are subject to appropriate oversight by the Board of Members.

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

A In addition to proactive investments in sustained growth, we will strive to secure sound financial foundations and ensure appropriate returns to shareholders.



Our basic policy is to increase corporate value through ROE improvements that reflect stronger earning power and meeting shareholder expectations. By striving to grow the LPG customer base and expand sales in the growth area of industrial gases, we aim to enhance our earning capabilities. While investing the funds generated by growth to expand our gas supply capacity, engaging in mergers and acquisitions, and making forward-looking investments to establish a hydrogen energy-based society, we also seek to ensure appropriate returns to shareholders. In making investment decisions, we endeavor to maximize corporate value by establishing standards for return on investment. Following a basic policy of ensuring sustained and stable dividends, we determine dividends based on careful consideration of financial

results and the business environment. We have paid dividends every year since our shares were first listed on the stock exchange. Over the seven most recent years, which witnessed repeated record-high profits, we have boosted dividends by 50 yen and maintained a payout ratio of approximately 20 percent. Future plans call for large-scale investments in hydrogen and other businesses to contribute to sustained growth, thus we need to secure the financial standing required to carry out these plans. We ask for the continuing understanding and support of our shareholders and investors.

October 2022
Kiroshi Majima
 President

Medium-Term Management Plan: PLAN23 (2021-2023)

Presented below is an overview of PLAN23, the most recent three-year medium-term management plan, and progress with the plan.

Theme

Establishing a hydrogen energy-based society —Assuming challenges beyond the boundaries of business frameworks—

Basic Policies

Enhancing strategic investment to establish a carbon-free society; promotion of digitization

Key Issues (Materiality)



Building Energy Infrastructure to Support Local Communities



Transition to a CO₂-Free Society



Realizing a Sustainable Society



Reinforcing Governance



Creating a Vibrant Workplace

Basic Strategies

Enhancing initiatives toward a carbon-free society

- Promoting the development of a hydrogen energy-based society
- Expanding sales of eco-friendly products

Evolving into an energy & living total service provider

- Expanding the customer base
- Expanding BtoC business
- Developing community services based on the Iwatani GateWay platform

Expanding international businesses

- Enhancing supply structures and manufacturing functions
- Enhancing the Cartridge Gas business
- Expanding the Industrial Gases & Machinery business in the United States

FY2021 initiatives

Promoting the development of a hydrogen energy-based society

Feasibility testing completed on sea transport of liquid hydrogen between Japan and Australia

(See "Establishing a Hydrogen Energy-Based Society" on p. 21.)



Ceremony to mark completion of establishing Japan-Australia supply chain

Developing community services based on the Iwatani GateWay platform

Monitoring services launched
(See "Building Energy Infrastructure to Support Local Communities" on p. 30.)



Illustration of monitoring services

Enhancing supply structures and manufacturing functions

New helium center opened in Thailand
Enhancing our stable supply structure in Southeast Asia

(See "Realizing a Sustainable Society" on p. 35)



Our second helium center in Southeast Asia (Bangkok Gas Center)

Management Targets

	Management Indicators		Key Business Indicators			
	Ordinary Profit [Excluding impact of LPG import price fluctuation]	Return on Equity (ROE)	LPG direct sales customers	Portable gas cooking stove / cassette gas canister sales volumes (global)	Air separation gas sales volumes	LH ₂ sales volumes
FY2021 results	¥46.4 billion [¥38.4 billion]	11.7%	1.03 million households	Gas cooking stoves: 4,585 thousand units Gas canisters: 154 million units	1.67 billion m ³	71 million m ³
PLAN23 targets	¥40.0 billion	9% or higher	1.10 million households	Gas cooking stoves: 6,500 thousand units Gas canisters: 180 million units	1.70 billion m ³	90 million m ³

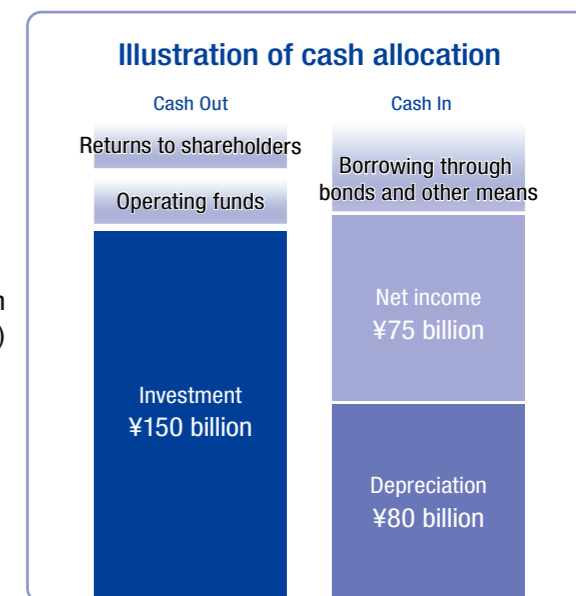
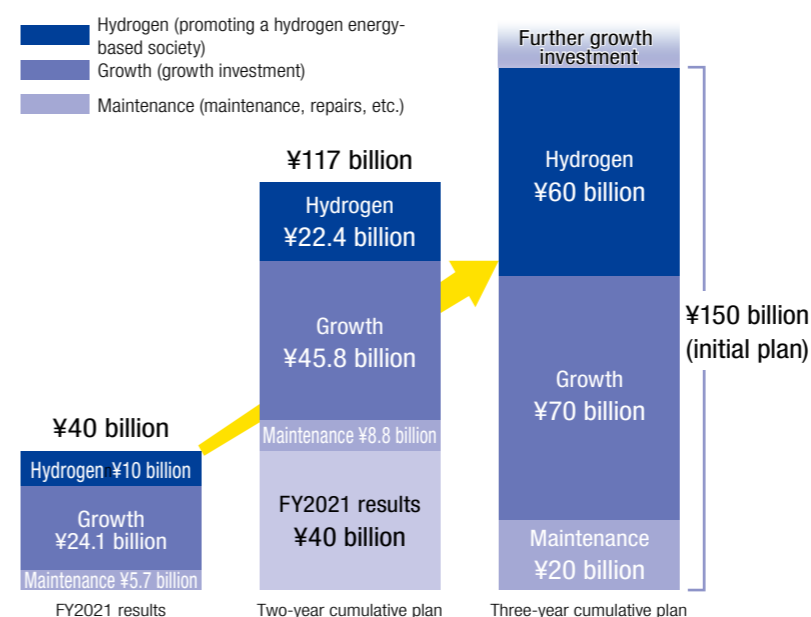
Investment Plans

Basic concept

Our financial standing has reached a certain level. Thus, under PLAN23, we plan to invest a total of ¥150 billion over three years to strengthen the earnings potential of existing businesses and enhance our medium-/long-term growth potential. We will set targets for proactive growth investments and strategic investments in the hydrogen business. Through various efforts, including growing our LPG customer base and expanding sales in growth areas in industrial gases, our goal is to continue to enhance our earnings capacity and to work to invest the funds generated for growth through expanding gas production and supply capacity and engaging in mergers and acquisitions. We also plan to make forward-looking investments to establish a hydrogen energy-based society. These goals will increase returns in ways that reflect equity growth.

FY2021 results

We invested ¥40 billion in FY2021, including investments in the hydrogen business involving the construction of hydrogen refueling stations, investments to develop supply facilities and centers in the LPG business, and investments in industrial gas facilities in Japan and overseas. Other efforts included the acquisition of shares in UM System Corporation, a company that distributes and sells food products.



FY2022 plans

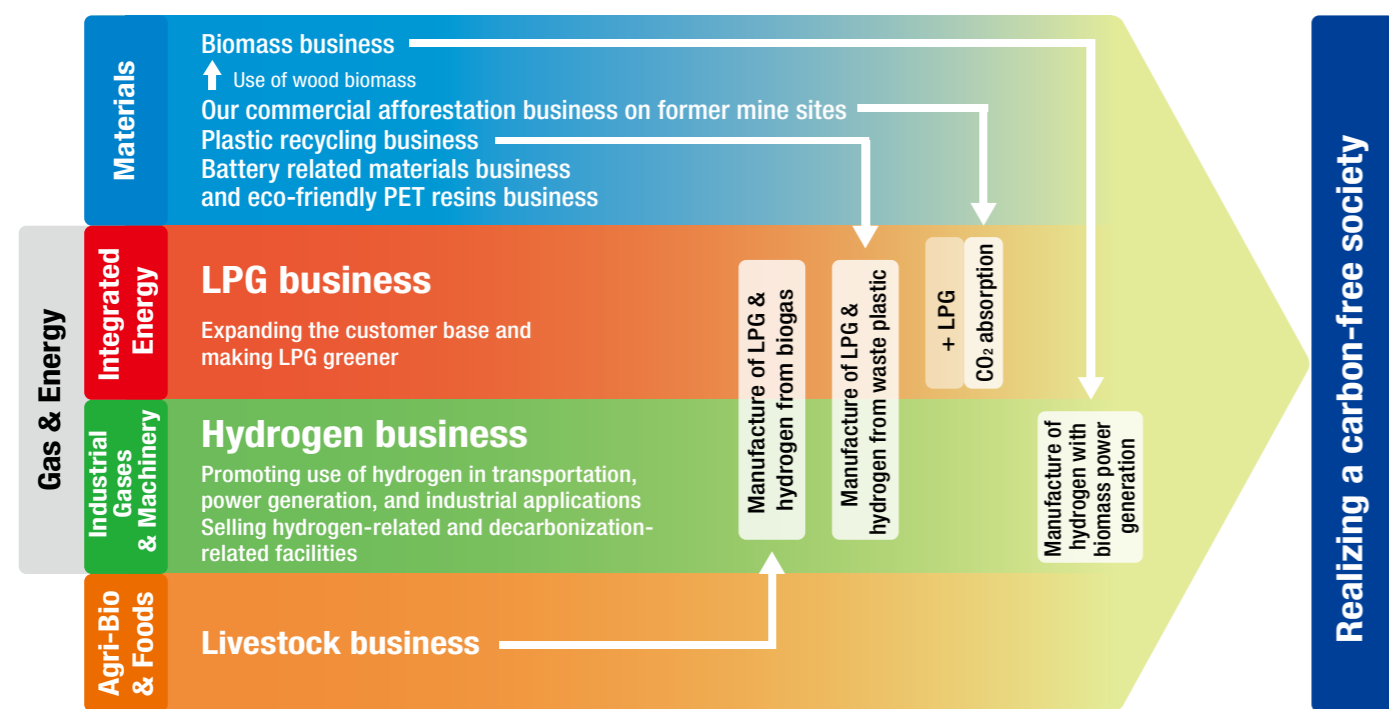
We plan to invest ¥77 billion in FY2022. Investment in large-scale M&A activities includes making Tokico System Solutions, Ltd., which offers strengths in energy supply equipment, including hydrogen dispensers for fuel cell vehicles (FCVs) in the hydrogen business, a wholly-owned subsidiary, and launching an acquired company as Enlife Corporation in the LPG business. We are also pursuing aggressive investments that target business expansion overseas, including securing rights to new mine sites in the Materials Business and building hydrogen refueling stations in the United States.

Toward a Carbon-Free Society

Basic Concept

Achieving a carbon-free society through initiatives involving 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 is to find solutions to social issues. Our mission now is to establish a carbon-free society. In addition to decarbonizing our own business activities, we deliver new value to society through products and services that help customers decarbonize their business activities. The four businesses of Integrated Energy, Industrial Gases & Machinery, Materials, and Agri-Bio & Foods work together to help realize a carbon-free society.



Specific Decarbonization Initiatives in the Gas and Energy Fields

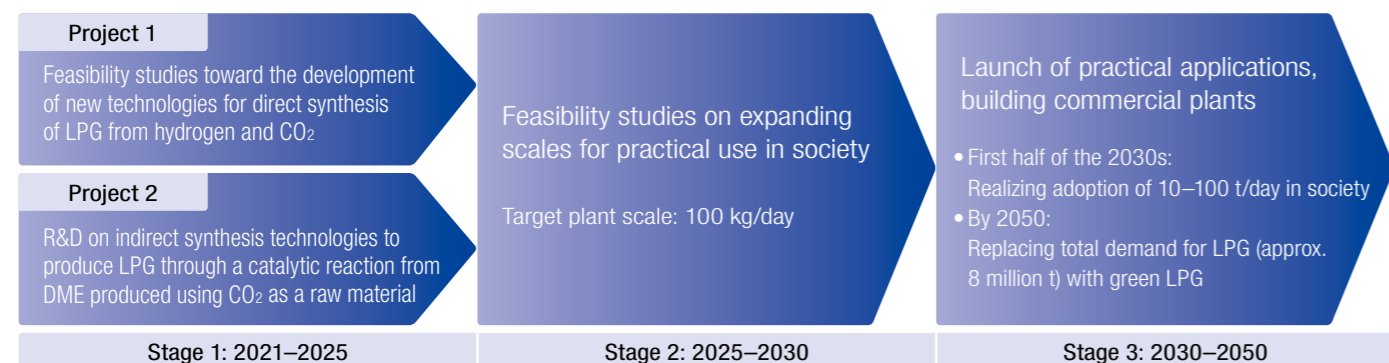
The Iwatani R&D Center and the Iwatani Advanced Hydrogen Technology Center pursue R&D in various spheres, centered on the gas and energy fields, including green LPG and CO₂-free hydrogen.

LPG

Developing green LPG production technologies

We are seeking to establish new technologies and aim for early demonstration to produce LPG by combining hydrogen with CO₂ (including propanation and butanation). At the same time, we plan to work on technologies to produce LPG from dimethyl ether (DME), which has properties similar to LPG. The goal of this research is to deliver carbon-free green LPG on a scale of roughly 30,000 t/year in the first half of the 2030s.

Roadmap toward green LPG production



Source: Prepared based on Japan LP Gas Association data

Hydrogen

Establishing a hydrogen supply chain through waste plastic gasification

We are currently examining the feasibility of producing hydrogen through the gasification of waste plastics for use in local markets. Using waste plastic from industrial sites, households, and other sources in urban areas offers a rapid path to achieving a stable low-cost hydrogen supply, contributing not just to expanded use of hydrogen, but to decarbonization and the circulation of resources across a wide range of fields.

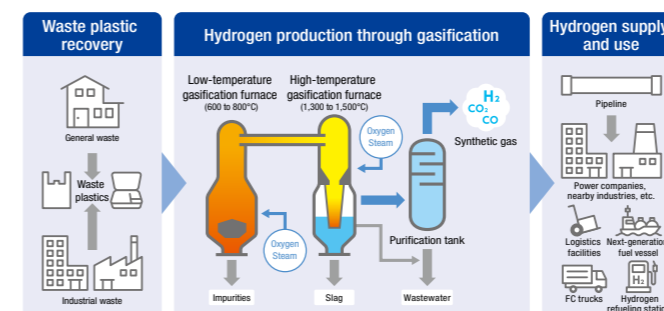


Illustration of the supply chain model

Examining the production of CO₂-free hydrogen and carbon-neutral methane

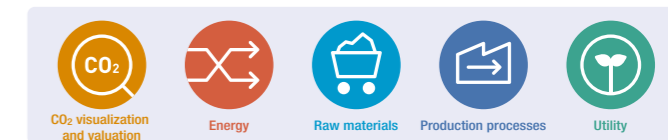
We are currently considering the production of CO₂-free hydrogen and carbon-neutral methane using the liquid-hydrogen production plant of Hydro Edge Co., Ltd. Jointly with The Kansai Electric Power Co., we are studying and developing models for optimal methods of promotion of conversion of hydrogen to CO₂-free hydrogen using green certification, recovery of CO₂ through decarbonization equipment, and production of hydrogen based on renewable energy, while also studying and developing models for production and supply of carbon-neutral methane.



Hydro Edge Co., Ltd., in Sakai, Osaka Prefecture

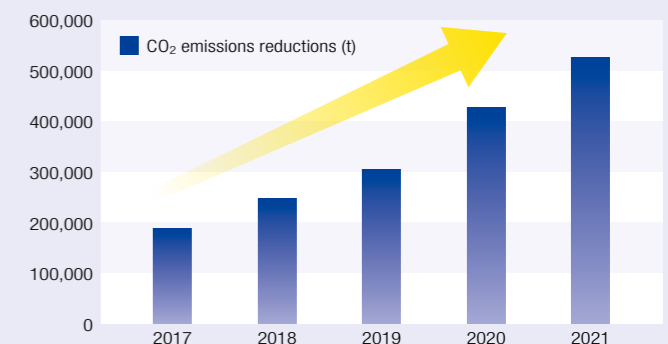
Delivering Low- and Zero-Carbon Solutions

In addition to pursuing medium- and long-term R&D, we help reduce CO₂ emissions society-wide by supplying low and zero carbon solutions to customers across a wide range of fields, drawing on business foundations and technological capabilities established to date.



Contributions to CO₂ reductions

In FY2021, we helped achieve reductions of approximately 520,000 t in CO₂ emissions through LPG and LNG fuel conversion efforts, by supplying hydrogen for use in FCVs and FC buses, and by boosting sales of biomass fuel (PKS), biomass PET resins, and Hydrocut[®] premixed hydrogen-cutting gas. We are committed to fighting global warming through proactive sales expansion efforts and the development of clean energy and other solutions.



Products and services	Reduction concept
LPG and LNG fuel conversion	Contributing to CO ₂ emissions reductions (at the stage of use) through conversion from heavy oil and other fuels to LPG and LNG
Supplying hydrogen for FCVs and FC buses	Contributing to CO ₂ emissions reductions (at the stage of use) by supplying hydrogen as fuel for FCVs and FC buses
Biomass fuel (PKS)	Contributing to CO ₂ emissions reductions (at the stage of use) by supplying PKS for power generation use
Biomass PET resins	Contributing to CO ₂ emissions reductions through replacing traditional PET resins with resins made from plant-derived raw materials (at the stages of raw-material production and waste disposal)
Hydrocut [®] premixed hydrogen-cutting gas	Contributing to CO ₂ emissions reductions (LCA) via the replacement of acetylene and other cutting gases with hydrogen-mixed Hydrocut [®] gas

We are also making efforts to reduce CO₂ emitted from our business activities. (See “Initiatives toward Climate Change” on p. 61.)

Establishing a Hydrogen Energy-Based Society

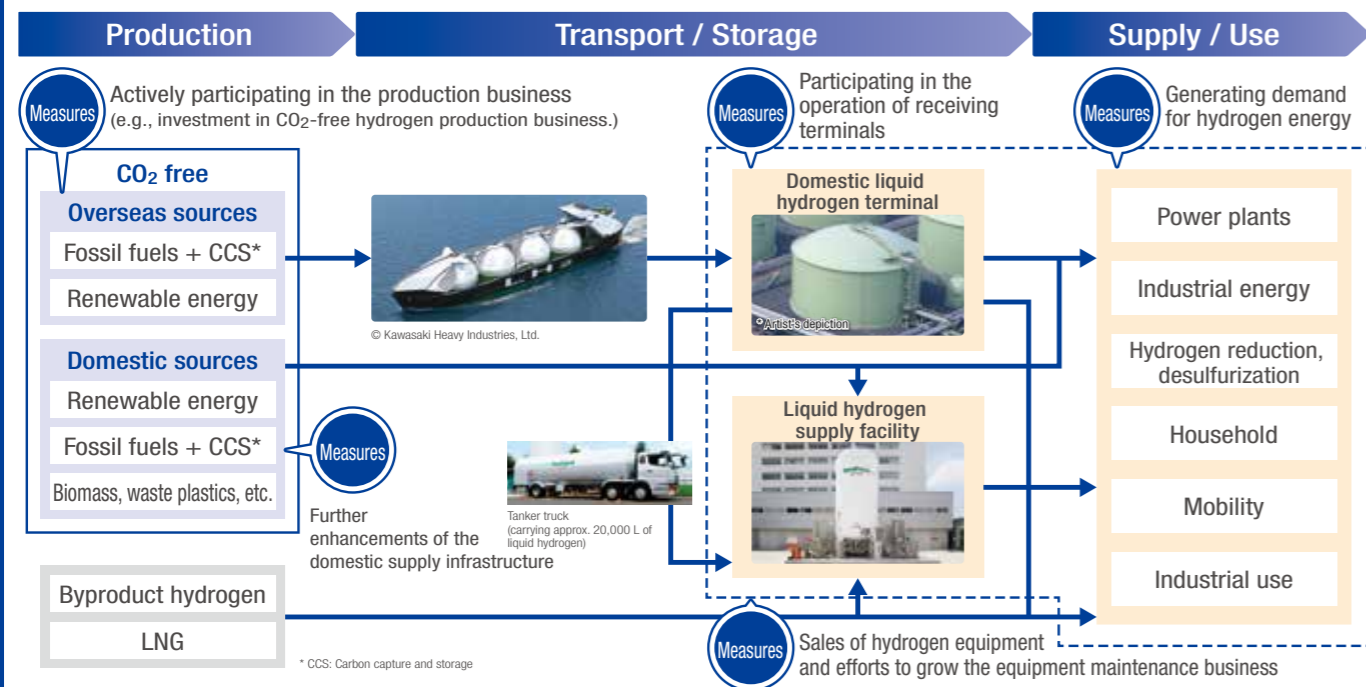
Basic Concept



Building a global supply chain

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

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



Tackling the Challenge of Building a CO₂-Free Hydrogen Supply Chain

Efforts to procure large volumes of green hydrogen

Production

In September 2021, together with six Japanese and Australian firms including Stanwell, a power company owned by the state, we launched full-fledged studies on commercializing a business to produce and export large volumes of green hydrogen in the Australian state of Queensland to Japan. Intended to achieve stable and low-cost production and supply of green hydrogen over the long term, this project is expected to have a production capacity of 800 t/day of hydrogen in 2031 and beyond.

* The six companies are Iwatani Corporation, Kawasaki Heavy Industries, Ltd., The Kansai Electric Power Co., Inc., Marubeni Corporation, and the Australian energy-infrastructure firms Stanwell Corporation Limited and APT Management Services Pty Ltd.



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

Establishing sea transport and loading/unloading technologies

Transport / Storage

As part of a demonstration project undertaken by HySTRA, we have undertaken feasibility testing of sea transport and loading/unloading of liquid hydrogen produced from brown coal in Australia and shipped to Japan via liquid hydrogen tankers. These tests proved successful in February 2022, demonstrating the technological feasibility of building an international liquid hydrogen supply chain and marking further progress toward the realization of a hydrogen energy-based society.



Liquid hydrogen tanker returning to the Kobe Port in February 2022 after completion of the experimental voyage between Australia and Japan



Further enhancements of liquid hydrogen handling technologies

Transport / Storage

As a specialist in gas handling, the Iwatani Group is capable of the efficient transport and storage of hydrogen through means such as volume reduction achieved by compression and liquefaction, and procuring and supplying hydrogen in line with the flows, pressures, and other parameters set by customers. In addition, we have production facilities and technologies for liquid hydrogen inside the Group and produce and operate equipment, including ultra-low-temperature liquefied gas storage tanks and tanker trucks. Issues posed by growing demand for hydrogen energy include the need to expand the scale of related facilities; to increase capacity to supply gas and equipment; to respond to maintenance demand; and to enhance transport capacity. We plan to play a role in linking supply chains by building on the handling technologies accumulated and refined over the years.



Hydro Edge Co., Ltd., in Sakai, Osaka Prefecture



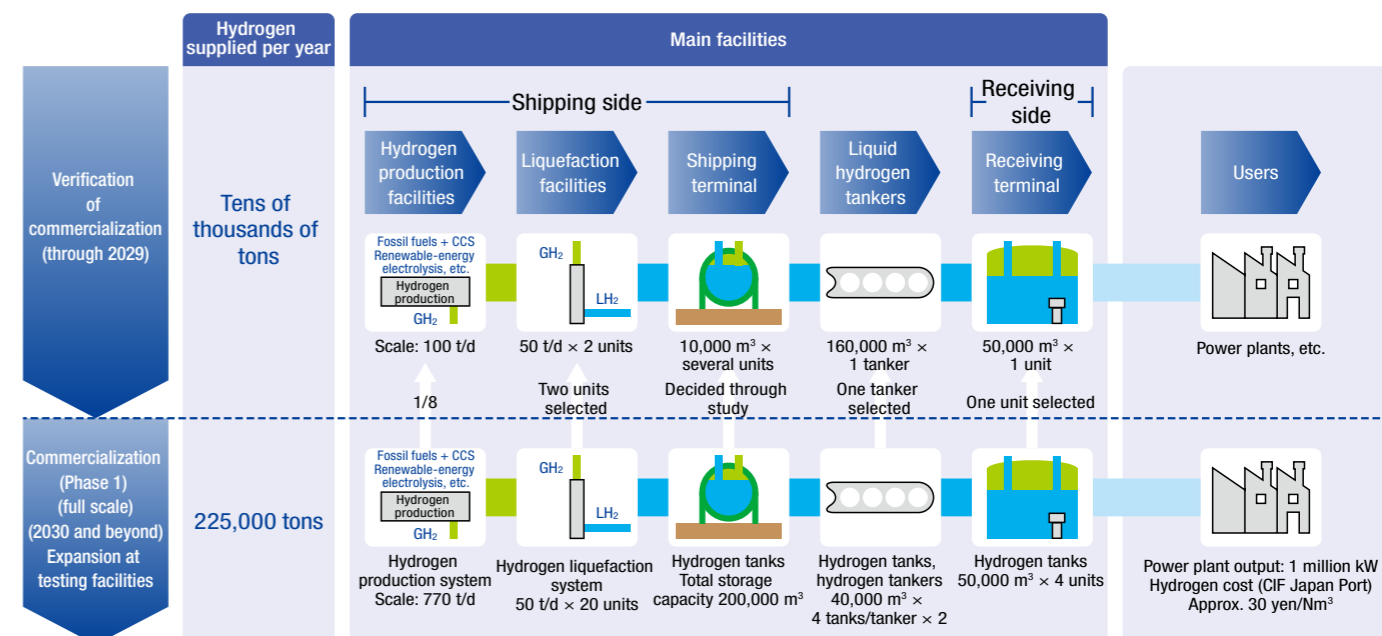
A receiving terminal on Kobe Airport Island

Expanding into commercial scale (reducing costs through large-scale transport)

Production / Transport / Storage

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

- Project period**
FY2021–2029 (nine years)
 - Implementation structure**
Japan Suiso Energy, Ltd. (core company)*, Iwatani Corporation, ENEOS Corporation
- * A wholly-owned subsidiary of Kawasaki Heavy Industries, Ltd.



Source: Japan Suiso Energy, Ltd.

Efforts to Generate Hydrogen Demand

Supply / Use

In addition to developing a stable supply chain, generating large-scale demand at the same time is essential to promoting full-scale use of hydrogen. To date, the Iwatani Group has generated new demand by supplying hydrogen to its customers for industrial use. Progress to a CO₂-free hydrogen supply chain and lower supply costs will lead to widespread use of hydrogen to generate energy and power. In preparation for expanding the supply of hydrogen for new users, we will make further progress in enhancing our supply structures and resolving technological challenges.

Developing hydrogen refueling stations

We are making progress on development of nationwide supply infrastructure to support use of hydrogen, having built a total of 53 hydrogen refueling stations in Japan (as of August 31, 2022). Amid expectations for increased use of heavy-duty fuel-cell (FC) vehicles such as FC buses and trucks in the mobility field in the future, we are focusing on opening new stations in areas where demand for hydrogen is expected to grow, to help generate demand for use in heavy-duty vehicles.



Iwatani Hydrogen Refueling Station at Kansai International Airport



Hydrogen infrastructure for use by industrial vehicles at Kansai International Airport

Supplying liquid hydrogen and equipment for demonstration

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



Supplying liquid hydrogen



H₂ KIBOU FIELD (Kusatsu facility, Panasonic Corporation)

Toward energy and power generation applications

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

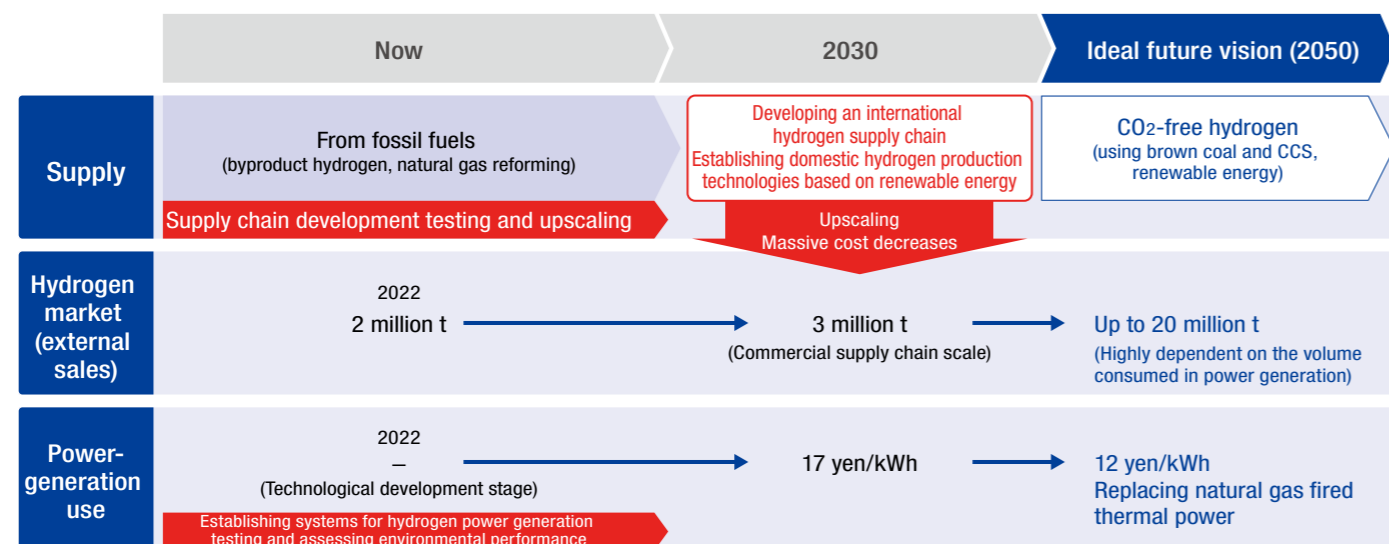


Photo of the Kobe Smart Community Hydrogen Power Generation Project (Port Island), a NEDO subsidized project (conducted by Obayashi Corporation and Kawasaki Heavy Industries, Ltd.)



Illustration of a liquefied hydrogen ship planned for commercial operation in Expo 2025 Osaka, Kansai, Japan

Hydrogen-strategy roadmap through 2050



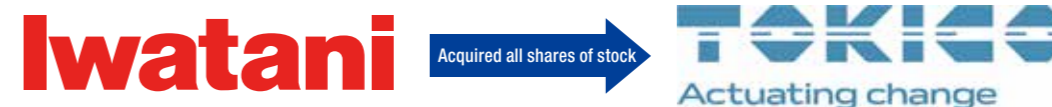
* Prepared by Iwatani based on Green Growth Strategy through Achieving Carbon Neutrality in 2050, issued June 18, 2021 by the Ministry of Economy, Trade and Industry of Japan

Advancing Joint Efforts Inside and Outside the Iwatani Group

Supply / Use

Enhancing manufacturing and engineering functions

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



Dispensers provided by Tokico System Solutions, Ltd.



The Tokico System Solutions, Ltd. Hydrogen Advanced Tech Center

Participation in hydrogen-related associations

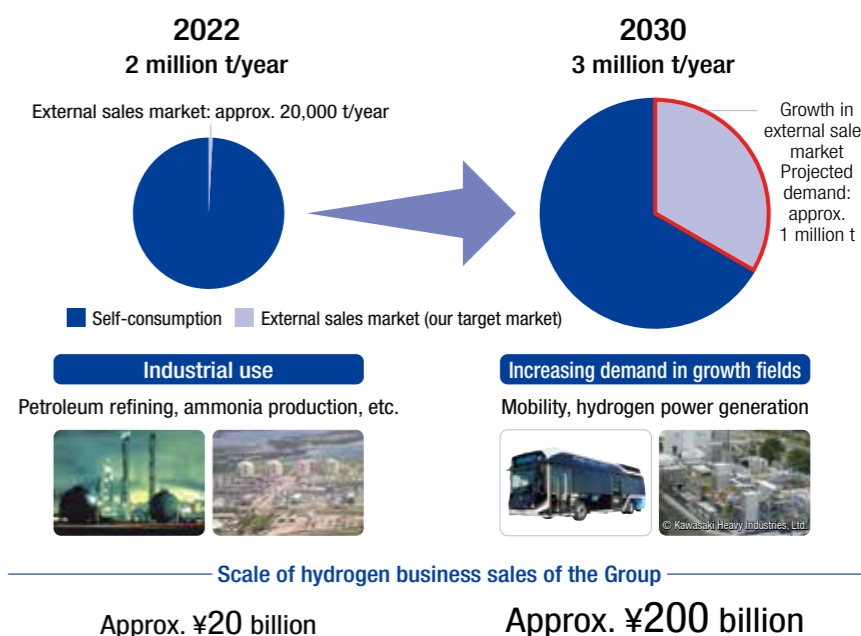
Through various associations and other bodies, we are expanding the numbers of partner firms and advancing the joint study of various topics related to hydrogen, including laws, regulations, and other systems, as well as efforts to generate demand. Working across the boundaries of companies and industries, the Japan Hydrogen Association (JH2A), in which we serve as one of chairs, is seeking new members from a wide range of industries and promoting activities to implement hydrogen energy as quickly as possible in Japan. In Japan H₂ Mobility, LLC (JHyM), we are striving to promote hydrogen refueling stations with the support by national and local governments. Our goal is to establish a hydrogen energy-based society through various joint efforts with external partners.

(See "Transition to a CO₂-Free Society," p. 32.)

● Outlook for the hydrogen business

Most hydrogen consumption is currently based on in-house production and consumption at petrochemical plants, steel mills, and similar facilities. Hydrogen demand amounts to about two million t/year. We expect hydrogen demand to grow by one million t/year by 2030, centered on energy and power generation uses. Drawing on our resources including our liquid-hydrogen handling technologies, stable supply capabilities, and customer network, our goal is to grow the hydrogen business some tenfold in scale by steadily generating new demand.

[Assumed breakdown of sales scale of ¥200 billion]
 • Sales of hydrogen gas: ¥120 billion
 • Sales of hydrogen-related equipment: ¥80 billion



Sustainable Growth Initiatives

Materiality and SDGs

Based on our corporate philosophy, “Become a person needed by society, as those needed by society can prosper,” the Iwatani Group strives to achieve sustainable growth and to identify solutions to social issues through business activities involving gas and energy.

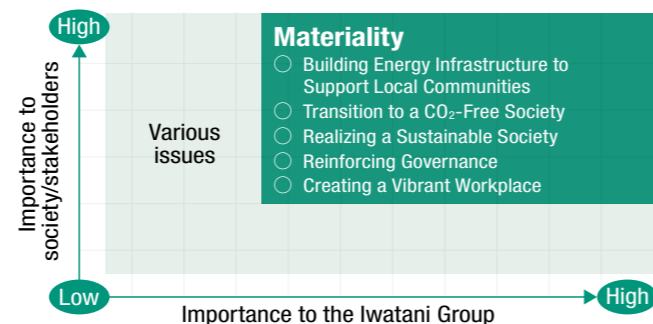
Business Environment	Growth Strategy	Materiality	Major Initiatives	Related SDGs
<p>1 Global trend toward decarbonization and resource-circulating society</p> <ul style="list-style-type: none"> Accelerating energy diversification and shift toward non-fossil fuels, chiefly hydrogen Accelerating technological development and expanding business opportunities to help reduce environmental impact 	<p>Medium-term management plan PLAN23 (2021–2023)</p> <p>Basic Policies</p> <p>Enhancing strategic investment to establish a carbon-free society; promotion of digitization</p> <p>Basic Strategies</p> <p>1. Enhancing initiatives toward a carbon-free society</p> <ul style="list-style-type: none"> Promoting the development of a hydrogen energy-based society Expanding sales of eco-friendly products <p>2. Evolving into an energy & living total service provider</p> <ul style="list-style-type: none"> Expanding the customer base Expanding BtoC business Developing community services based on the Iwatani GateWay platform <p>3. Expanding international businesses</p> <ul style="list-style-type: none"> Enhancing supply structures and manufacturing functions Enhancing the Cartridge Gas business Expanding the Industrial Gases & Machinery business in the United States 	<p>Building Energy Infrastructure to Support Local Communities (P. 27–P. 30)</p> <ul style="list-style-type: none"> Securing lifelines in local communities Building a resilient supply chain Enhancing disaster countermeasures 	<ul style="list-style-type: none"> Expanding use of MaruiGas Developing a stable LPG supply structure The MaruiGas Disaster Relief Corps Support for business continuity planning (BCP) through proposals involving equipment and systems using LPG Disaster preparedness (portable gas cooking stoves and cassette gas canisters and supplies of Natural Mineral Water from Mt. Fuji) Tele-Safe System and Iwatani GateWay 	
<p>2 Accelerating digitalization and emergence of social issues</p> <ul style="list-style-type: none"> Increasing utilization of digital technologies to solve social issues Coordination across industry demarcations and sophistication of lifestyle services through data utilization 		<p>Transition to a CO₂-Free Society (P. 31–P. 34)</p> <ul style="list-style-type: none"> Widespread use and stable supply of clean energy Proposing low-/zero-carbon solutions Expanding use of renewable energy 	<ul style="list-style-type: none"> Generating demand for hydrogen energy Participating in joint industry/government/academia projects Encouraging the transition to alternative fuels (LPG, LNG) Use of the J-Credit scheme Expanding use of biomass fuel 	
<p>3 Global economic recovery, economic growth, and reevaluating supply structures</p> <ul style="list-style-type: none"> Conversion to growth expansion policy after the pandemic Decentralization of production facilities and review of the global supply chain 		<p>Realizing a Sustainable Society (P. 35–P. 36)</p> <ul style="list-style-type: none"> Promoting adoption of products with low environmental impact Stable supply of rare resources 	<ul style="list-style-type: none"> Developing eco-friendly products Ensuring the stable supply of helium Developing and supplying rare mineral resources 	
		<p>Creating a Vibrant Workplace (P. 37–P. 38)</p> <ul style="list-style-type: none"> Developing human resources to support growth strategies Creating workplaces where a diverse range of human resources can engage in active roles 	<ul style="list-style-type: none"> Formulating human resource strategies Training programs to support autonomous career building and employee growth Promoting diversity and inclusion Promoting flexible work styles for employees 	
		<p>Reinforcing Governance (P. 39–P. 40)</p> <ul style="list-style-type: none"> Building a governance system to support sound business activities 	<ul style="list-style-type: none"> Business execution and oversight system Audit system Enhancing risk management system Ensuring thorough compliance 	

Materiality Identification Process



Our stance on materiality

We choose as material items key aspects deemed highly important along the axes of both importance to the Iwatani Group (horizontal axis) and importance to society/stakeholders (vertical axis).



Working toward the Sustainable Development Goals (SDGs)

At Iwatani, we consider a sound understanding of and efforts to achieve the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 essential aspects of identifying materiality. By validating the relationship between each

materiality and the 17 Goals and 169 Targets of the SDGs and identifying which SDGs relate to each materiality, the Iwatani Group will contribute to widespread innovations throughout society.





Building Energy Infrastructure to Support Local Communities

The reliable and uninterrupted supply of energy is essential. As a leading LPG supplier, Iwatani contributes to safety and security in local communities by enhancing networks that ensure the stable supply of fuel and by promoting disaster preparedness.



MaruiGas Supports Households across Japan

Serving more than 3.3 million households* from Hokkaido to Okinawa

As a highly portable and eco-friendly energy source, LPG supports the lives of about one-half of all households in Japan, based on a supply network that covers about 95% of the country which has a highly divergent terrain.

A vital element of community energy infrastructures, LPG is widely used in commercial, industrial, automotive, and other settings. Iwatani supplies LPG under the MaruiGas brand—Japan's leading LPG brand—to more than 3.3 million households and a wide range of other users across the country from Hokkaido in the north to Okinawa in the south. We work to improve supply reliability still further and to continue promoting use of LPG, a general purpose energy source that helps reduce our environmental footprint.

* As of August 2022

The most stable supply structure of LPG in the industry

To maintain a stable supply of LPG, a lifeline infrastructure, we have developed an integrated supply structure for activities ranging from import through delivery to customers. We operate the industry's leading supply network, which includes five import terminals, 96 filling stations, and about 140 distribution centers, to ensure that customers across Japan can use LPG with dependability. We are also enhancing facilities at filling stations across Japan to ensure a stable supply of LPG, even in the event of natural disasters. In addition to seismic retrofitting of our LPG storage and filling facilities, we are enhancing LPG emergency power generators and autogas filling equipment to ensure continuing functionality even in the event of power failures. At centers exposed to high risk of water and wind damage, an increasingly worrying factor in recent years, we carried out construction to increase disaster resilience. These include measures to prevent loss of gas cylinders and lifting electrical equipment further above ground. We will continue to strengthen our supply structure to ensure customers can use LPG with dependability.

Last-Mile Services Utilizing Our Nationwide LPG Network

Logistics network

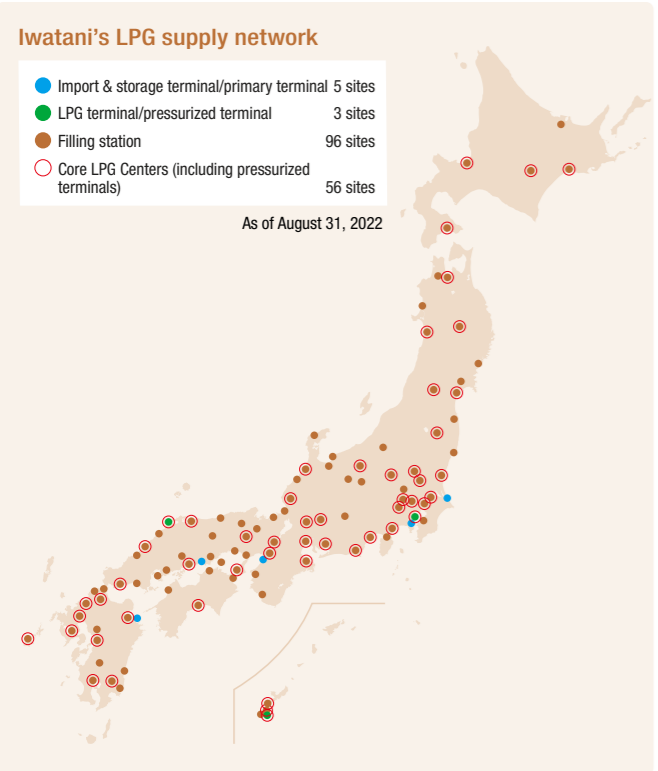
The Iwatani Group has some 140 distribution centers, 2,000 delivery vehicles, and 2,000 delivery personnel. It operates the only logistics network in Japan's LPG industry capable of delivering gas to households across Japan. Our integrated nationwide supply network address activities ranging from imports to delivery. Our strengths include the capacity to deliver LPG safely and reliably across all 47 of Japan's prefectures.

Sales network

Consisting of some 290 sales offices and 3,000 sales personnel, our nationwide network maintains close roots within their communities. As energy professionals, each and every member of sales staff is involved in proposing solutions tailored to customer needs and the needs of the environment, including LPG and renewable energy. An extensive sales network with close roots in local communities offers products and services to support everyday life and help resolve the daily challenges customers face, ranging from portable gas stoves, water heaters, and air conditioning to remodeling and life services.



Highly disaster-resistant Core LPG Center



Monitoring Gas Safety 24 Hours/Day: We Are beside You

Maintenance technologies and expertise to keep gas safe

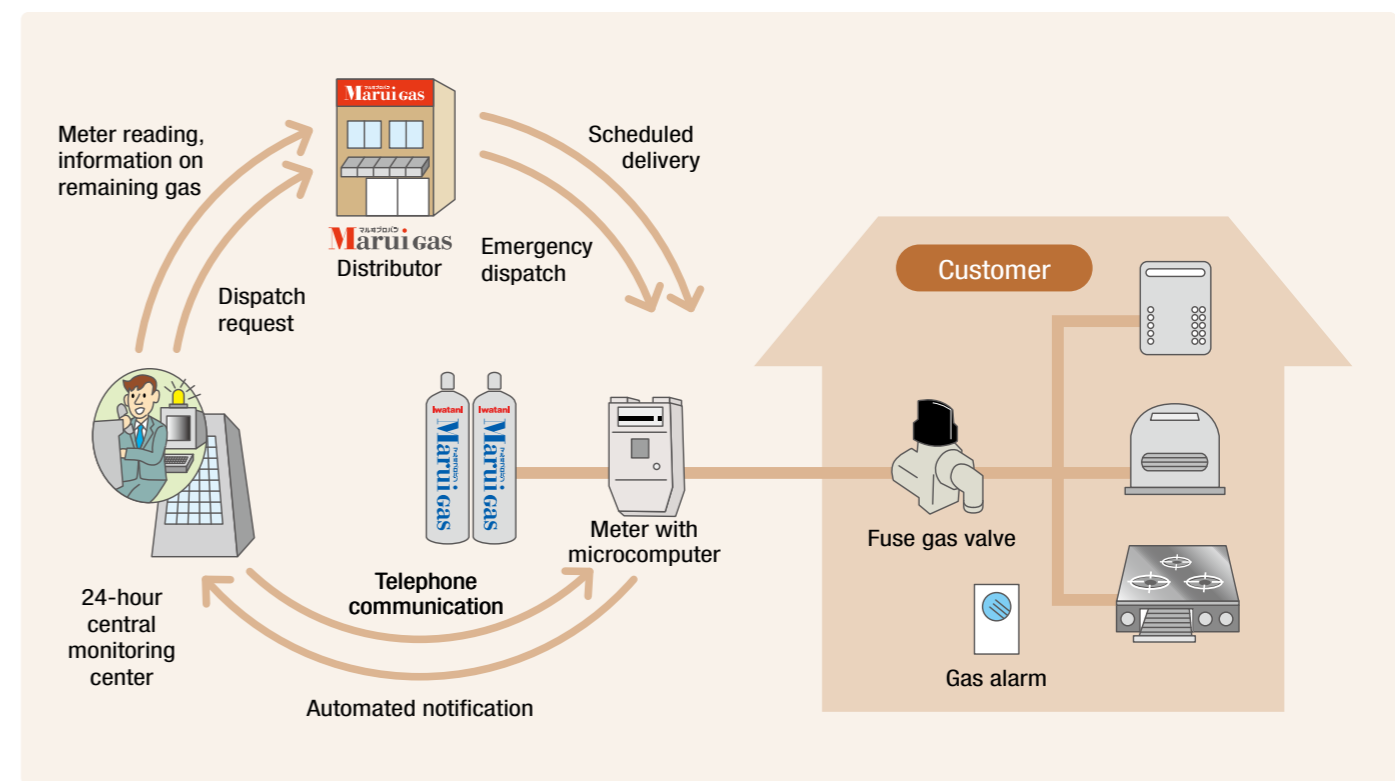
In 1953, Iwatani began selling LPG across Japan as Marui Propane. Over the 70-some years since then, serving more than 3.3 million households as of 2022, MaruiGas as a brand is renowned for its reliability and safety. Based on the safety technologies and expertise refined over the years, we have formulated our own integrated safety standards (Iwatani Safety Specs, or ISS), which we use to raise the level of LPG safety operations. These high-quality, reliable safety services have earned a solid reputation even in the city gas businesses of major power companies in the Kansai and Chubu areas of Japan. The experience and knowhow gained are incorporated into the efforts of Kanden Gas Support Co., a joint venture with the Kansai Electric Power, which supports safe and sound living for customers not just for LPG, but for city gas supply.



Tele-Safe 24-hour central monitoring system

Designed to ensure gas safety in real time, 24 hours a day, 365 days a year, Tele-Safe connects gas meters at customer homes via telecommunications lines to the Iwatani Call Center, a central monitoring center. On detecting a gas leak or other abnormality, the system automatically notifies the Iwatani Call Center. This allows staff to respond quickly. This system also helps avoid interruptions of gas service and allows automated meter readings.

Other services includes Mappy Safe, which sends text notifications to mobile phones if gas abnormalities are detected or if no gas is used for extended periods.





Building Energy Infrastructure to Support Local Communities

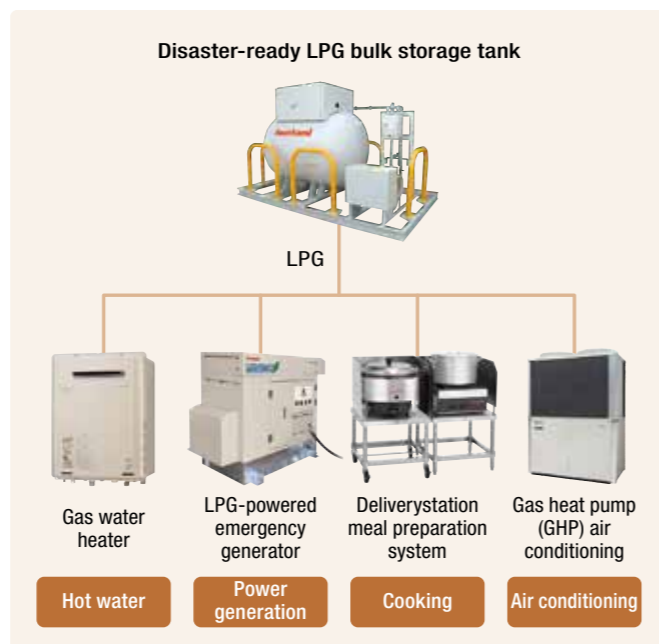
The reliable and uninterrupted supply of energy is essential. As a major LPG supplier, Iwatani contributes to safety and security in local communities by enhancing networks that ensure the delivery and stable supply of fuel and promote disaster preparedness.



Iwatani's Initiatives to Support Everyday Life and Business Continuity in the Event of Emergencies

Disaster-resilient LPG can be used to prepare meals, heat water, and power air conditioning and heating equipment

Large-scale disasters can interrupt the supply of electricity, gas, and other lifeline services. As effective ways to strengthen preparedness for such risks, Iwatani proposes energy systems and equipment that use LPG to a wide range of users, from businesses to local government offices, hospitals, long-term care facilities, and schools as LPG does not depend on supply pipes and is readily deployable after a disaster. LPG-powered emergency generators provide a reliable power source under power failure. Since gas heat pumps (GHPs)—LPG-powered air conditioning systems—enable disruption-free operation of air conditioning in the event of power failures in combination of autonomous power supplies or emergency power generators. As a proprietary solution for emergencies, we bundle an LPG-powered emergency generator, a GHP air conditioning system, a disaster-ready LPG bulk storage tank, and a Deliverystation (a portable large-scale meal preparation system developed jointly with Rinnai Corporation); this combination makes it possible to provide hot meals, hot water, air conditioning, and other essential services when grid-based electricity and city gas are unavailable. In response to the rising incidence of typhoons, heavy rain, and flooding, equipment and systems powered by disaster-resistant LPG offer solutions for rebuilding lives and communities and achieving rapid recovery following a disaster. They are increasingly adopted to play key roles in business continuity planning (BCP).



The Iwatani Emergency Energy System powered by LPG

The MaruiGas Disaster Relief Corps

Established jointly with some 1,250 MaruiGas distributors to ensure rapid LPG recovery in response to disasters, the MaruiGas Disaster Relief Corps is Japan's largest and most unique nationwide private sector disaster prevention organization. Since its establishment in response to the 1995 Great Hanshin-Awaji Earthquake, the MaruiGas Disaster Relief Corps has been mobilized more than 31 times. Deployments have included urgent LPG inspections and recovery work in areas affected by Typhoon Hagibis in 2019 and the Fukushima earthquake in March 2022. Currently, some 3,600 qualified gas technicians from various companies are members of the MaruiGas Disaster Relief Corps. The organization strives to maintain and strengthen its capacity to respond to disasters through annual concurrent nationwide drills.



Scene from a concurrent disaster response drill

Iwatani's portable gas stoves, cassette gas canisters, and Natural Mineral Water from Mt. Fuji useful in stockpiling for disasters

Recommendations call for households to have on hand at least three days' worth of food, drinking water, everyday supplies, portable gas stoves, and cassette gas canisters as emergency supplies in the event of a disaster. As Japan's leading manufacturer of portable gas stoves and cassette gas canisters and as the supplier of Natural Mineral Water from Mt. Fuji, Iwatani promotes more widespread stockpiling of emergency supplies for disasters. To encourage customers to maintain effective stockpiles of cassette gas canisters and natural spring water, we recommend a rolling-stock method based on replenishing and regularly using stocks of these items. We also offer Natural Mineral Water from Mt. Fuji J Packs, which can be stacked vertically and served even without water-serving equipment, making them ideal for emergency stockpiles.



Cassette-Feu Kazemaru III with wind baffles for use under windy conditions



Iwatani cassette gas canister



The Natural Mineral Water from Mt. Fuji J Pack offers ease of use—simply twist the built-in tap.

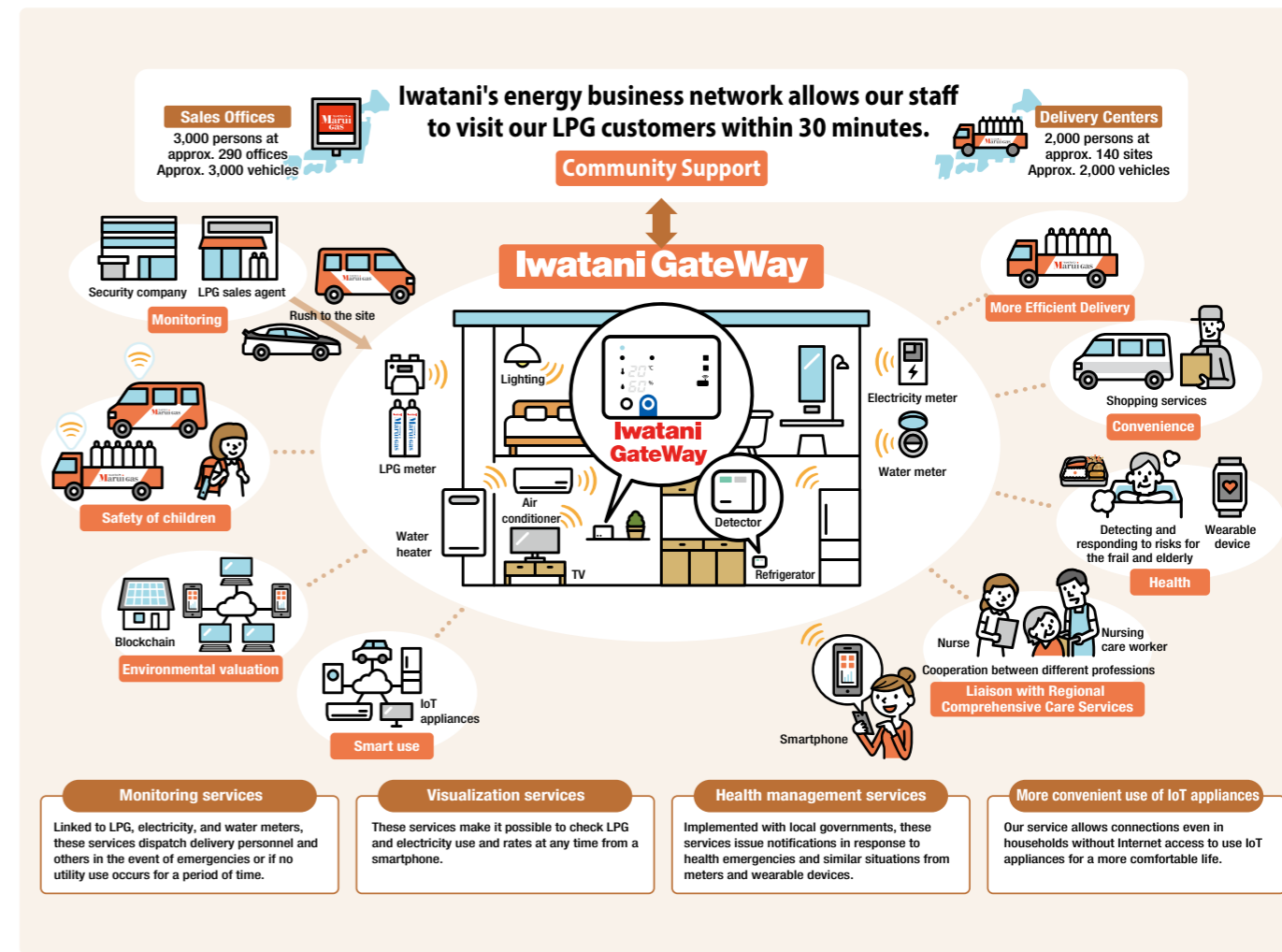
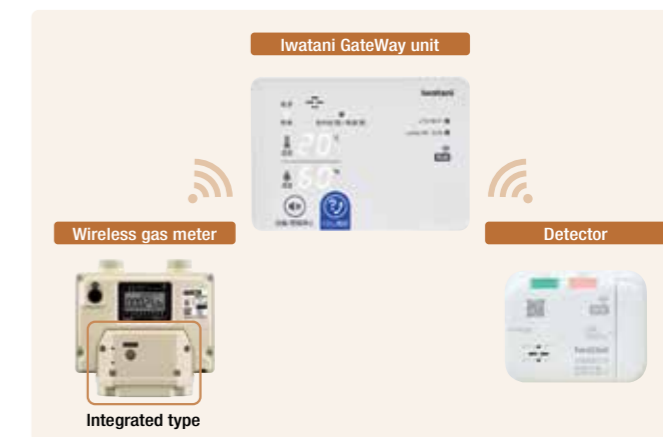


J Packs are designed for stacking even in restricted spaces.

Contributing Solutions to Community Issues through the Iwatani GateWay IoT Platform

We provide the Iwatani GateWay service, an Internet of Things (IoT) platform that adds Internet and information-gathering functionality to household gas alarms. Linking household gas alarms to meters for gas, electricity, water, and other services not only helps prevent gas supply interruptions and improve the efficiency of our LPG delivery services, it also enables response via a consultation service button to various everyday customer concerns. This enhances services that support the lives of community residents. We are also working to apply Iwatani GateWay to allow safety monitoring of frail and elderly users through AI-based analysis of data on customer gas and electricity use. Feasibility testing is also underway on monitoring services for children and seniors and shopping services. In March 2022, we concluded an agreement with the city of Hakui in Ishikawa Prefecture on the adoption of monitoring services. We have also launched efforts to use blockchain technologies for evaluating CO₂-reduction effects to help decarbonize households. We are working to generate environmental value by tracking the self-generated solar power consumed by households.

Our goal is to serve as an essential energy & living total service provider for our communities by delivering a wide range of solutions in response to community issues through joint efforts with local governments.



New services made possible by the Iwatani GateWay IoT platform



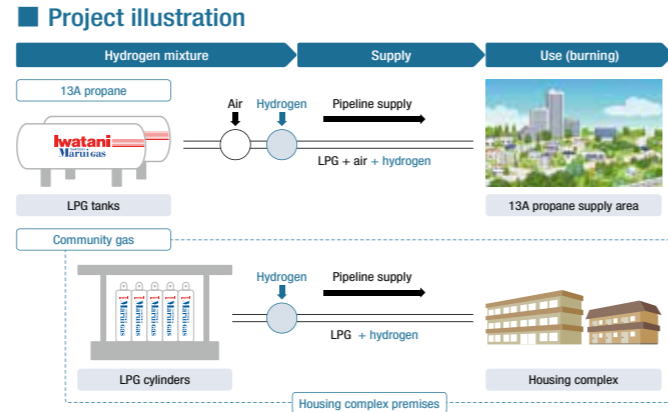
Transition to a CO₂-Free Society

To promote use of hydrogen, which it regards as key to realizing a CO₂-free society, Iwatani is building a network of hydrogen refueling stations and developing technologies for hydrogen use, while also participating in a wide range of large-scale experimental projects.



Hydrogen-LPG Mixed Pipeline Supply

We have begun studying the option of a mixed pipeline supply of hydrogen and LPG. Adopted as a NEDO contracted project, this initiative includes verification of CO₂ reduction effects and the safety of hydrogen-LPG mixed pipelines. Future plans call for testing the feasibility of supplying energy to customers in the city of Minamisoma, Fukushima Prefecture. This will mark the first initiative in Japan that would use existing supply infrastructure and equipment to supply hydrogen to ordinary households through pipelines.

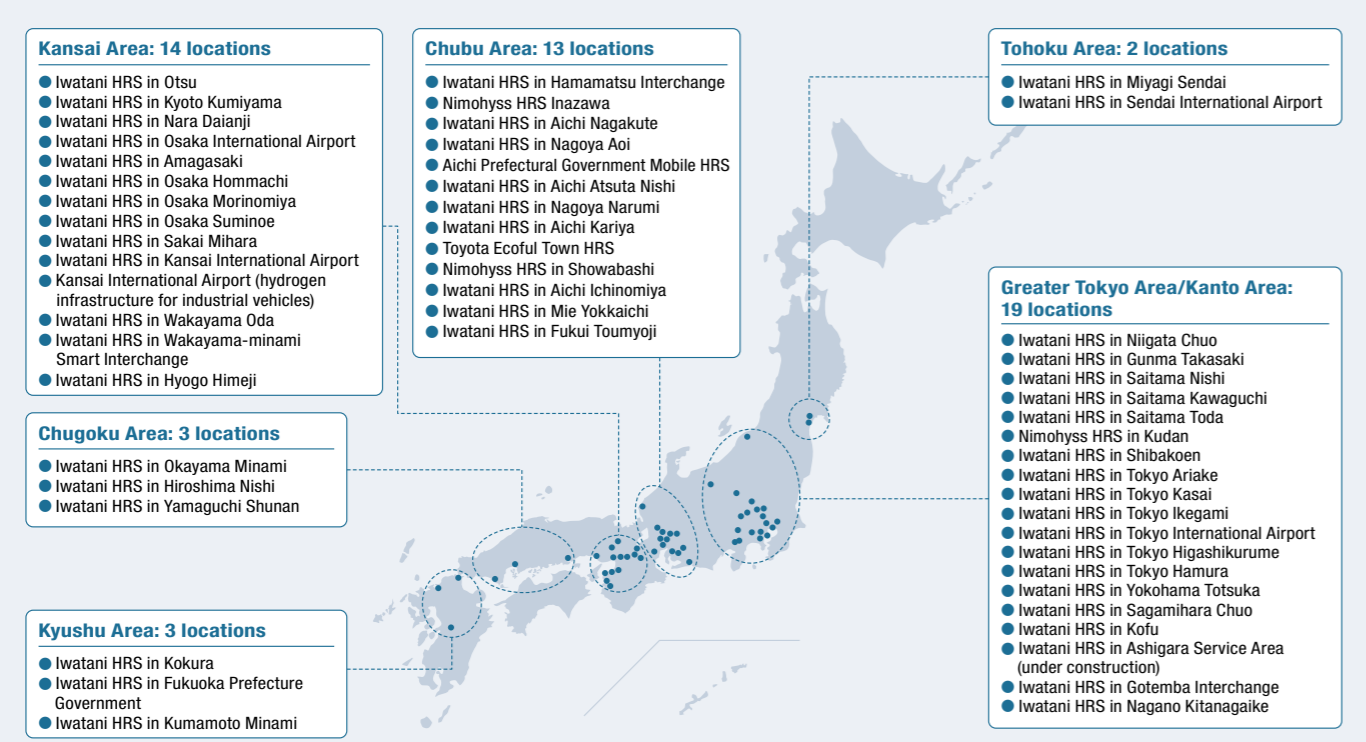


Source: Prepared by Iwatani based on NEDO data

Generating Demand for Hydrogen Energy

Having set the goal of swiftly building a hydrogen energy-based society—one based on the widespread use of fuel cell vehicles (FCVs)—Iwatani is moving forward to develop hydrogen refueling stations across Japan. These stations will serve as essential components of a supply infrastructure that supports the wider use of hydrogen. (As of August 31, 2022, we operated 53 stations in Japan and five in the United States.) Construction is underway on the first hydrogen refueling station in an expressway service area in Japan, which is scheduled to become operational in 2023. We also plan to develop hydrogen refueling stations for FC trucks and other commercial FCVs, for which demand is expected to grow. In October 2021, we opened the Iwatani Advanced Hydrogen

Technology Center, which is designed to play a central role in promoting the development of state-of-the-art technologies in areas such as green hydrogen for decarbonization and high-pressure hydrogen, essential for refueling stations. We have also begun working on the hydrogen vessel concept for the Osaka-Kansai Japan Expo. This project involves building a ship propelled by electric motors fueled by hydrogen with the capacity to transport from 100 to 150 passengers. By transporting passengers between the Expo 2025 venue on an artificial island in Osaka Bay and sightseeing spots around Osaka, this ship will provide a high-profile opportunity to demonstrate the potential of hydrogen energy to observers from across Japan and around the world.



Iwatani Hydrogen Refueling Stations in Japan (as of August 31, 2022)
 *Nimohysss Hydrogen Refueling Stations are operated by Nippon Mobile Hydrogen Station Services, LLC, a joint venture involving Iwatani, Toyota Tsusho Corporation, and Taiyo Nippon Sanso Corporation.

Hydrogen Council

Made up of 141* leading companies from the energy, transport, and manufacturing sectors around the world, the Hydrogen Council seeks to achieve its shared goals by formulating recommendations for hydrogen use and effective action plans in joint efforts with policymakers, hydrogen-using businesses, international organizations, and citizens' groups in various countries. As a member of the Hydrogen Council's steering committee, Iwatani is active in efforts to expand use of hydrogen in Japan through sharing a global hydrogen vision.

* As of August 2022



June 2022 CEO meeting in the US

Japan H2 Mobility, LLC (JHyM)

The JHyM was established in 2018 to develop and efficiently operate hydrogen refueling stations to serve fuel cell vehicles (FCVs) and promote their wider use. Current participants number 32 Japanese companies* drawn from the automotive, energy, and finance sectors, including Iwatani. Iwatani is active in building and operating hydrogen refueling stations and the standardization of related equipment and systems as part of efforts to enhance the hydrogen refueling station network.

*As of August 2022



Press conference announcing establishment of JHyM

Participating in and Organizing Various Councils and Committees

Iwatani participates in and helps establish various organizations to build and grow a society based on hydrogen energy. In the Kansai region, we serve as the secretariat of the Kobe Kansai Area Hydrogen Utilization Council. We are also a member of the Chubu Hydrogen Utilization Council in the Chubu region and the Tokyo Bay Zero Emission Innovation Council in the Kanto region. Through our participation in these organizations, based on knowledge gained to date from activities involving commercial hydrogen, we are pushing ahead with testing and studies to implement hydrogen technologies in society of each region. We also participate in carbon neutral port study committees established by each port and in studies on hydrogen handling in waterfront areas. These committees promote to advance port functions in efforts to achieve carbon zero status in these areas which typically generate significant CO₂ emissions at oil refineries, power plants, and various other facilities.

Japan Hydrogen Association (JH2A)

Established in December 2020 to develop a hydrogen-based society earlier through various practical projects, the Japan Hydrogen Association (JH2A) started operation as a general incorporated association in April 2022. With a membership of 299 companies as of August 2022, including not just energy suppliers, automakers, and manufacturers of various types of related equipment but banks, securities firms, and insurers, the JH2A is a truly nationwide organization. As a corepresentative of the JH2A, we are moving ahead with various energetic initiatives in partnership with other members.



The JH2A delivers its policy proposals to Minister Nishimura of the Ministry of Economy, Trade and Industry.

Fukushima Plan for a New Energy Society

Iwatani also participates in the Fukushima Plan for a New Energy Society, an effort led by the Japanese government and Fukushima Prefecture to test the conversion of electricity generated from renewable energy into hydrogen for storage and use in local communities. In 2018, we built the Fukushima Hydrogen Energy Research Field facility in the town of Namie in Fukushima Prefecture. Developed jointly with the New Energy and Industrial Technology Development Organization (NEDO), Toshiba Energy Systems & Solutions Corporation, Tohoku Electric Power, Tohoku Electric Power Network, and Asahi Kasei Corporation, this facility has the capacity to produce hydrogen equivalent to a 10,000-kW class power plant from solar power and other renewables (up to 2,000 Nm³/hour). Feasibility testing began in FY2020. Hydrogen generated by this facility is being used for fuel cell power generation and to supply hydrogen refueling stations.



Fukushima Hydrogen Energy Research Field

Iwatani Hydrogen Energy Forum

Since 2006, Iwatani has hosted the Iwatani Hydrogen Energy Forum at two venues, in Osaka and Tokyo. These events seek to deepen understanding of the various aspects of a society based on hydrogen energy and provide opportunities for networking to catalyze a shift toward such society. Each Forum includes special lectures and Q&A sessions among participants intended to accelerate the widespread use of hydrogen energy.



The 13th Iwatani Hydrogen Energy Forum



Transition to a CO₂-Free Society

In addition to promoting the use of hydrogen, Iwatani is striving to contribute to a CO₂-free society by drawing on its store of expertise and networks to help customers reduce their CO₂ emissions through a wide range of business activities.



Encouraging the Transition to Alternative Fuels

Iwatani is currently focusing on proposing to various industrial users a fuel transition from coal and petroleum to LPG and liquefied natural gas (LNG). LPG and LNG offer low CO₂ emissions, and dependable supply thanks to abundant underground reserves. Adopted alongside boilers, gas cogeneration systems, gas heat pump (GHP) air conditioning, high-efficiency water heaters, and other gas devices and systems intended to improve operational efficiency, LPG and LNG will cut costs and strengthen business continuity planning (BCP) solutions, in addition to reducing environmental impact. Our integrated LPG and LNG supply network provides comprehensive support for this fuel transition, from stable supply to equipment improvements and maintenance.



Cogeneration system



Gas heat pump (GHP) air conditioners

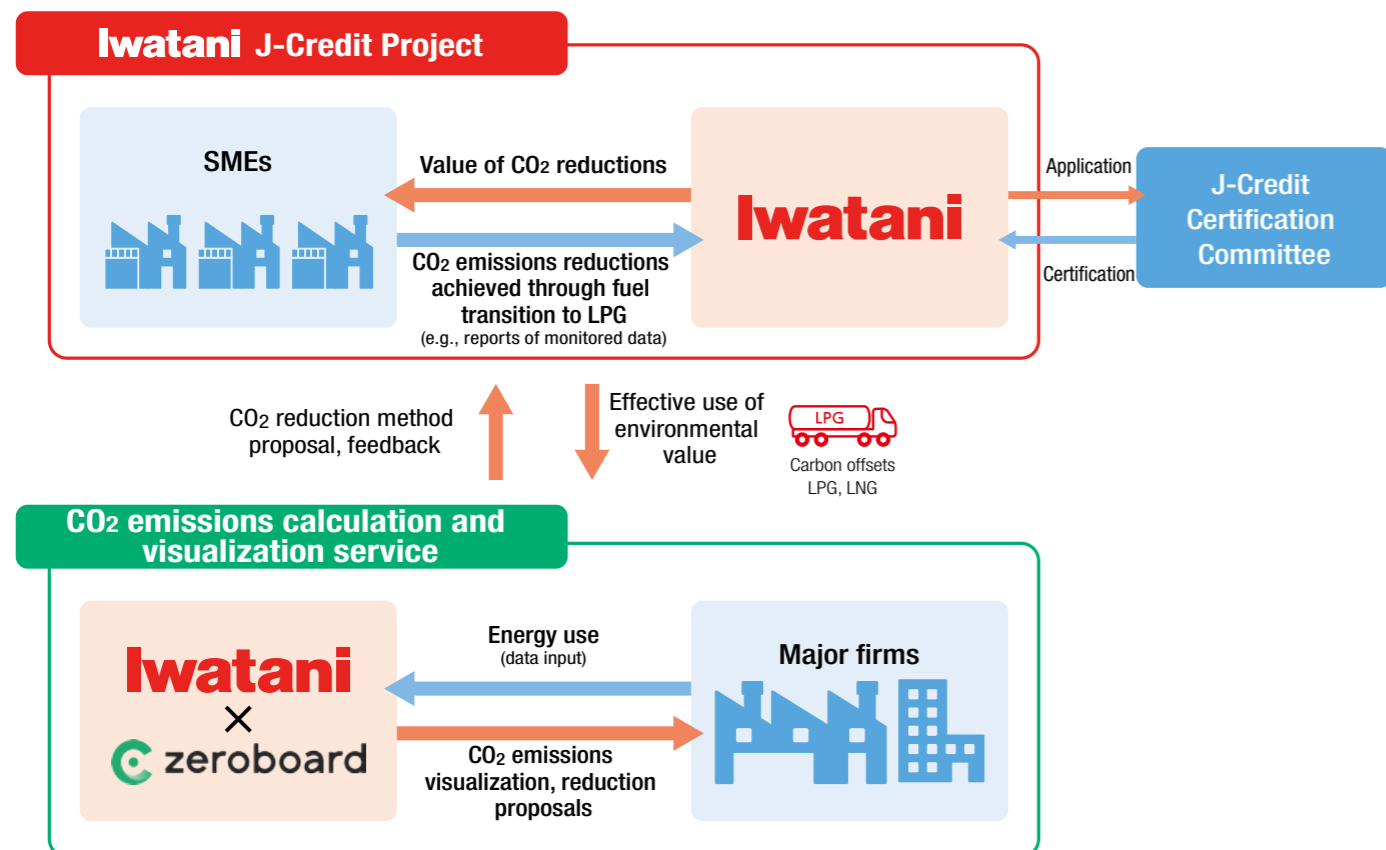
The Iwatani J-Credit Project

Iwatani has launched a new service based on the J-Credit scheme* to promote CO₂ reductions among customers across Japan, chiefly SMEs. This initiative promotes the transition from heavy oil and kerosene to LPG and LNG and converts the resulting CO₂ emissions reductions to credits. Returning the value of CO₂ reductions will encourage further efforts by SMEs and we will utilize the resulting credits effectively.

* J-Credit scheme: Scheme operated by the Ministry of the Economy, Trade and Industry, the Ministry of the Environment, and the Ministry of Agriculture, Forestry and Fisheries to certify, as credits (environmental value) the greenhouse gas emissions reductions and absorption effects of measures such as energy-saving and renewable energy based equipment adoption and forest management.)

Services for Calculating and Visualizing CO₂ Emissions

In cooperation with Zeroboard Inc., we provide customers, chiefly in manufacturing industries, with services to visualize the CO₂ emissions generated from their own business activities (Scopes 1 and 2) and from their entire supply chains (Scope 3) based on the GHG Protocol international standard. This service makes it possible to manage use of gas, electricity, and other utilities in the cloud, simplifying and integrating the management of the emissions calculation process. In the future, we will propose more effective and systematic CO₂ reductions by adding a CO₂ reductions simulation feature.



Biomass Fuel is a Renewable Energy Source

Biomass power generation generates electricity by burning plant-sourced organic resources (biomass). It has drawn attention as a stable source of renewable energy as it does not depend on weather conditions. Iwatani imports palm kernel shells (PKS) and wood pellets from Southeast Asia as biomass fuels. It supplies high-quality biomass fuels to biomass power plants in Japan through quality control using the analytical technologies of the Iwatani R&D Center. We will contribute to increased use of biomass fuels through various means, including investment in the Tahara Biomass Power Station (in Aichi Prefecture), planned to start operation in 2025.

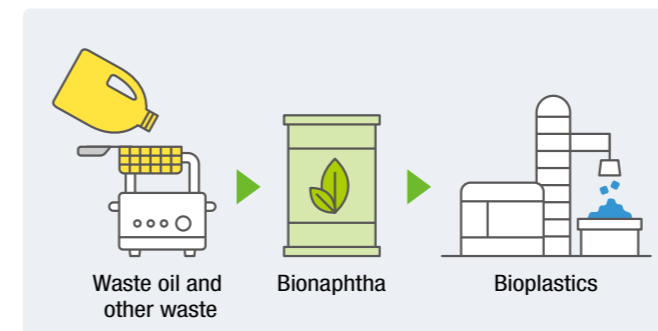


Palm kernel shells (PKS) for use as biomass fuel

Biomass PP, PE, and PS Resin Initiatives

Iwatani has supplied biopolypropylene (PP), biopolyethylene (PE), and biopolystyrene (PS) products since 2021. These products are made using as a raw material bionaphtha produced from renewable resources such as waste and oil residue. In addition to mass-balance products certified under the ISCC PLUS program* as containing 100% biomass materials, we have also begun efforts to secure sources of rare physically-segregated products such as bioPP and bioPE.

* International Sustainability and Carbon Certification (ISCC) PLUS certification: This ISCC certification program is intended to manage and guarantee products produced using biomass and renewable materials based on the mass-balance method, reflecting consideration for the balance between total resource inputs and shipments sold across the supply chain.



Hydrocut® Eco-Friendly Mixed Fusing Gas

Developed and produced by Iwatani, Hydrocut® eco-friendly mixed fusing gas is made by mixing ethylene with a base of hydrogen gas, which generates zero CO₂ emissions, to enhance performance while reducing environmental impact. This can cut CO₂ emissions by some 84% compared to conventional acetylene (comparisons based on LCA calculations). Offering outstanding safety and workability, Hydrocut® alleviates flashback, soot, and radiant heat, helping to improve working conditions across a wide range of industries, including steel, shipbuilding, construction, and automotive industries.



Hydrocut®

The GX League Concept

Iwatani supports the concept of the GX League, established by the Ministry of the Economy, Trade and Industry as an opportunity for companies to pursue green transformation (GX) to deliberate on reforms to a whole economic and social system and put into practice efforts to create new markets. In this way, in addition to efforts to reduce our own CO₂ emissions, we are also striving toward carbon neutrality throughout whole society.

Institute of Japan Green LPG Promotion

The newly established Institute of Japan Green LPG Promotion was formed by five LPG importers and distributors to promote projects to improve the environmental performance of LPG. We play a central role in its initiatives. Through the Iwatani R&D Center and the Iwatani Advanced Hydrogen Technology Center, we are advancing R&D to establish new technologies and aim for early demonstration, such as propane and butane, to produce LPG by synthesizing hydrogen with CO₂. This will improve the environmental performance of the LPG industry.



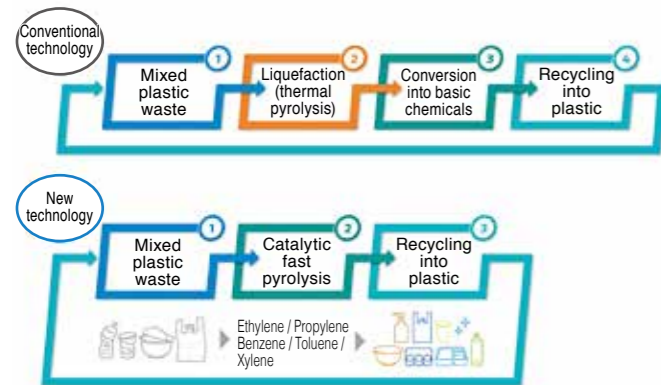
Realizing a Sustainable Society

Aiming for environmental preservation, Iwatani works constantly on issues related to stable procurement and reliable supply of the resources and raw materials essential to society's progress.



Recycling Used Plastics

In June 2020, R Plus Japan, Ltd., a company established by Iwatani in partnership with 12 other companies, began activities related to used plastics recycling. Harnessing recycling technologies developed by US biochemical startup Anellotech Inc., the company applies chemical methods to recycle plastics including PET bottles directly into raw materials. Since this method requires fewer steps than conventional methods, it helps minimize CO₂ emissions and energy use. To contribute solutions to plastics issues, R Plus Japan is currently seeking to commercialize its recycling technologies by 2027.



Process flowchart

Initiatives to Develop a Regenerative Medicine Industry

Seeking to build and commercialize a structure for low-temperature logistics for regenerative medicine products and cell therapy via ultra-low temperature technologies developed in our Industrial Gases Business, Iwatani is moving forward with joint efforts with various partners, including joint R&D with universities and business and capital alliances with startups. In February 2022, the Iwatani R&D Center established Life Science Research Laboratory equipped with facilities to reproduce and evaluate the sequence of processes from cell culture through freezing, storage, and transport. We plan to use this laboratory to accelerate the development of the products and services needed to develop a regenerative medicine industry and to develop new products and services for the bio and life sciences field. These measures are part of efforts to contribute to the progress of regenerative medicine and cell therapy.



Life Science Research Laboratory at the Iwatani R&D Center

Eco-Friendly PET Resins

Iwatani is actively developing and deploying PET resins that have low environmental impact. We have developed and brought to market biomass resin, a plastic made by replacing monoethylene glycol, which accounts for 30% of all raw materials in conventional resins, with plant-sourced materials. We have also developed a highly recyclable aluminum catalyst resin that has been adopted as a new resin to promote PET recycling. We are also planning to introduce aluminum catalyst biomass resins that take advantage of the features of both biomass resin and aluminum catalyst resin to realize both reduced CO₂ emissions and high recycling rates.



Bottles made of biomass PET

Ensuring the Stable Supply of Helium

Essential in state-of-the-art technologies and healthcare, helium is a rare natural resource produced in a handful of countries. Iwatani seeks to ensure a dependable supply of helium by procuring it from two countries, Qatar and the United States, from whom we have secured direct importing rights. Our organization includes two of Japan's largest helium centers: the Tokyo Helium Center (in Inashiki-gun, Ibaraki Prefecture) and Osaka Helium Center (the city of Osaka), further stabilizing supply capabilities. Each uses high-efficiency helium recovery equipment to cut losses during filling processes to one-eighth previous levels and to make the most effective use of this rare resource. In addition, the Tokyo Helium Center uses equipment that allows production of ultra-high purity (99.99999%) helium gas with a purity of the industry's highest standards. Iwatani plans to introduce this dependable supply of helium to meet growing demand not just in Japan, but in other markets, including China, Southeast Asia, and United States.



Tokyo Helium Center

Supplying Rare Mineral Resources

In 1952, Iwatani became Japan's first company to import the rare resources of mineral sands (zircon and titanium ore). In 2001, we acquired a mineral sands mine in Australia. In addition to being the only company in Japan to own its own mineral sands mine, we are the exclusive agent in Japan for sales of zircon from resource giant Rio Tinto, part of efforts to ensure stable supplies as a leading player in the mineral sands business. As part of efforts to protect the environment and preserve biodiversity, in addition to afforestation activities on former mine sites, we have launched work to restore mines to their original state as farmland.



Inland Aquaculture Initiatives

We are growing our business supporting inland aquaculture industry to contribute to achieving the SDGs in various ways, including preserving the ocean environment and securing stable supplies of foods in Japan. To ensure an efficient supply of the oxygen essential to inland aquaculture, we use high-density oxygen solutions equipment that maintains an optimal density of dissolved oxygen. This helps realize sustainable seafood production by increasing yields.



Green Procurement

Based on customer demand, Iwatani undertakes studies and reports throughout the entire supply chain to ensure that the products we deliver do not contain or use chemicals specified by customers. We also share the green procurement guidelines provided by customers with our suppliers to contribute to greener supply chains.

Securing Rights to Titanium Ore from Europe

Through investment in the Norwegian resources firm Nordic Mining ASA, we have secured rights for Japan to high-purity titanium ore from a new mining concession to begin operation in 2024, as the second site of our mineral sands business, after Australia. This will contribute to supplies of important minerals, since high-purity titanium ore, used in aircraft parts and other applications, are rare with low production volumes around the world. This project marks a pioneering global step in green titanium materials mining, realizing a level of zero CO₂ emissions in various ways, including use of electricity from renewable energy (hydroelectric).



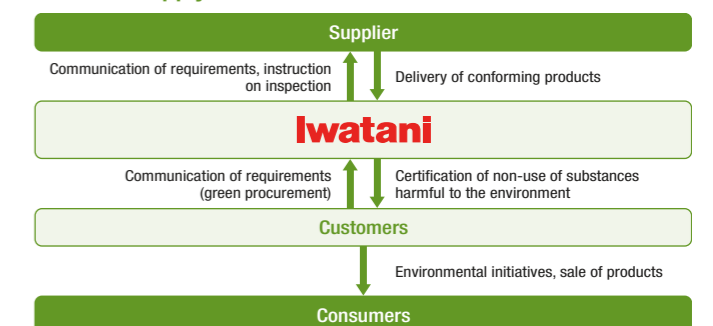
Quality Assurance

The Iwatani Group has established the Iwatani Group Quality Policy based on its corporate philosophy: Become a person needed by society, as those needed by society can prosper. In line with this policy, the Quality Assurance Management Department works with the departments responsible for individual products in continual efforts to improve product quality, safety, and reliability to ensure Iwatani will continue to be chosen by society.



The Iwatani Group Quality Policy

Green supply chain





Creating a Vibrant Workplace

For the sustainable growth and development of our company, it is indispensable for each and every employee to demonstrate their individual abilities to the maximum. We respect individuals, and strive to create workplaces in which our diverse human resources can thrive.

Related SDGs



Human Resource Strategy

Based on our human resource strategy and reflecting our vision toward a century anniversary, we are implementing various measures toward organizational and human resource development to tackle the challenges of creating new value. As initiatives linked to our PLAN23 medium-term management plan, we are advancing various efforts based on the theme of developing human resources and building organizations to support sustainable growth, including thoroughgoing reforms to our training programs to support autonomous career development and promoting diversity and inclusion. We create corporate value through building organizations able to tackle challenges, as each and every employee builds his or her own career.

Human Resource Development

Basic concept

Our HR system is intended to foster a sense of responsibility and job motivation in each and every employee to build an organization characterized by solidarity that embodies our corporate philosophy, precepts, and the Iwatani spirit. The HR system realizes sustained growth and maturation of businesses and individuals by supporting the success of both business strategies and self-realization. Our goal is to build a corporate culture conducive to synergy effects across the organization, as employees work together across hierarchical and organizational boundaries rather than being confined to assigned roles.

HR evaluation system

Under a basic concept involving remuneration and evaluation based on improvements in demonstrated capabilities, performance of roles, and growing successful results, our HR evaluation system is intended to appreciate and reward human resources who seek out challenges by moving forward toward lofty goals with motivation and to contribute to the Company's progress. This point-based system, which values the strengths of people, involves the appropriate hiring and placement of diverse human resources best-suited to their individual roles to maximize both capabilities and motivation to tackle challenges for employees as well as organizations. It also provides evaluator training for managers to ensure that they manage the HR system to achieve fair and accurate evaluation linked to management and business plans while using the system as a management tool for development of subordinate personnel.

Support for autonomous career development

Autonomous career development by employees is essential to ensuring that our human resources can continue to meet society's needs as called for in our corporate philosophy. Support for autonomous career development is one of our priorities. We published a booklet for employees to enable autonomous career development by each and every employee, the Career Design Book. This booklet summarizes the career stages in the Company, the expectations and growth requirements for employees in each stage, and growth opportunities.

Stage	Expectations	Growth requirements <small>(using skills for identifying business opportunities as an example)</small>
Become a Member	Becoming members of Iwatani Corporation	Understanding Iwatani's value and the roles of individual sections Understanding Iwatani's businesses and business processes, understanding the value we provide and how we do so, and understanding the roles their own sections are expected to play in the entire organization
Lead the Self	Becoming independent individuals	Envisioning new value Being sensitive to trends in society and across the organization and envisioning and communicating new value provided by Iwatani and the ideal state of the organization
Lead the People	Becoming human resources capable of inspiring those around them	Proposing new value Developing innovations to meet the needs of society, customers, and employees while developing practical plans and proposals based on them
Lead the Team	Becoming leaders who can inspire team solidarity	Creating new value Developing innovations with business impacts and engaging in trial and error involving internal and external stakeholders
Lead the Society	Building businesses and organizations to meet society's needs	Building organizations to create new value Fostering an organizational culture conducive to innovation

Iwatani's career stages

Training to support individual growth

Iwatani offers two types of training programs: mandatory training for all employees and elective/selective training. Mandatory training provides all employees with opportunities to learn the fundamental stances and portable skills for their career stages. Elective/selective training is intended to improve employee knowledge progressively in accordance with individual interests and dreams, by providing opportunities for all employees to learn as single-subject students in business school.

	Mandatory training	Elective/selective training	Other experience
Younger employees	Become a Member Training Lead the Self Training		
Mid-level employees	Assessment Training 1 Assessment Training 2	External training Various business skills and management skills Examples: • Critical thinking • Accounting • Organizational/HR management, etc.	<ul style="list-style-type: none"> Internal knowledge-sharing Secondment to Group companies Secondment to other companies Study abroad
Managerial level	Lead the Team Training Lead the Society Training	External training • Business management training • Global leadership training	<ul style="list-style-type: none"> Internal knowledge-sharing Secondment to Group companies

Training concepts

Diversity and Inclusion

Basic concept

Diversity management that draws out the full capabilities of diverse employees will enable Iwatani to continue meeting societal needs. Accordingly, we are pursuing various initiatives to promote diversity and inclusion. We published a message from the President on the subject in March 2022, as we seek to make further progress toward being a company capable of continuing to create new value.

Basic policies

- Fostering a culture open to differences**
A culture that welcomes diverse points of view, where psychological security is ensured
- Increasing employee performance by realizing diverse work styles**
Establishing and utilizing systems to realize diverse work styles
- Facilitating value creation by capitalizing on differences**
An organization in which people can tackle challenges without fear of failure, with lively expression of different opinions and ideas

Major initiatives

Organizational culture

To be an organization capable of continuing to create new value, we are promoting efforts in areas such as workplace promotion of women and people with disabilities, participation by men in raising children, and more diverse work styles. We are increasing employee understanding of diversity and inclusion through internal training on the subject.

Promoting women in the workplace

Through proactive hiring of women, support for balancing work and life events, and broader choices of work styles, we are enhancing efforts to promote the role of women in the workplace. As of April 1, 2022, women made up 6.5% of managers, and we are implementing a wide range of initiatives including measures targeting younger and midlevel staff to increase the percentage of women in management. In addition, under our Plan of Action for a General Employer we are making progress on building workplaces in which women can demonstrate their individuality and capabilities to the fullest.

Employment and promotion of people with disabilities

We are proactively hiring employees with disabilities through both new graduate and midcareer hiring programs. As of April 1, 2022, those with disabilities accounted for 2.6% of employees—a level higher than the percentage required by law. We are also making progress on improving working environments and providing various kinds of support to enable employees with disabilities to demonstrate their capabilities to the maximum.

Support for flexible work style and career continuity

To realize sound work-life balance while increasing both employee satisfaction and motivation, we have introduced various programs to expand the range of choices available for flexible workstyles and continual employment, in addition to enhancing programs related to childcare and long-term care.

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

Programs related to supporting continual employment	Details
Program for changing forms of employment	Employees may apply for changes to their forms of employment and transfers to desired locations in response to life events (such as marriage, a spouse's transfer, or the need to provide long-term care for a family member).
Re-employment program for those who left work for reasons of marriage, childcare, or a spouse's transfer	Office working employees in non-career track are eligible for reemployment through a registration and screening process after leaving for reasons related to marriage, childcare, or a spouse's transfer.
Leave program for a spouse's transfer	When it would be difficult for an employee to continue working due to accompaniment of a spouse on a transfer, the employee may take up to three years of leave.

External Evaluations

Platinum Kurumin

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



Eruboshi

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





Reinforcing Governance

We develop and maintain corporate governance structures and strive to raise employee awareness to secure sound management and to fulfill our corporate social responsibilities.



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

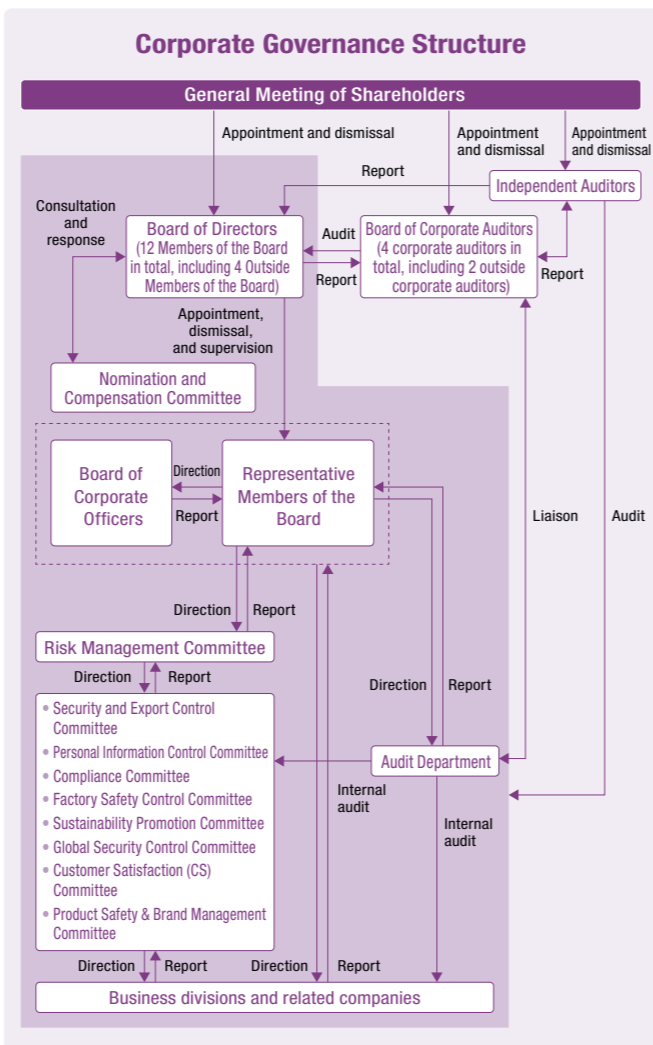
In June 2021, Iwatani established a voluntary Nomination and Compensation Committee as an advisory body to the Board of Directors. This body consists of three or more Members of the Board, a majority of whom, including the chair, are Outside Members of the Board. The goal is to enhance fairness, transparency, and objectivity in procedures related to decision-making on the appointment, dismissal, and compensation of Members of the Board and auditors and to strengthen corporate governance, through consultation with this Committee.

Audit System

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

Basic Policies

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



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

Risk Management System

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

Specialized individual committees

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

Compliance

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

Compliance Committee

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

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

Prohibition of bribery and corruption

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

Internal awareness-raising activities

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



Executive Structure

(As of June 22, 2022)

1 Akiji Makino

Chairman and CEO

Career history, status, responsibilities

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

Reasons for appointment

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



Shares held

65,077 shares

2 Toshio Watanabe

Vice Chairman

Career history, status, responsibilities

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

Reasons for appointment

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



Shares held

43,293 shares

3 Hiroshi Majima

President

Career history, status, responsibilities

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

Reasons for appointment

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



Shares held

17,410 shares

4 Makoto Horiguchi

Vice President, Member of the Board

Career history, status, responsibilities

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

Reasons for appointment

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



Shares held

16,572 shares

5 Itaru Okawa

Senior Managing Officer, Member of the Board

Career history, status, responsibilities

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

Reasons for appointment

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



Shares held

12,983 shares

6 Manabu Tsuyoshi

Senior Managing Officer, Member of the Board

Career history, status, responsibilities

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

Reasons for appointment

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



Shares held

7,634 shares

7 Hiroshi Fukushima

Senior Managing Officer, Member of the Board

Career history, status, responsibilities

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

Reasons for appointment

After filling key posts in the Ministry of Economy, Trade and Industry including Director-General for Technology Policy Coordination and Industrial and Product Safety, Minister's Secretariat, Mr. Hiroshi Fukushima joined the Company in November 2019 and was in charge of Safety & Environment and Hydrogen Energy. Since April 2020, he, as Senior Managing Officer, has been responsible for the Energy and Industrial Gases businesses, and in charge of Safety & Environment and Hydrogen Energy to yield significant results for the enhancement of the corporate value of the Group.



Shares held

1,911 shares

8 Hirozumi Hirota

Senior Managing Officer, Member of the Board

Career history, status, responsibilities

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

Reasons for appointment

Mr. Hirozumi Hirota has extensive work experience in the Industrial Gases & Machinery and Integrated Energy Businesses. Since January 2021, he, as Senior Managing Officer, has been in charge of the Energy division to yield significant results for the enhancement of the corporate value of the Group.



Shares held

13,455 shares



Executive Structure (As of June 22, 2022)

9 Shinji Murai

Outside Member of the Board

Career history, status, responsibilities

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

Reasons for appointment

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



Shares held

5,232 shares

10 Shosuke Mori

Outside Member of the Board

Career history, status, responsibilities

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

Reasons for appointment

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



Shares held

2,103 shares

11 Hiroshi Sato

Outside Member of the Board

Career history, status, responsibilities

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

Reasons for appointment

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



Shares held

742 shares

12 Hiroyuki Suzuki

Outside Member of the Board

Career history, status, responsibilities

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

Reasons for appointment

Mr. Hiroyuki Suzuki has engaged in the management of a general pipe manufacturer developing a wide range of production and sales of pipes home and abroad. He also served as Representative Director of Kansai Association of Corporate Executives (general incorporated association). He has extensive experience and broad insight concerning corporate management as a whole. The Company expects him to properly supervise the Company's management from an independent position as Outside Member of the Board and to give advice on management policies and strategies as well as on global business development, contributing to the enhancement of the corporate value of the Company.



Shares held

0 shares

Audit & Supervisory Board Members

1 Toyofumi Ohama

Audit & Supervisory Board Member (Full-time)

Career history, status, responsibilities

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



Shares held

20,736 shares

2 Naoki Iwatani

Audit & Supervisory Board Member (Full-time)

Career history, status, responsibilities

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



Shares held

19,198 shares

3 Yoshinori Shinohara

Audit & Supervisory Board Member (Outside)

Career history, status, responsibilities

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



Shares held

7,052 shares

4 Yasushi Yokoi

Audit & Supervisory Board Member (Outside)

Career history, status, responsibilities

March 1982	Registered as Certified Public Accountant (current position)
May 2001	Representative Partner, Asahi & Co. (currently KPMG AZSA LLC)
July 2008	Board Member, KPMG AZSA & Co. (currently KPMG AZSA LLC)
July 2010	Board Member, General Manager of Osaka 2nd Business Division, KPMG AZSA LLC
July 2012	Senior Executive Board Member in charge of Diversity and General Manager, Nagoya Office, KPMG AZSA LLC
July 2017	Senior Executive Board Member, Head of Diversity and Head of Tokai area, KPMG AZSA LLC
June 2021	Audit & Supervisory Board Member (current position)



Shares held

557 shares

Skill Matrix

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



Executive Structure (As of June 22, 2022)

Compensation of Members of the Board and Audit & Supervisory Board Members

(1) Basic policy

To develop a compensation scheme to serve as an incentive to sustained growth in corporate value and reflect the medium-term management plan, in its meeting held June 22, 2022 the Board of Directors approved a policy on the details of compensation and other treatment of individual Members of the Board.

Overview

Compensation of Members of the Board consists of fixed compensation and bonuses as compensation linked to business results and share-based compensation. The 79th Annual General Meeting of Shareholders held June 22, 2022, approved fixed compensation and bonuses not to exceed the maximum of ¥1.4 billion/year (including a maximum of ¥150 million for Outside Members of the Board) for Members of the Board, excluding the portions of compensation for employee duties of Members of the Board serving concurrently in employee positions. In addition, the 69th Annual General Meeting of Shareholders held June 26, 2012, approved fixed compensation and bonuses not to exceed the maximum of ¥300 million/year for Audit & Supervisory Board Members. To enhance the fairness, transparency, and objectivity of procedures related to compensation and other treatment of Members of the Board, the Company has established a Nomination and Compensation Committee of which a majority of membership consists

of Outside Members of the Board. The Board of Directors has delegated to Chairman and CEO Akiji Makino all authority for making appropriate decisions on fixed compensation and bonuses for individual Members of the Board within the limits on total compensation amounts described above, in consultation with the Nomination and Compensation Committee. Compensation of Audit & Supervisory Board Members is determined through consultation among Audit & Supervisory Board Members. On the question of share-based compensation, the 76th Annual General Meeting of Shareholders held June 19, 2019, approved the adoption of compensation in the form of shares of transfer-restricted stock. Specific conditions on the timing of payment and distribution to individual eligible Members of the Board are decided by the Board of Directors in consultation with the Nomination and Compensation Committee, within the approved compensation limit (up to ¥260 million/year).

Compensation structure	Details
Fixed compensation	Paid monthly in fixed amounts, with consideration for the years of experience of each Member of the Board and job grades reflecting matters such as the scope of his or her duties and responsibilities, as reward for efforts toward sustained corporate growth and increasing corporate value.
Compensation linked to business results	Using the target key performance indicators in the medium-term management plan as shared performance benchmarks for all Members of the Board (excluding Outside Members of the Board), general bonus amounts are determined through consideration of the degree of achievement of these targets, and bonuses are paid at fixed times each year. These numerical targets were chosen as indicators of business performance because they are considered appropriate medium-term incentives to realize sustained growth in corporate value.
Share-based compensation	This compensation program awards shares of transfer-restricted stock to Members of the Board (excluding Outside Members of the Board) as incentives toward sustained growth in corporate value and to promote further sharing of value with shareholders. Numbers of shares awarded to each Member of the Board are decided by the Board of Directors after the Annual General Meeting of Shareholders with consideration for the years of experience of each Member of the Board and job grades reflecting matters such as the scope of his or her duties and responsibilities, to increase motivation toward sustained corporate growth and increasing corporate value, and the shares are awarded within one month after this decision.

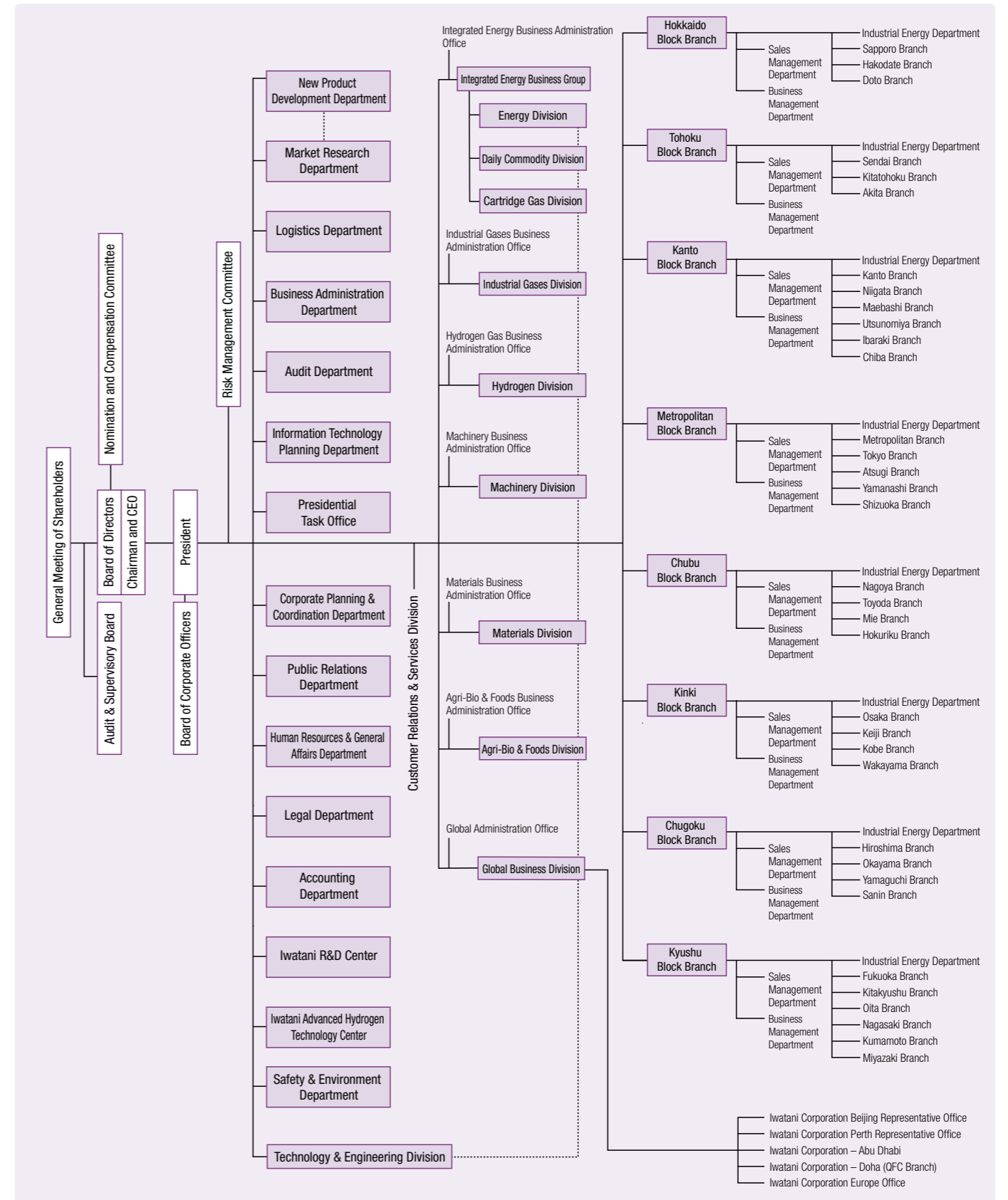
(2) Total compensation by class of Member of the Board, total amounts by type of compensation and numbers of subject Members of the Board

Class of Member of the Board	Total amount of compensation (¥ million)	Total amount by type of compensation (¥ million)			Number of subject Members of the Board
		Fixed compensation	Compensation linked to business results	Nonfinancial compensation (share-based compensation)	
Members of the Board (excluding Outside Members of the Board)	1,304	724	522	57	10
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	142	142	—	—	2
Outside Members of the Board	89	89	—	—	3
Outside Audit & Supervisory Board Members	64	64	—	—	3
Total	1,600	1,020	522	57	18

Executive Officers

Title	Name	Duties	Title	Name	Duties
Senior Managing Officer	Takashi Kamekura	General Representative, China (President, Iwatani (China) Ltd.)	Managing Officer	Masao Hirashima	General Manager, Business Administration Department
Senior Managing Officer	Yasuhisa Ueda	General Manager, Industrial Gases Division	Managing Officer	Kenji Takayama	General Manager, Corporate Planning & Coordination Department
Senior Managing Officer	Tetsuo Matsuo	General Manager, Accounting Department	Managing Officer	Jun Matsubara	General Manager, Presidential Task Office and Human Resources & General Affairs Department
Managing Officer	Yasushi Sakai	General Manager, Cartridge Gas Division, Integrated Energy Business Group	Executive Officer	Tomohiko Takehana	Seconded to Shanghai Iwatani Co., Ltd. (President/President, Jiaxing Iwatani Industrial Gases Co., Ltd.)
Managing Officer	Yasushi Onuki	General Manager, Global Business Division	Executive Officer	Atsuhisa Saito	General Manager, Industrial Energy Department, Energy Division, Integrated Energy Business Group
Managing Officer	Kouji Kobayashi	General Manager, Agri-Bio & Foods Division	Executive Officer	Takeshi Nakada	General Manager, Energy Department, Energy Division, Integrated Energy Business Group/General Manager, Transformation Project Taskforces Office
Managing Officer	Hiroyuki Yano	General Manager, Machinery Division	Executive Officer	Hirofumi Uchida	General Manager, Market Research Department
Managing Officer	Kenji Motoori	General Manager, Materials Division	Executive Officer	Isamu Yoshida	Seconded to Iwatani Agri Green Co., Ltd. (President)
Managing Officer	Masato Nishimura	General Manager, Chubu Block Branch	Executive Officer	Kunihiko Koike	General Manager, Iwatani R&D Center/Director, Iwatani Advanced Hydrogen Technology Center
Managing Officer	Hisayuki Shimizu	Seconded to Enelite Corporation (President) / Enelite Carrier Co., Ltd. (President) / Tokyo Auto Gas Co., Ltd. (President) / Negishi Liquefied Gas Terminal Corporation (President)	Executive Officer	Naoki Wada	General Manager, Kinki Block Branch
Managing Officer	Wataru Isshiki	General Manager, Customer Relations & Services Division	Executive Officer	Kazutaka Yokoya	General Manager, Metropolitan Block Branch
Managing Officer	Joseph S. Cappello	General Representative, US (Chairperson and CEO, Iwatani Corporation of America)	Executive Officer	Yoshikuni Yamada	General Manager, Information Technology Planning Department
Managing Officer	Naotami Miyagaki	General Manager, Chugoku Block Branch			

Organizational Chart (as of April 1, 2022)



Integrated Energy

Business Overview



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

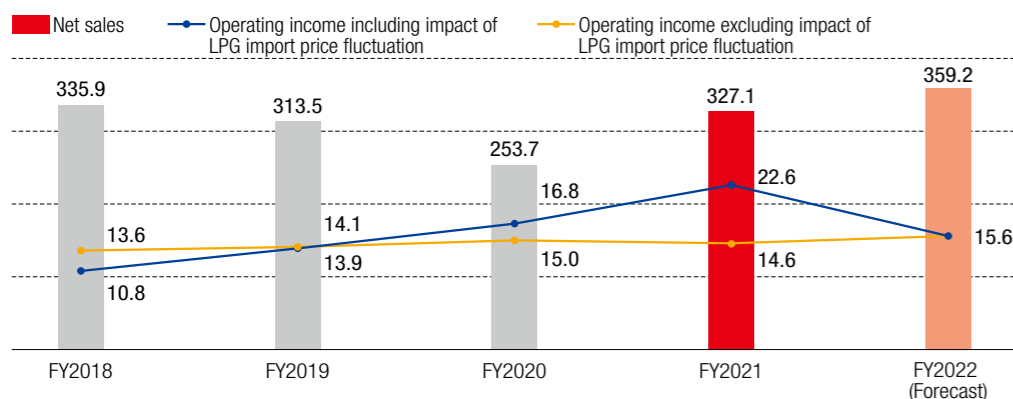
The Integrated Energy business delivers consumer and commercial LPG under the MaruiGas brand to households and businesses across Japan. It also offers industrial LPG and LNG for factory use. In addition, we provide customers with portable gas cooking stoves, cassette gas canisters, Natural Mineral Water from Mt. Fuji, and other products essential to daily life, as well as gas equipment and safety inspection services for city gas that form part of the essential infrastructure of daily life.

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

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

Business highlights and position

Trends in net sales and operating income (¥ billion)



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

Sales composition

Energy-related equipment

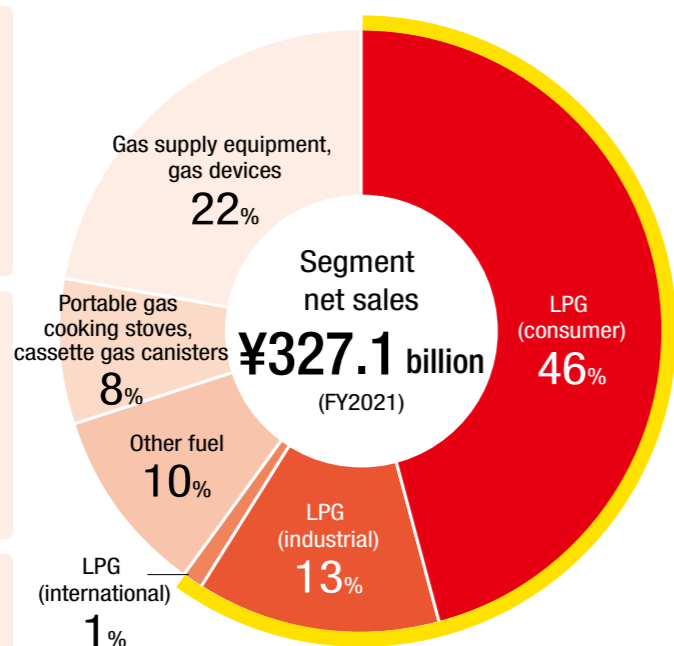


Portable gas cooking stoves, cassette gas canisters

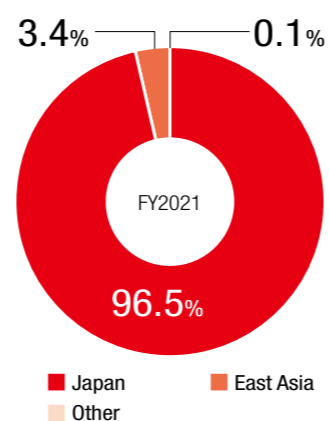


Other fuel

● LNG ● Kerosene



Sales composition by region



LPG

From import through delivery to customer households

Strengths, Opportunities, Risks

Strengths

- LPG last-mile services, stable supply structure**
 - As a leading player in the LPG field, we operate a stable supply structure for deliveries to customers across Japan, including five import terminals, 96 filling stations, and 140 distribution centers.
 - We support living and business continuity planning (BCP)—for example, promoting the adoption of LPG-powered emergency generators—to ensure disaster preparedness.
 - In the event of a disaster, the MaruiGas Disaster Relief Corps, made up of Marui-Kai members from across Japan, rushes to the scene to inspect and restore LPG service.

Opportunities

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

- Capacity to propose optimal energy mixes for decarbonization purposes**

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

- Business infrastructure for solutions to community issues**

- Our broad-ranging support structure for solving the issues faced by communities and customer households draws on a sales force of approximately 3,000 persons at about 290 sales offices across Japan, together with the digital solutions made possible by the Iwatani GateWay platform.

Risks

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

Business Capital Serving as Sources for Value Creation

Iwatani's nationwide real contact network

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

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

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

Distribution centers

- Approx. 140 sites
- Approx. 2,000 employees
- Approx. 2,000 vehicles

Sales offices

- Approx. 290 sites
- Approx. 3,000 employees
- Approx. 3,000 vehicles

Iwatani GateWay

- Community Support
- Smart Use
- Customer with Request
- Disaster Relief
- Emergency Services
- Water meter
- Smart meter
- Smart home
- Smart car
- Smart city
- Smart factory
- Smart agriculture
- Smart energy
- Smart mobility
- Smart infrastructure
- Smart environment
- Smart security
- Smart health
- Smart education
- Smart entertainment
- Smart services
- Smart products
- Smart solutions
- Smart innovations
- Smart future

Building a unique platform for the real and digital solutions based on the LPG business

Japan's leading LPG dealership network, and largest customer base (Marui-Kai)

- Expanding the customer base through our brand power and strengths in safety



A Marui-Kai general meeting

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

- Quality control and brand power based on integrated production and sales structures
- The capacity to develop new products reflecting customer needs

Number of cassette gas canisters sold in China

Year	Number of canisters (Millions)
2010	10
2011	12
2012	15
2013	18
2014	22
2015	25
2016	30
2017	35
2018	40
2019	45
2020	50
2021	55

Market share (Japan)

- Portable gas cooking stoves: 85%
- Cassette gas canisters: 70%

(As of March 31, 2022)

Total domestic and international sales volume (FY2021)

- Portable gas cooking stoves: 4,585 million
- Cassette gas canisters: 154 million

Business expansion in the US and Southeast Asia

Priority Measures

Growing the foundations of the LPG business

Undertaken under the MaruiGas brand, our LPG gas business is a core Iwatani business that has played a central role in supporting everyday lives. We have built a customer base grounded in Japan's highest market share and delivered value to society through efforts that ensure a stable supply of LPG to customers. As the trend in decreasing population continues in Japan, a shortage of successors has emerged as a pressing issue among LPG retailers in rural communities. To ensure the uninterrupted supply of LPG to customers, we are taking over the function of retail distribution, thereby maintaining the regional LPG supply. In light of the large numbers of small-scale retailers, the need to improve efficiency has been a longstanding issue for the LPG industry. We plan to fully leverage the network we have built up over many years to streamline and consolidate various aspects of the industry, including distribution and logistics. To support sustainability in the lives of our customers and to deliver new value to the community, we will continue to strengthen our retail business structure.

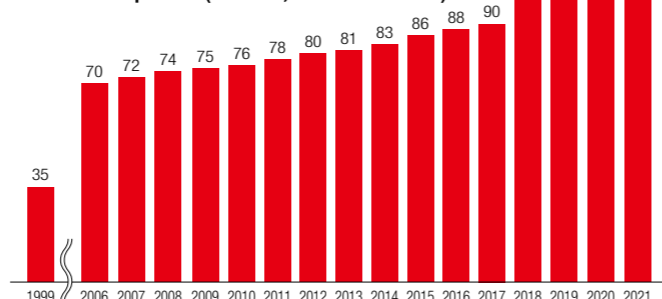
Iwatani's LPG sales

	Retail	Wholesale
Industry ranking	No. 1 / 16,825 companies	No. 1 / 1,100 companies
Market share	4.3%	13.3%
Households using MaruiGas (unit: 10K)	103	320

(As of March 31, 2022)

Enhancing earning potential by streamlining the retail business, centered on M&A activities

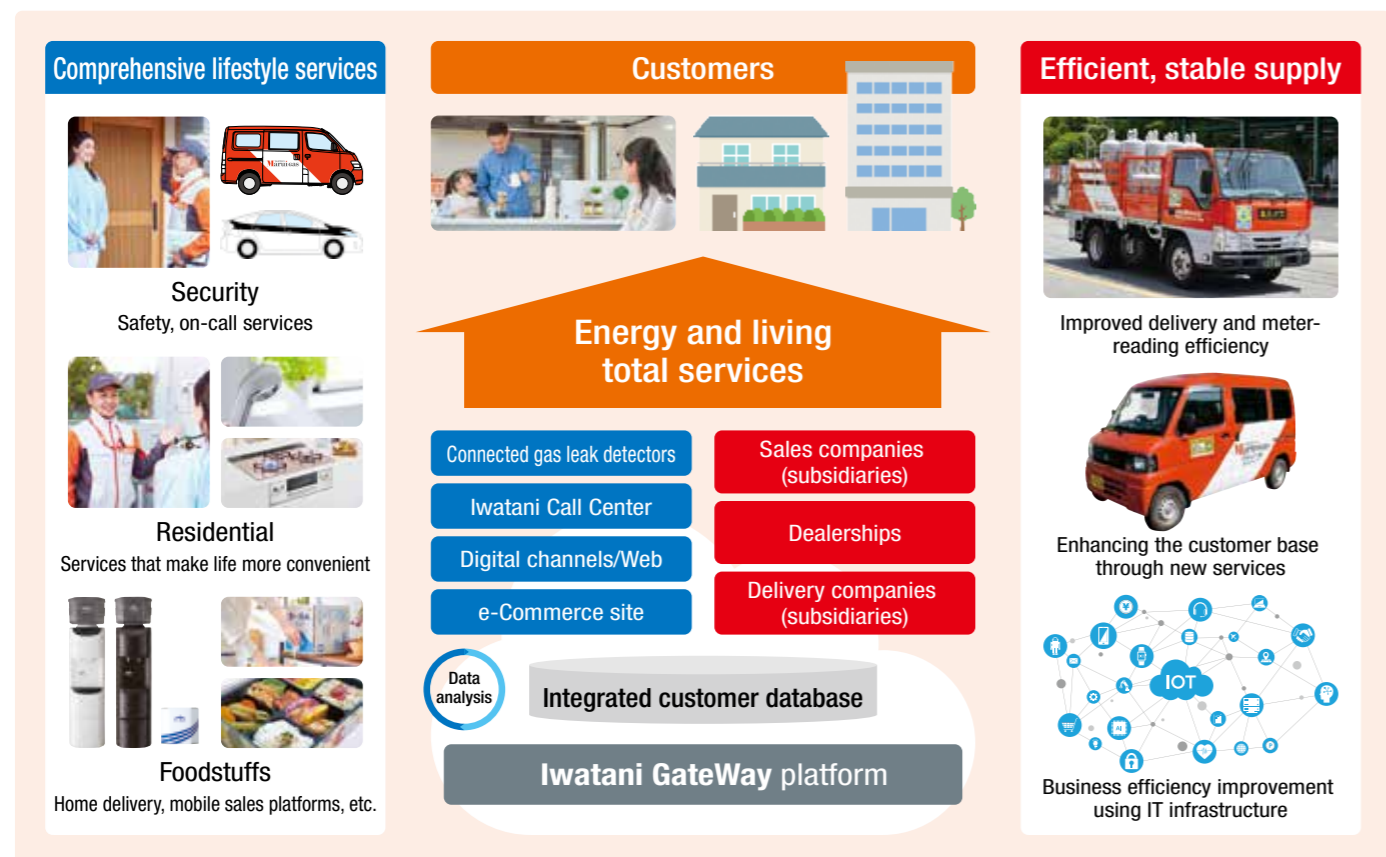
Trend in numbers of customers for directly operated sales companies (unit: 10,000 households)



Evolving into an energy & living total service provider

Drawing on our powerful LPG network to advance digitalization as a nationwide platform, we are pursuing structural reforms that will deliver comprehensive solutions to community issues, including decarbonization. Based on Iwatani GateWay, in addition to streamlining logistics and other operations in LPG supply, we

deliver a broad range of services to support everyday lives, including community safety and shopping services. By enhancing these services, we plan to strengthen customer satisfaction among existing customers as we evolve into an energy & living total service provider that will be chosen by our communities.



Promoting industry decarbonization as an LPG leader

As an industry that handles fossil fuels, the movement toward carbon neutrality is a pressing issue in the LPG business. As an industry leader, in addition to identifying courses of action toward solutions, we respond to customer decarbonization needs by providing a wide-ranging decarbonization support, including optimal energy conservation solutions, fuel transition to lower-CO2 LPG and LNG, and proposals for the adoption of solar power and other renewables. We have also begun using the J-Credit scheme to leverage LPG to support decarbonization activities among our customers. Over the medium to long term, we are seeking to decarbonize LPG itself. Related initiatives include R&D on producing green LPG using hydrogen and biomass, and tests to assess the feasibility of supplying mixed LPG and hydrogen to households via pipelines. Iwatani will further grow its businesses by building on our strengths as professionals capable of leading decarbonization efforts in the LPG industry, based on our capacity to propose diverse solutions.



Cartridge Gas business: Introducing new products in the domestic market while expanding sales in growing overseas markets

1 Capturing demand for outdoor and emergency use

We take pride in our overwhelming market share in markets for portable gas cooking stoves and cassette gas canisters which have helped households for more than a half century. To grow demand for new applications, we focus on product development to meet emerging and growing needs related to outdoor recreational activities and for emergency use.

2 Sales expansion to China, Southeast Asia, and North America

Our international business growth has focused on the China market since we began manufacturing and selling portable gas cooking stoves and cassette gas canisters in Zhuhai, China in 1996. In the future, while promoting our competitive products, which have been sophisticated over a long history of sales in Japan, in markets such as Taiwan and Southeast Asia where consumer demand is expected to grow, we also will introduce new products in North America, which has a large market for outdoor goods.



FORE WINDS Folding Camp Stove



Cassette gas outdoor torch burner



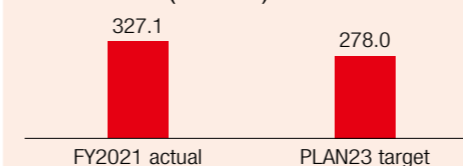
New products made in Japan for the US market



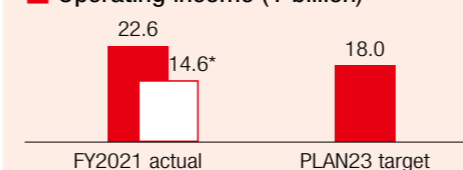
In a Japanese department store (Malaysia)

KPIs of the medium-term management plan

Net sales (¥ billion)



Operating income (¥ billion)



* Excluding impact of LPG import price fluctuation

KPI		FY2021	PLAN23
Number of LPG direct sales customers (10,000 households)		103	110
	Number of units equipped with Iwatani GateWay (thousand units)	290	550
Portable gas cooking stoves (thousand units)	Japan	2,525	3,500
	Overseas	2,060	3,000
Cassette gas canisters (thousand units)	Japan	95	120
	Overseas	60	60

Industrial Gases & Machinery

Business Overview



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

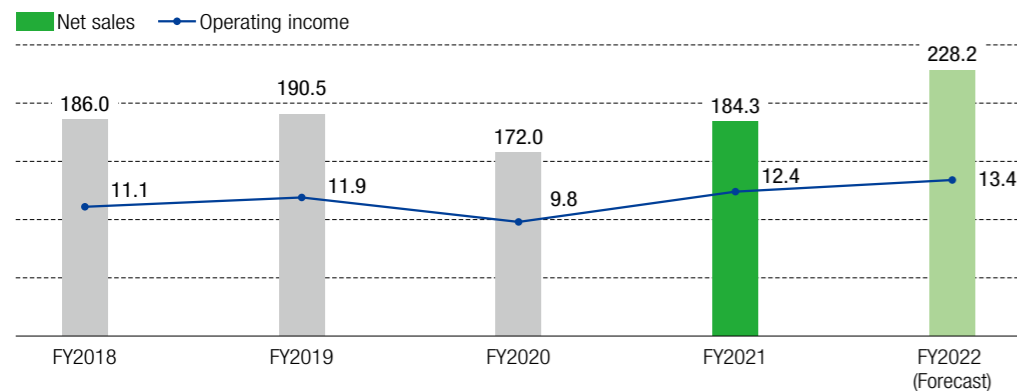
The Industrial Gases & Machinery business consists of the Industrial Gases business, whose products include air separation gases (oxygen, nitrogen, and argon), hydrogen, helium, carbon dioxide, semiconductor material gases, and medical gases, and the Machinery business, which includes production and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

Yasuhisa Ueda Senior Managing Officer
General Manager, Industrial Gases Division

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

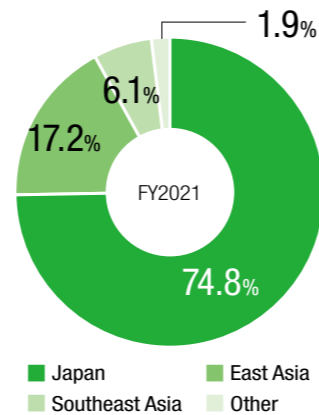
Business highlights and position

Trends in net sales and operating income (¥ billion)

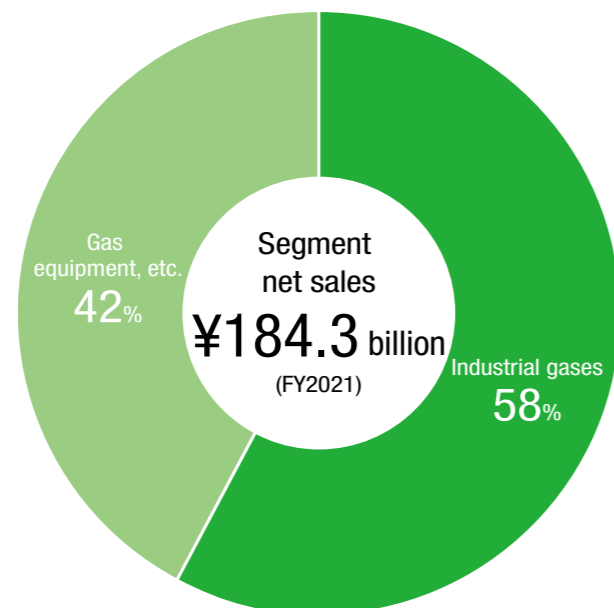


* The Accounting Standard for Revenue Recognition and other accounting standards have been applied since FY2021. Figures shown for FY2020 have been restated through the retroactive application of these accounting standards.

Sales composition by region



Sales composition

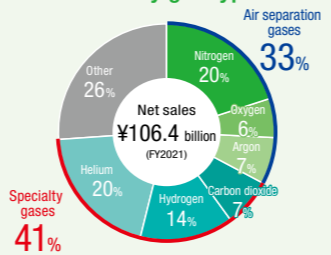


Market share of specialty gases

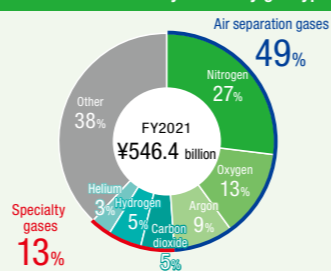
- Hydrogen (incl. liquid hydrogen) approx. 70% in industry **No. 1**
- Liquid hydrogen 100% in industry **No. 1**
- Helium approx. 50% in industry **No. 1**

Source: Gas Georama in Japan 2022, Company estimates

Breakdown by gas type



Breakdown of industry shares by gas type



Source: Gas Georama in Japan 2022

Strengths, Opportunities, Risks

Strengths

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

- Capacity to propose solutions to specific customer challenges**
 - A wide range of gas application technologies, including low-carbon and zero-carbon solutions
 - Capacity to propose comprehensive solutions with integration of diverse industrial gases and machinery and equipment
- Technological development capabilities of the Iwatani R&D Center and the Iwatani Advanced Hydrogen Technology Center**
 - See "Technological Development Sites that Support Iwatani's Strengths in Technology" on p. 59.

Opportunities

- Advancing automation, labor saving, and decarbonization in manufacturing
- Manufacturing growth in China and Southeast Asia

Risks

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

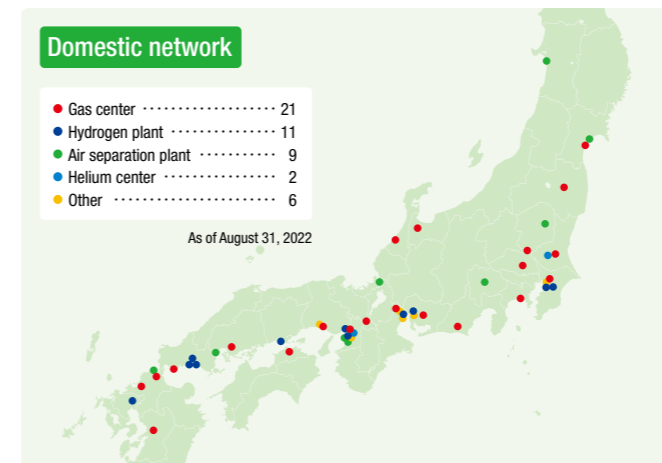
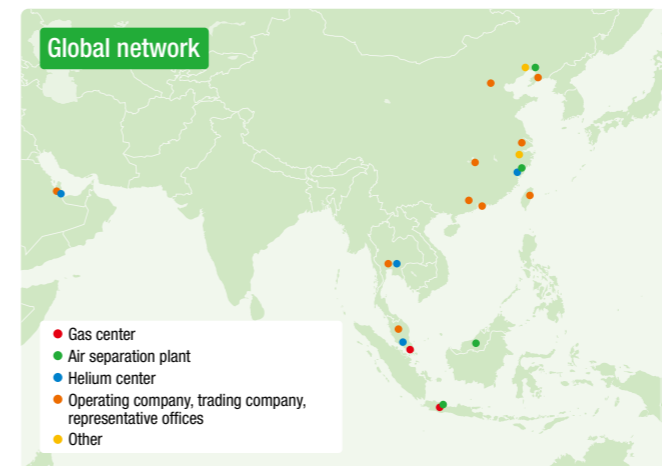
Business Capital Serving as Sources for Value Creation

Safe, precise, and speedy gas supply and service network

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

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

- Capacity to propose solutions backed by the gas handling technologies, extensive track record in their adoption, and integrated capabilities from design through maintenance accumulated over many years
 - Continuing development of new gas technologies while responding swiftly to customer needs and issues
- Example: Ozone passivation surface-treatment technologies using high-density ozone; high-density oxygen solution equipment, which is seeing increasing use in inland aquaculture; liquid nitrogen and storage containers used to freeze and store regenerative medical products such as cells



Comprehensive abilities combining gases with machinery

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



Priority Measures

International business expansion through strategic investment

To achieve medium- to long-term business growth, the Industrial Gases business is actively expanding in the markets of North America, China, and Southeast Asia. We are entering North America, among the largest industrial gases markets, by leveraging our special strengths in hydrogen and specialty gases. These efforts began with the acquisition of an industrial gases dealership in 2019, and in January 2022 we began selling helium in North America. We plan to accelerate this expansion by enhancing the industrial gases

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

China, Southeast Asia

- Enhancing supply structure
 - Expanding existing ASUs, helium centers, etc., and opening new facilities
- Growing sales of air separation gases, helium, etc.

North America

- Expanding in the world's largest market
 - Growing sales of helium and other specialty gases
 - M&A activities targeting gas companies

Strengthening existing businesses by expanding sales in growth markets

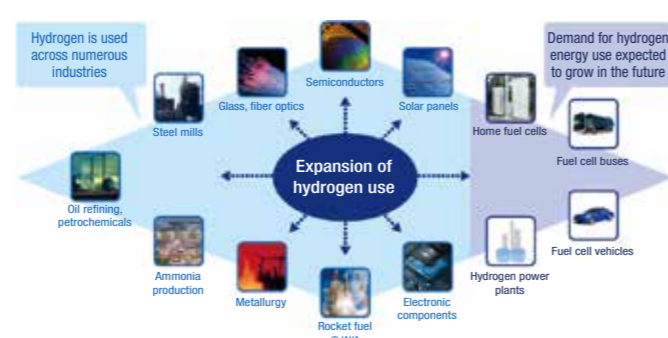
In light of changing conditions in society and rising environmental awareness around the world, there are expectations for growth in various areas, including the information technology and telecommunications fields (e.g., electronic components and semiconductors), next-generation automotive technologies, regenerative medicine, and

decarbonization. By leveraging our strengths in areas such as gas supply and application development, and our capacity to link the industrial gases and machinery businesses, we will grow this business through proposing optimal solutions suited to customer needs.

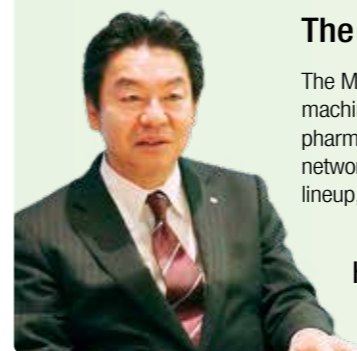
Growing the hydrogen business

Customer adoption of liquid hydrogen is growing, centered on industrial fields, thanks to its suitability for large-scale storage and supply and its high purity (99.9999% or better). We are the sole supplier of liquid hydrogen in Japan, and through its promotion and expansion our share of the Japanese hydrogen market has grown to some 70 percent. We will continue striving to increase use of hydrogen through means including development of hydrogen applications while also growing the business in scale, in response to growing demand for hydrogen energy.

See "Establishing a hydrogen energy-based society" on p. 23.



Business Overview: Promoting the Machinery Business to Grow the Businesses of the Group as a Whole



The Machinery Division will drive business growth

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

Hiroyuki Yano Managing Officer
General Manager, Machinery Division

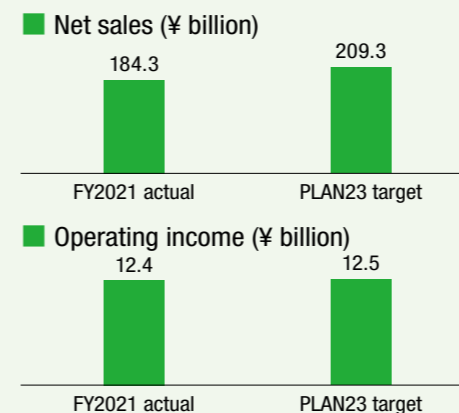
The Machinery Division is active in machinery and equipment related to production lines, including welding machinery and robotics. Among its strengths is the capacity to directly ascertain what customers need even before production activities begin. In addition to identifying customer needs and proposing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

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

Iwatani's machinery lineup



KPIs of the medium-term management plan



KPI	FY2021	PLAN23 target
Sales volume of air separation gases (100 million m ³)	16.7	17.0
Direct sales volume of helium (ratio vs. FY2020)	1.1	1.3
Sales volume of liquid hydrogen (million m ³)	71	90
Cumulative number of hydrogen refueling stations built	Japan	53
	Overseas	5
		83
		23

Materials

Business Overview



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

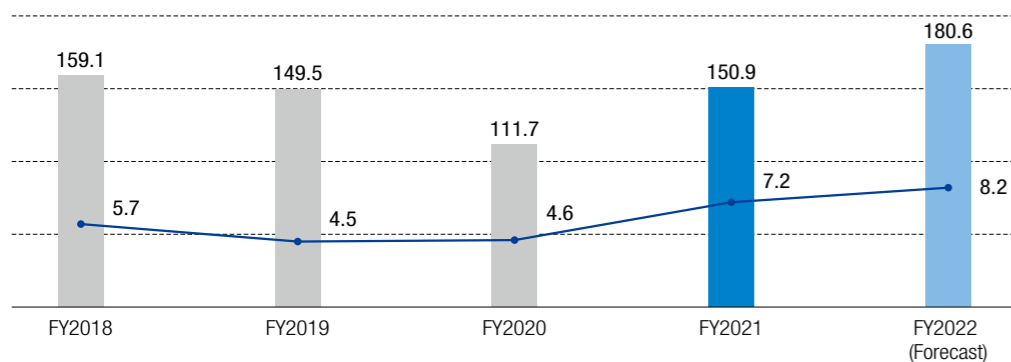
The Materials business was an early actor in developing mineral resources, including mineral sands, and related applications. Our emphases are procurement and development of functional plastics, advanced metals, and other resources essential to the environmental, electronics, and automotive fields. It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

Kenji Motoori Managing Officer
General Manager, Materials Division

- Main products**
- Eco-friendly PET resins (biomass PET resins, aluminum-catalyst PET resins)
 - Palm kernel shells (PKS)
 - Battery-related materials (lithium, cobalt)
 - Mineral sands (titanium ore, zircon sand)
 - Stainless steel
 - Metal processing products
 - Functional films

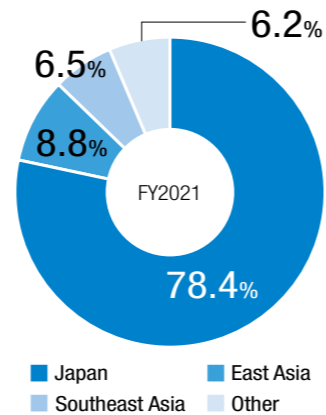
Business highlights and position

Trends in net sales and operating income (¥ billion)

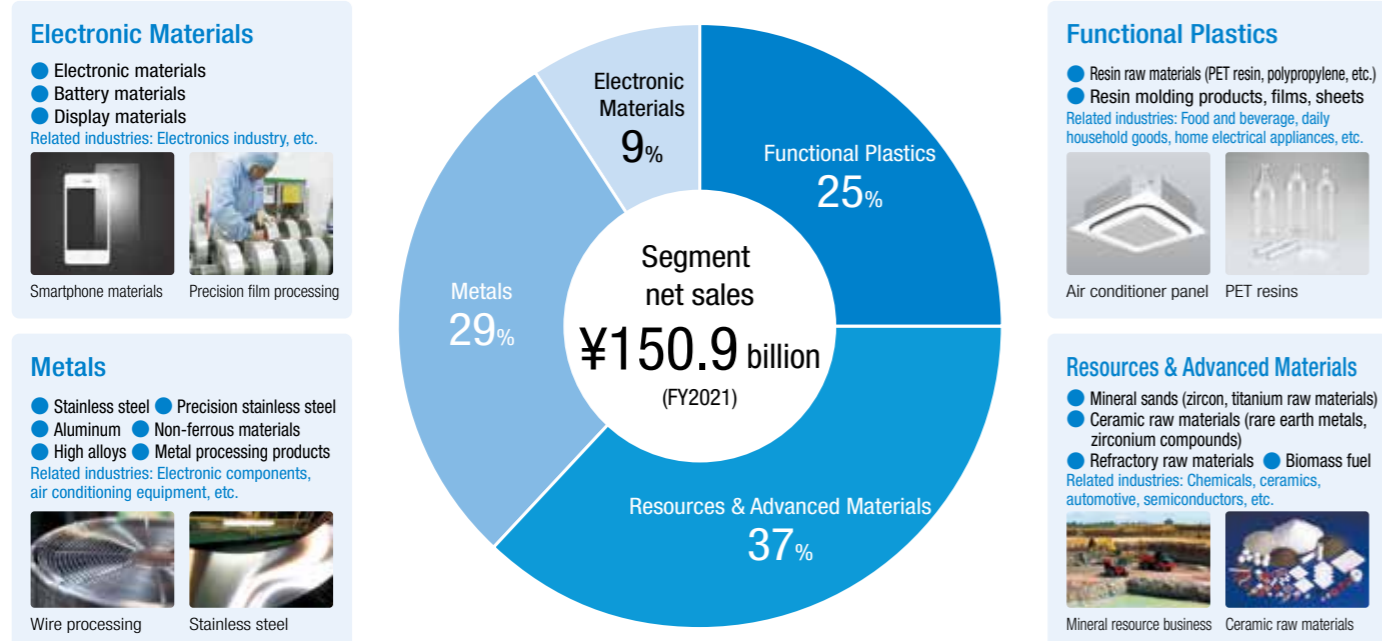


* The Accounting Standard for Revenue Recognition and other accounting standards have been applied since FY2021. Figures shown for FY2020 have been restated through the retroactive application of these accounting standards.

Sales composition by region



Sales composition



Strengths, Opportunities, Risks

Strengths

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

Opportunities

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

Risks

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

Business Capital Serving as Sources for Value Creation

Mineral sands concessions

A stable supply structure for rare resources, based on procurement from major resource firms in addition to diversification of our own extraction sources



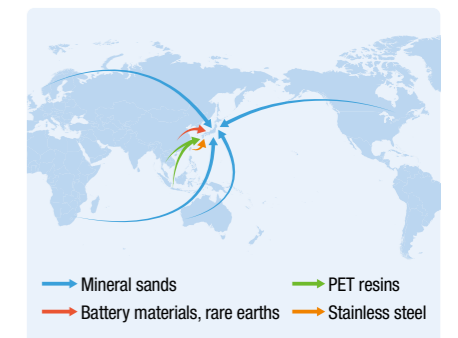
Overseas metalworking plants

Developing processing functions for air-conditioning equipment and auto parts and materials, targeting emerging markets



Strong ties to suppliers

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



Priority Measures

Proactive development of environmental businesses

- Expanding sales of eco-friendly PET resins
- Expanding sales of biomass fuels
- Expanding sales of battery-related materials

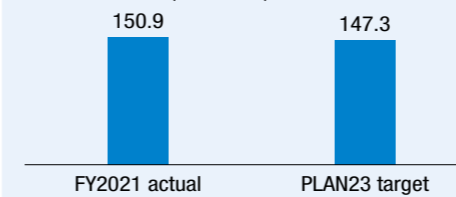
Strengthening the resources business

Initiatives to develop the advanced materials business

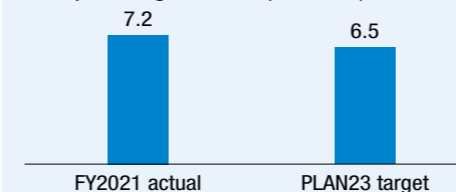
Strengthening the metalworking business overseas

KPIs of the medium-term management plan

Net sales (¥ billion)



Operating income (¥ billion)



KPI		FY2021	PLAN23 target
Eco-friendly PET resins	Net sales (¥ billion)	7.9	11.0
	Sales volume (thousand tons)	49	75
Biomass fuels	Net sales (¥ billion)	4.7	10.0
	Sales volume (thousand tons)	309	700
Battery-related materials	Net sales (¥ billion)	13.7	14.0
	Sales volume (thousand tons)	11	21
Net sales of metalworking business overseas (¥ billion)		10.5	11.0

Agri-Bio & Foods

Business Overview



Cultivating consumer markets by combining our product development and sales capabilities for food products with enhancement of logistics functions

The Agri-Bio & Foods business got its start in 1960, when we began selling LPG-powered chick brooders to poultry farmers. It later expanded into the business of breeding pigs, frozen foods produced using the cold heat from liquid nitrogen and carbon dioxide, and various agricultural fields that support society's dietary culture. Today, we supply a broad range of safe and dependable foods materials from sources in Japan and overseas. In the livestock field, we are also advancing the importation and raising of pig stock for the Japanese market and supplying outstanding pig breeds to farmers as an exclusive agent for the Pig Improvement Company (PIC), the world's largest pig breeding stock company.

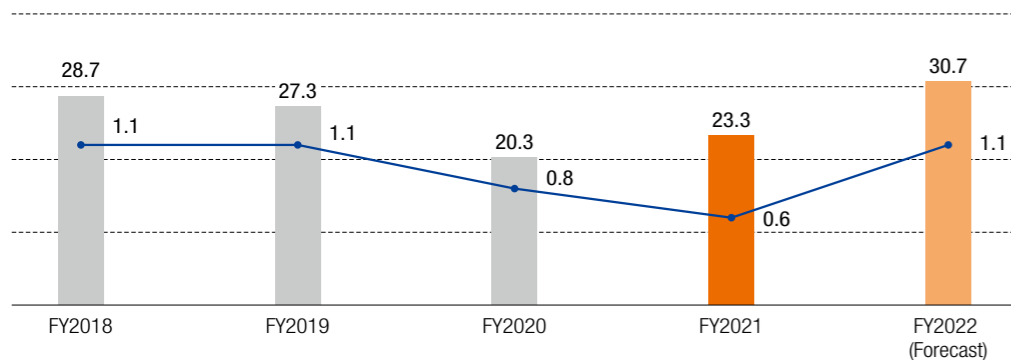
Hiroshi Kobayashi Managing Officer
General Manager, Agri-Bio & Foods Division

Main products

- Frozen foods (e.g., vegetables, meats, seafood, side dishes)
- Storage and daily delivery of refrigerated, frozen, and shelf-stable foods
- Agricultural equipment and agricultural materials (large-scale equipment such as greenhouses, seedling production equipment, peat moss, logistics vehicles)
- Pig breeding and production facilities (large-scale equipment and materials)

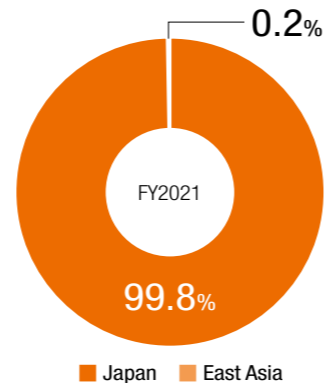
Business highlights and position

Trends in net sales and operating income (¥ billion)



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

Sales composition by region



Sales composition

Agriculture

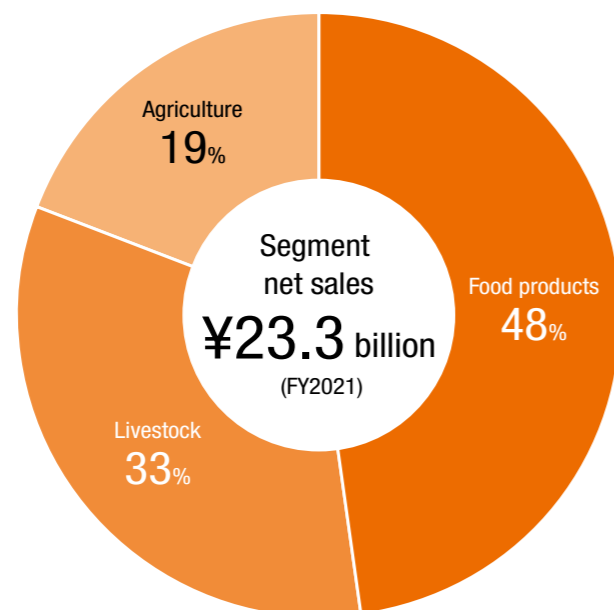
- Agricultural equipment
- Agricultural materials
- Planter trolley business

Large-scale greenhouse | Peat moss | Alfloc trolley

Livestock

- Pig breeding
- Stockbreeding facilities

Camborough pig breeds | Iwatani Tohoku Farm



Food products

- Frozen foods (for commercial use)

Frozen vegetables | Frozen meat products

- Frozen foods (for consumers)

Frozen seafood products | Frozen side dishes

Strengths, Opportunities, Risks

Strengths

- A wealth of sources for food materials**
 - Establishing stable supplies through source diversification
- Integrated management functions in the pig breeding business**
 - Supplying highly productive Camborough pig breeds
 - Comprehensive support for pig breeds, livestock facilities, and production technologies
- Comprehensive agricultural business solutions**
 - Extensive lineup of agricultural equipment and materials
 - Facility construction expertise

Opportunities

- Growth in demand for frozen foods through ethical foods market development
- Producing LPG and hydrogen from livestock waste in cooperation with the gas and energy business for decarbonization

Risks

- Worsening of agricultural production due to changing climate patterns
- Rising prices of resources, raw materials, packaging materials, etc.
- Restrictions on shipping of pigs due to infectious diseases

Business Capital Serving as Sources for Value Creation

Foods business

- Contributing to food safety through Iwatani's unique quality-assurance structure and the analytical technologies of the Iwatani R&D Center
- Food logistics company (warehousing, in-house delivery, wholesaling): UM System Corporation, which offers low temperature logistics functions
- Overseas partner plants for frozen processed vegetables



Livestock business

- Exclusive agent in Japan for the US-based Pig Improvement Company (PIC), the world's largest pig breeding stock company
- Two pig breeding farms, three AI* centers
* Artificial insemination



Priority Measures

Enhancing the food products business

- Product development and sales channel development for consumers
- Expanding sales of frozen and refrigerated foods and enhancing logistics functions, using the functions of logistics group companies

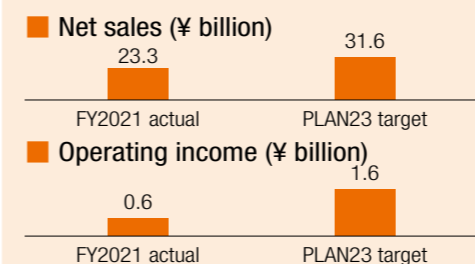
Growing share of the pig breeding market

- Further targeting major pig farmers
- Improving productivity

Enhancing the agriculture business

- Business expansion based on agricultural equipment, machinery, materials, and supplies

KPIs of the medium-term management plan



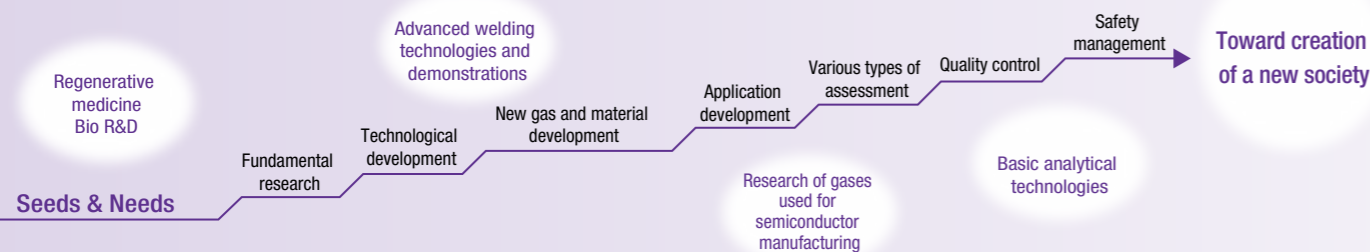
KPI	FY2021	PLAN23 target
Net sales of food products business (¥ billion)	11.2	20.0
Market share for breeding pigs (%)	15	20

Technological Development Sites that Support Iwatani's Strengths in Technology

The Iwatani R&D Center was established to support Iwatani engaged in a diverse range of businesses centered on the gas and energy fields, to develop new technologies for the future, alongside its customers. The Iwatani Advanced Hydrogen Technology Center opened in October 2021 to pursue various research and technological development efforts related to hydrogen and the verification of technologies for practical implementation.

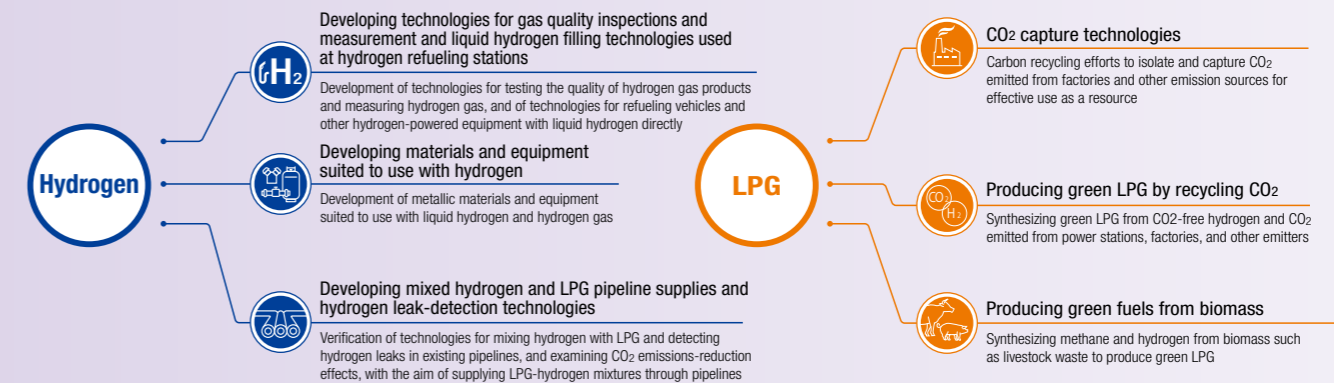
Iwatani R&D Center: pursuing its mission to further develop our technologies

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



Iwatani Advanced Hydrogen Technology Center in pursuit of the possibilities of hydrogen

Opened in October 2021, the Iwatani Advanced Hydrogen Technology Center develops new technologies related to decarbonization, including the production of green hydrogen and green LPG, as well as hydrogen-related technologies to establish a hydrogen energy-based society. In addition to R&D and feasibility testing to promote safe use of hydrogen, the ultimate clean energy source, throughout society, this center advances research activities in areas such as green fuel production technologies, to promote decarbonization in ways only Iwatani can.



Site Introduction

The R&D Center is equipped with lab facilities in various areas, including large-scale experimental laboratories usable in testing actual application of machinery and equipment, welding demonstration rooms suited to diverse customer welding needs, multifunctional cleanrooms, and facilities for development of regenerative medicine and bio research. It also features a wide range of state-of-the-art high-precision analytical equipment suited to diverse research topics, including world-leading high-purity gas analysis equipment, analytical equipment for specialty gases used in semiconductor production and other activities, and equipment for analysis of materials conducted at the nano scale, environmental analysis, residual pesticide analysis in the food and health-and-sanitation fields, and microbial analysis.

Advanced Welding Technologies and Demonstrations

We propose unique technologies and products in areas such as welding robots and shield gases to meet diverse needs at welding worksites, in terms of automation, quality improvements, and cost cutting. We also carry out experiments to evaluate shield gases, welding materials, and other substances on customer request.



Welding robot

Semiconductor Materials and Gas Research

The R&D Center features experimental laboratories capable of the development and evaluation of highly dangerous specialty high-pressure gases, including toxins and explosives, in a safe environment. Implementing R&D other companies would be hard-pressed to perform, it meets customers' numerous needs through various technologies, including those needed to handle the highly toxic chlorine trifluoride (ClF₃) used to clean inside semiconductor production equipment.



Specialty high-pressure gas experimental laboratory

Life Science Research Laboratory

The R&D Center features cleanrooms characterized by levels of purity equivalent to those of facilities used to produce regenerative medicine products, which make it possible to reproduce and evaluate the entire series of cell production plant processes, from cell culture through freezing, storage, and transport. Currently, it is advancing joint research and business cooperation with universities, partner companies, and other partners in areas such as storage and transport of regenerative medicine products and cell therapy.



Regenerative medicine cleanroom

Fundamental Technologies in Analysis

The R&D Center performs quality assessments of Iwatani's various products. It analyzes and assesses matters such as the calorific value and concentrations of impurities in palm kernel shell (PKS) biomass fuels. In addition to analysis of vitamin content and other nutritional characteristics of frozen vegetables, processed seafood products, and processed livestock products, it pursues quality control technologies for residual pesticide and microbial analysis.



Analysis of PKS

Site Overview

Since 1941, we have been focusing on hydrogen, and as a leading company we have conducted various researches in areas new to Japan as well as pioneered a new market for liquid hydrogen that can be transported and stored in large quantities. As the technological development center for Iwatani—Japan's only supplier of liquid hydrogen—the Iwatani Advanced Hydrogen Technology Center is equipped with a testing environment unparalleled in the nation, capable of handling liquid hydrogen at the ultra-low temperature of -253° C and ultra-high-pressure hydrogen gas at pressures up to 135 MPa.

Technologies Related to Hydrogen Energy

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



Ultra-high-pressure compressor, high-level compressor



Low-temperature slow strain-rate tensile test machine

Decarbonization Technologies

To realize a carbon-free society, the center is seeking to establish hydrogen production technologies for green hydrogen made using renewable energy and for hydrogen produced using wood materials and various other kinds of biomass as well as waste plastics. It is also striving to develop technologies for clean energy production from a wide range of sources, including the hydrogen and green LPG from livestock waste. Further, it is proceeding with feasibility testing of supplying LPG-hydrogen mixtures through pipelines, to capitalize on existing infrastructure. (See "Transition to a CO₂-Free Society" on p. 31)



Initiatives toward Climate Change

Basic Concept

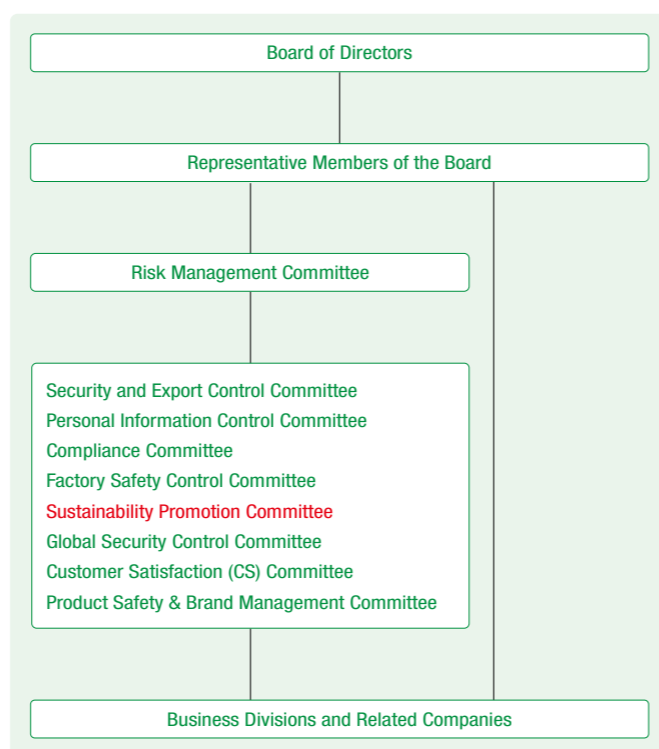
Recognizing climate change and other global environmental issues as important management challenges, the Iwatani Group considers harmony with the environment to be essential to our corporate activities and continuity. Toward this end, we are striving to reduce the environmental impact of various business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



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

Governance

Iwatani has established the Sustainability Promotion Committee as a subsidiary organization under the Risk Management Committee, which coordinates risk management groupwide. The Sustainability Promotion Committee deliberates on matters such as risks, opportunities, action policies, and targets related to climate change and checks on the progress of related results. As part of the structure for ensuring appropriate oversight, priority matters are also reported to the Board of Directors.



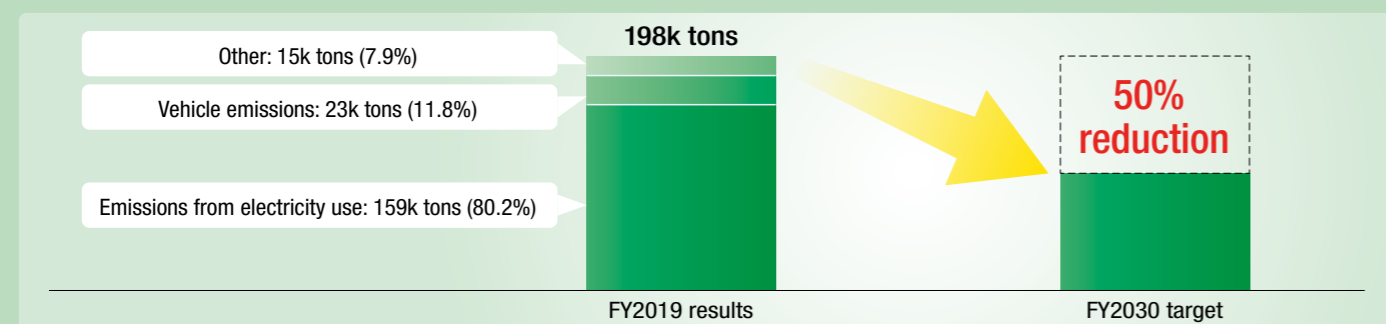
Risk Management

The Iwatani Group has established a Risk Management Committee to ensure integrated management of risks across all Group companies. As part of its comprehensive risk measures, it has established a Sustainability Promotion Committee and other specialized committees under the Risk Management Committee to address key risks related to compliance, plant safety, and other matters. The Risk Management Committee holds regular meetings overseen by the chairperson and strives to manage risks groupwide, including risks related to compliance with applicable laws and regulations. Special individual committees also meet regularly to monitor the status of legal and regulatory compliance and various efforts related to these risks, reporting on the matters discussed to the Risk Management Committee. (See "Reinforcing Governance" on p. 40.)

Metrics & Targets

The Iwatani Group has announced its goal of achieving carbon neutrality by FY2050, targeting as a FY2030 milestone a reduction of 50% in CO₂ emissions by the Iwatani Group in Japan compared to the FY2019 level.*

* Group CO₂ emissions: Total of Scope 1 and Scope 2 emissions
 Scope 1: The business's own direct greenhouse gas emissions
 Scope 2: Indirect emissions associated with use of electricity, heat, and steam supplied by other businesses



Strategy

By categorizing the various environmental changes associated with climate change into transition risks or physical risks, the Iwatani Group assesses and identifies risks and opportunities for Group businesses in each category. We aim to balance solutions to global warming with sustained growth by responding to the risks associated with climate change while enhancing efforts that target related opportunities.

Risks

Category	Specific examples	Time
Transition risks	Policy and legal Increases in various costs associated with efforts to achieve carbon neutral status • Carbon taxes; rising cost of energy, resources, raw materials, etc. • Rising electricity prices, cost of complying with applicable laws and regulations, etc.	Medium to long term
	Market and reputation Declining demand for existing products due to growing environmental awareness • Fossil fuels such as LPG, LNG, and kerosene, and machinery and other equipment powered by such fuels • Plastics derived from petroleum, resources associated with high CO ₂ emissions due to refining, processing, and other steps in production. Declining demand for natural resources due to growing awareness of recycling	Medium to long term
	Technology Shift toward electrification accompanying advances in storage cell technologies and declining demand for LPG and similar energy sources due to advances in energy-saving technologies and other factors Progress on hydrogen carrier technologies other than liquid hydrogen (e.g., organic chemical hydrides and ammonia)	Medium to long term
Physical risks	Acute Supply chain disruptions caused by major natural disasters Stagnation of production activities Rising costs of responding to disasters, repair costs, insurance premiums, etc.	Medium to long term
	Chronic Declining demand for heating and hot-water energy due to global warming Poor crop harvests due to changing weather patterns Growing cost of responding to rising sea levels	Medium to long term

Opportunities

Category	Specific examples	Time
Opportunities related to energy sources	Increasing demand for fuel conversion from heavy oil and similar sources to more eco-friendly LPG and LNG	Short to medium term
	Growing demand for hydrogen as an alternative to fossil fuels Also, associated growth in hydrogen-related businesses * Growing demand for feasibility studies during the transition period	Medium to long term * Demand for feasibility studies impacts the short to medium term.
	Widespread use of LPG as a next generation energy source amid the transition to low-carbon and carbon neutral LPG through use of carbon credits, co-firing of LPG with hydrogen, progress on propanation technologies, and other measures	Medium to long term
Opportunities related to products and services	Growth in sales of products that help reduce environmental impact • Eco-friendly PET resins, biomass fuels, etc.	Short to medium term
	Increased sales of related materials alongside growth in the next generation vehicle market	Short to medium term
	Growth in CO ₂ emissions reduction visualization and reduction solutions and in valorization services	Short to medium term
	Progress in the Integrated Energy Business on developing cost-competitive delivery and metering systems associated with low CO ₂ emissions based on progress in AI and IoT technologies and the adoption of related devices, as well as more advanced safety and growing opportunities to deliver new value and services	Short to medium term
	Growth in sales opportunities for products produced through processes associated with low CO ₂ emissions and resource-circulating products • Mineral sands produced in mines powered by hydroelectric power • Industrial gas plants powered by renewable energy • Recycled PET bottle business, PET bottle chemical recycling business, etc.	Medium to long term
Other	Growing use of LPG as a disaster-resistant diversified energy source; growing sales of emergency power generators and other equipment related to business continuity planning (BCP)	Short to medium term
	Ability to maintain supply even amid climate change based on the development of a nationwide network of disaster-resilient Core LPG Centers equipped with enhanced seismic resistance, emergency power supplies, and other features	—

Major Initiatives toward the FY2030 CO₂ Reduction Target

Through now, the Iwatani Group has installed solar panels and LED lighting, among other energy-saving devices, at its offices, R&D centers, gas centers, and other sites. In addition to these initiatives, other efforts underway include use of cold heat from cooling LNG at industrial gas plants and adoption of electricity from renewables at gas centers and other facilities. We aim to achieve the FY2030 CO₂ reduction target through these efforts as well as streamlining LPG delivery and meter-reading operations and converting CO₂ reductions on the customer side to credits.

Major reduction initiatives

- Energy-saving efforts at industrial gas production plants**
 We move forward with energy-saving efforts at industrial gas production plants, which consume large volumes of electricity, through more efficient energy use, energy-saving devices, and other efforts.
- Installing solar panels and adopting LED lighting at our plants**
 We continue installing solar panels and LED lighting at our LPG filling stations, industrial gas centers, and sales facilities across Japan.
- Adopting electricity from renewable energy sources**
 At our offices, R&D centers, and other facilities, we are switching to electricity generated by renewable energy sources.

- Improving delivery efficiency**
 We strive to reduce CO₂ emissions by improving the efficiency of delivery of LPG, industrial gas, and other fuels.
- Using carbon credits**
 We plan to convert CO₂ reductions on the customer side to J-Credits while studying various measures, including use of the Iwatani GateWay platform and block-chain technology to value CO₂ emissions reductions at consumer households and use of carbon credits from afforestation activities in Australia.

Promoting Environmental Management

We seek to contribute to sustainable development through groupwide environmental activities, complying in letter and spirit with the Iwatani Group Environmental Charter and the Iwatani Environmental Policy. These efforts seek not merely to prevent industrial pollution, but to focus on global environmental issues, including waste, water pollution from household wastewater, global warming, and depletion of the ozone layer. We strive to enhance our organizations and systems and to raise employee awareness to achieve even better results.

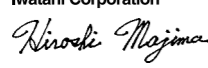
Environmental Policy

IWATANI ENVIRONMENTAL POLICY

Based on the corporate concept of "Gas and Energy," Iwatani has developed its core businesses in LPG and various high-pressure gases while operating a wide range of businesses such as consumer products, foods, machinery, welding materials, electronic equipment, metals, chemicals and minerals. Through all these business activities, Iwatani strives to coexist with local communities and help reduce burdens on the global environment, including global warming, in keeping with the spirit of the Iwatani Group Environmental Charter.

1. We will work to establish a carbon-free society and recycling-oriented society through research and development of technologies that utilize resources effectively and new energy sources which contributing to sustainable development of the society, and by promoting hydrogen and other Eco-friendly Products.
2. We will endeavor to conserve resources and energy, reduce waste, and prevent pollution through our business activities.
3. We will fulfill our compliance obligations to observe environmental laws and regulations, and other related requirements with which we agree.
4. We will commit to continual improvement of the environmental management system to enhance environmental performance by establishing and reviewing environmental objectives.
5. We will provide environmental education which aims to raise awareness of all company and group employees.

1 Apr. 2020

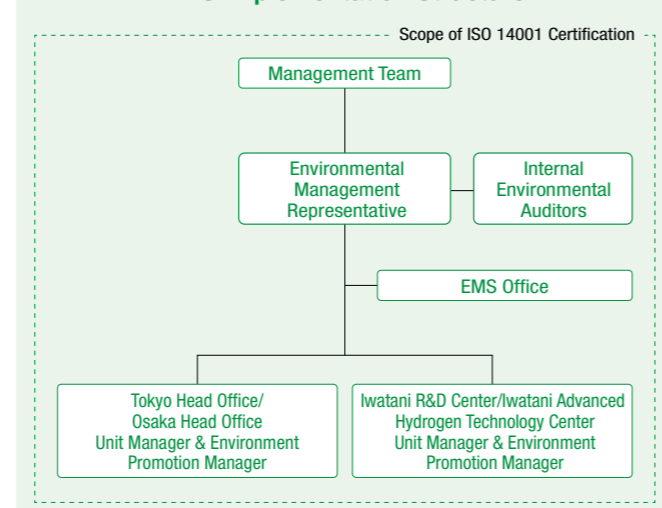
Iwatani Corporation

 President

Iwatani

Environmental Management System

Iwatani has adopted an environmental management system (EMS) and earned ISO 14001 certification for its head offices in Tokyo and Osaka and for the Iwatani R&D Center and the Iwatani Advanced Hydrogen Technology Center. These sites account for more than 60% of all Iwatani personnel.

EMS Implementation Structure



To raise employee awareness of environmental issues, in addition to the environmental training held at the beginning of each fiscal year, we provide environmental training as part of the training for newly hired employees and managers and in e-learning programs. No violations of environmental laws and regulations occurred in FY2021 (including the Poisonous and Deleterious Substances Control Act, the Industrial Safety and Health Act, the Waste Management and Public Cleansing Act, the Act on the Rational Use of Energy, the Act on Promoting Sorted Collection and Recycling of Containers and Packaging, and the Act on Rational Use and Proper Management of Fluorocarbons). Internal environmental audits were performed twice in FY2021 (in September 2021 and March 2022) for all units. Improvements have been implemented in response to any identified nonconformities. We also underwent periodic review by the High-Pressure Gas Safety Institute of Japan in December 2021; our operational status was rated "fine."

SDGs/Environmental Goals and Results in FY2021, SDGs/Environmental Goals for FY2022

We set environmental goals every year as part of our EMS. In FY2021, we achieved three of four goals, the exception being "Reductions in environmental impact generated by companywide energy consumption in accordance with regulations on individual businesses under the amended Act on the Rational Use of Energy." In FY2022 as well, we will strive to achieve progress under the EMS on items related to the SDGs, as SDGs/environmental goals.

No.	Items	FY2021 Environmental Goals and Results		Achievement	FY2022 SDGs/ environmental goals
		Goals	Results		
1	Expanded use of eco-friendly products	30 points	30.6 points	○	Expanded use of eco-friendly products: 30 points
2	Promoting environmental activities	6,000 points	9,896 points	○	Promoting SDGs/environmental activities: 6,000 points
3	Reductions in environmental impact generated by business vehicles: Introduction of low emission vehicles	25 vehicles	29 vehicles	○	Reductions in environmental impact generated by business vehicles: Introduction of low emission vehicles: 25 vehicles
4	Reductions in environmental impact generated by companywide energy consumption in accordance with regulations on individual businesses under the amended Act on the Rational Use of Energy	Improvements in companywide energy consumption efficiency (1% improvement in average efficiency over FY2017-2021 five-year period)	4.4% up in average efficiency over FY2017-2021 five-year period	×	Reductions in environmental impact under the amended Act on the Rational Use of Energy: 1% improvement in average efficiency over the FY2018-2022 five-year period

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

ESG Data

Environment

Material balance (Iwatani Group ¹)		FY2019	FY2020	FY2021	
Inputs	Electricity (thousand kWh)	338,059	305,297	338,371	
	Steam (Gj)	29,742	11,858	11,875	
	Fuels (Gj)	LPG	188,388	186,346	142,302
		City gas/LNG	80,565	74,169	54,031
		Diesel	173,847	190,020	156,731
		Gasoline	129,456	130,767	134,037
		Kerosene	11,125	11,496	12,910
	Bunker A	6,769	6,025	8,868	
	Paper (t) ²	265 (96%)	251 (95%)	232 (96%)	
	Water (thousand m ³) ²	964 (97%)	954 (95%)	1,001 (96%)	

Material balance (Iwatani Group ¹)		FY2019	FY2020	FY2021
Outputs	Recycled (paper) (t) ³	177	186	156
	Industrial waste (t)	6,803	5,808	5,722
	Wastewater (thousand m ³) ²	812 (97%)	845 (95%)	887 (95%)
	CO ₂ emissions (t)	Scope 1	37,568	63,230
Scope 2 ⁴		161,196	137,738	149,431

¹ Totals include domestic consolidated subsidiaries and two equity-method affiliates using large volumes of energy in addition to domestic Iwatani Corporation business sites.
² Where estimates are included, the percentage of announced figures consisting of actual measurements are indicated in parentheses.
³ Recycled paper volumes include paper resources other than those for business use, including newspapers, magazines, and wrapping paper.
⁴ CO₂ emissions from electricity use, included in Scope 2 figures for FY2019 and FY2020, are calculated on a location basis, while those for FY2021 are calculated on a market basis.

Society

Iwatani Corporation (nonconsolidated)		FY2019	FY2020	FY2021
Employees	Male	940	951	953
	Female	335	355	366
	Women (%)	26.3	27.2	27.7
Managers	Male	449	461	459
	Female	10	11	16
	Women (%)	2.2	2.3	3.4
Average age (years)		39.3	39.3	39.6
Average annual salary (¥ thousand)	Male	10,443	10,241	10,329
	Female	5,609	5,523	5,542
	Total	9,173	8,959	9,001
New-graduate hires	Male	43	42	35
	Female	24	42	28
	Women (%)	35.8	50.0	44.4
Midcareer hires	Male	3	2	3
	Female	2	4	0
	Women (%)	40.0	66.7	-
Average years of continuing service	Male	16.7	16.9	17.2
	Female	12.2	11.8	11.8
	Total	15.2	15.5	15.7
Turnover rate* (%)	Male	1.8	1.7	2.3
	Female	6.9	7.3	4.4
	Total	3.1	3.2	2.9
Average overtime hours per month		12.0	11.3	12.7
Percentage taking childcare leave	Male	1.7	3.2	13.0
	Female	100.0	100.0	100.0
Percentage taking annual paid leaves		50.5	54.6	52.1
Percentage of employees with disabilities		1.97	2.03	2.19
Occupational illnesses or injuries (fatalities in parentheses)		0	0	0
Fatalities due to occupational illness or injury		0	0	0
Training participants		422	252	388
Training hours/person		14	11	12
Training costs (¥ thousand)		165,667	72,201	117,013

* Includes only employees who resigned for personal reasons

Governance

Iwatani Corporation (nonconsolidated)		FY2019	FY2020	FY2021
Members of the Board		12	12	12
Outside Members of the Board		2	2	3
Independent Members of the Board (included in above)		2	2	3
Outside Members of the Board (%)		16.7	16.7	25.0
Board of Directors meetings		17	16	16
Member of the Board attendance rate (%)		94.2	97.9	99.0
Audit and Supervisory Board members		4	4	4
Outside Audit and Supervisory Board members		2	2	2
Independent Audit and Supervisory Board members (included in above)		2	2	2
Audit and Supervisory Board meetings		13	13	13
Average attendance rate in Audit and Supervisory Board meetings (%)		100.0	100.0	78.8
Members of Nomination and Compensation Committee		-	-	5
Members of Nomination and Compensation Committee who are Outside Members of the Board		-	-	3
Nomination and Compensation Committee meetings		-	-	3
Average attendance rate in Nomination and Compensation Committee meetings (%)		-	-	100.0



Social Contribution Activities

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

Joint Efforts with the Activities of the NHK Symphony Orchestra

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



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

A Comfortable Planet - All Japan Elementary School Essay Contest

Iwatani has sponsored the All Japan Elementary School Essay Contest since 2010, reflecting our corporate slogan: Creation of a more comfortable space on the Earth is what Iwatani wishes and strives for. The contest is open to elementary school children from across Japan. In 2021, its 12th year, the contest attracted a record 6,922 entries from 693 schools. We will continue helping to raise the level of children's interest in energy and the environment through this contest.



Technology Promotion through the Iwatani Naoji Foundation

The Iwatani Naoji Foundation

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

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

The Iwatani Subsidies for Science and Technology Research provide research grants of up to 2 million yen per project for outstanding research projects involving energy and the environment. In FY2021, this program awarded a total of 137.34 million yen to 69 projects. The cumulative total through FY2021 was 2,049.36 million yen, awarded to 1,022 recipients. The Iwatani Naoji Commemorative Award, which honors outstanding achievements in research and development on energy and the environment, was awarded in FY2021 to Osaka Gas Marketing Co., Ltd. This award consists of a commemorative certificate, a medal, and an additional prize of 5 million yen. Through now, it has presented a total of 110 million yen to 47 winners. The Iwatani Scholarship for International Students, a program providing financial support to self-financed graduate students from East Asia and Southeast Asia enrolled in programs in the natural sciences, awarded a scholarship of 1.8 million yen per year to each of 16 students. To date, this program has provided 484 students with a cumulative total of 901.07 million yen in scholarships.



Recipients of the 45th (FY2018) Iwatani Subsidies for Science and Technology Research

Support for the Japan Chamber Music Foundation

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

Sponsoring the Music Competition of Japan

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

Improving and Promoting Welding Skills in Asia

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



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

Athletics Club

Established in April 2017, the Iwatani Athletics Club welcomed head coach Hisakazu Hirose, who has trained numerous long-distance runners over the years. In January 2019, we welcomed Athens Olympic gold medalist Mizuki Noguchi as a Club advisor. In 2021, out of a field of 31, the Club took 12th place in the Princess Ekiden, the qualifying long-distance relay race for the All Japan Industrial Teams Women's Ekiden (Queen's Ekiden). This marks the first time the Club has qualified for the Queen's Ekiden. In 2022, team member Ayano Shiomi won the 800 m event, while Madoka Nakano took the fifth place in the 10,000 m event, in the Japan Association of Athletics Federations (JAAF) Athletics Championships. Based on its cornerstone interests in contributing to society and communities through athletic activity and training efforts for some of Japan's leading athletes, the Club is working hard to achieve its goal of first place in the All Japan Industrial Teams Women's Ekiden.



Sponsoring the Japan International Birdman Rally

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



Hydrogen Awareness-Raising Activities

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



The Support Team for Your Community Helps Keep Communities Safe

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



Relief Fund Aids Disaster-Affected Areas

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



Relief supplies for areas affected by the July 2020 torrential downpours



Relief supplies for areas affected by the August 2021 typhoons

Financial Highlights

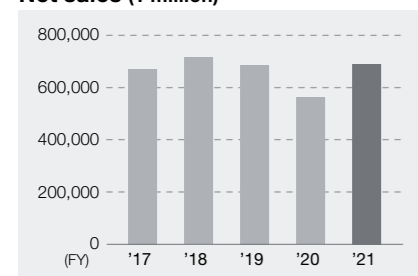
	FY2017	FY2018	FY2019	FY2020 ¹	FY2021 ¹
Fiscal year					Million yen
Net sales	670,792	715,085	686,771	562,223	690,392
Gross profit	168,027	170,613	176,259	176,244	191,762
Operating profit	27,193	26,456	28,728	29,352	40,076
Ordinary profit	29,407	29,952	32,270	34,152	46,413
Profit before income taxes	29,040	29,438	32,197	34,755	45,943
Profit attributable to owners of parent	17,577	19,221	20,994	23,030	29,964
Comprehensive income	23,102	15,955	20,780	35,450	31,491
Investments ²	26,205	33,232	34,639	33,777	40,030
Depreciation ³	16,326	17,098	18,394	19,278	22,986
R&D expenses	1,912	2,428	2,494	2,261	1,917
Cash flow from operating activities	28,510	39,117	40,264	48,779	13,075
Cash flow from investing activities	(26,427)	(23,693)	(30,885)	(28,831)	(31,939)
Cash flow from financing activities	(6,332)	(13,614)	(3,587)	(7,052)	8,038
End of fiscal year					Million yen
Total assets	453,518	457,603	469,715	512,015	558,479
Fixed assets	262,315	259,768	265,942	289,905	299,008
Interest-bearing debt	132,057	126,359	126,577	96,161	111,160
Net interest-bearing debt	113,823	106,411	101,052	57,379	81,184
Net assets	165,901	173,986	191,152	253,586	280,307
Per-share data ⁴					Yen
Profit attributable to owners of parent	357.20	390.62	426.63	428.36	520.98
Shareholders' equity	3,138.11	3,361.91	3,703.65	4,245.33	4,696.56
Cash dividend applicable to the period	55	65	95 ⁵	75	85
Ratios					%
Operating profit to net sales	4.1	3.7	4.2	5.2	5.8
ROE	12.2	12.0	12.1	10.8	11.7
ROA	6.6	6.6	7.0	7.0	8.7
Equity ratio	34.0	36.1	38.8	47.7	48.4

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

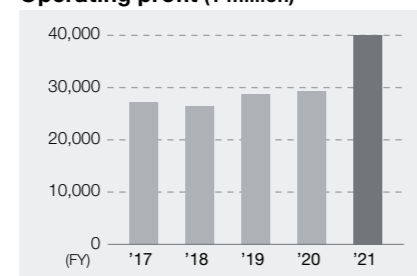
*2: Figures through FY2020 include property, plant and equipment, intangible assets (excluding goodwill), and investment securities. Figures since FY2021 include property, plant and equipment, intangible assets (including goodwill), and investment securities. *3: Figures since FY2021 include amortization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

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

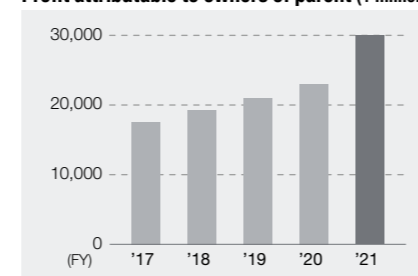
Net sales (¥ million)



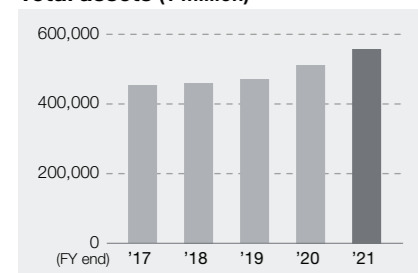
Operating profit (¥ million)



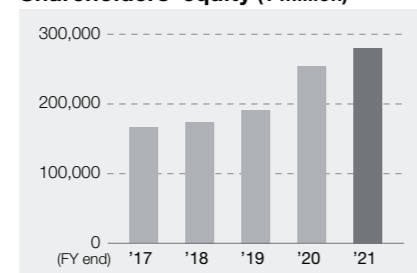
Profit attributable to owners of parent (¥ million)



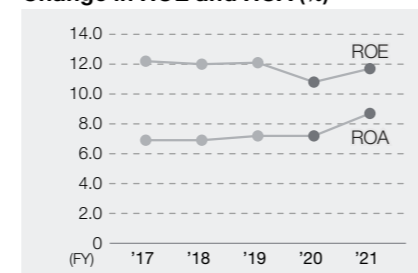
Total assets (¥ million)



Shareholders' equity (¥ million)



Change in ROE and ROA (%)



Company Data

(As of March 31, 2022)

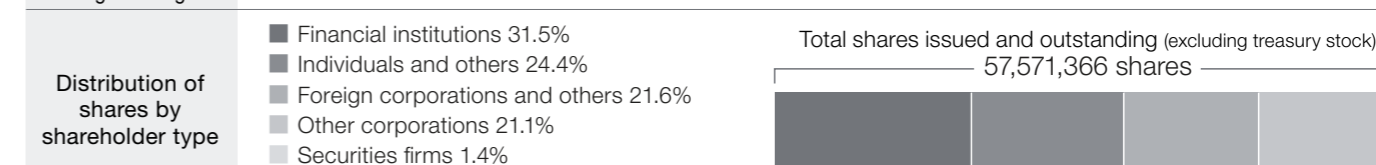
Company Overview

Name	Iwatani Corporation	Established	February 2, 1945
Head offices	Osaka Head Office 6-4, Hommachi 3-chome, Chuo-ku, Osaka 541-0053, Japan Tel: 81-6-7637-3131 Tokyo Head Office 21-8, Nishi-Shimbashi 3-chome, Minato-ku, Tokyo 105-8458, Japan Tel: 81-3-5405-5711		
Paid-in capital	35,096 million yen		
Business sites	50 (45 in Japan, five overseas)		
Employees	1,319	Consolidated employees	10,163
Fiscal year ends	March 31		
Domestic network	Head offices: 2; block branches, branches: 43 Research and other facilities: Iwatani R&D Center, Iwatani Advanced Hydrogen Technology Center, Biwako Conference Center, Shiga Training Center		
Overseas network	Five representative offices, three holding companies, 25 trading-company subsidiaries, 36 operating companies		
Consolidated subsidiaries	102 companies		
Website	https://www.iwatani.co.jp/eng/		

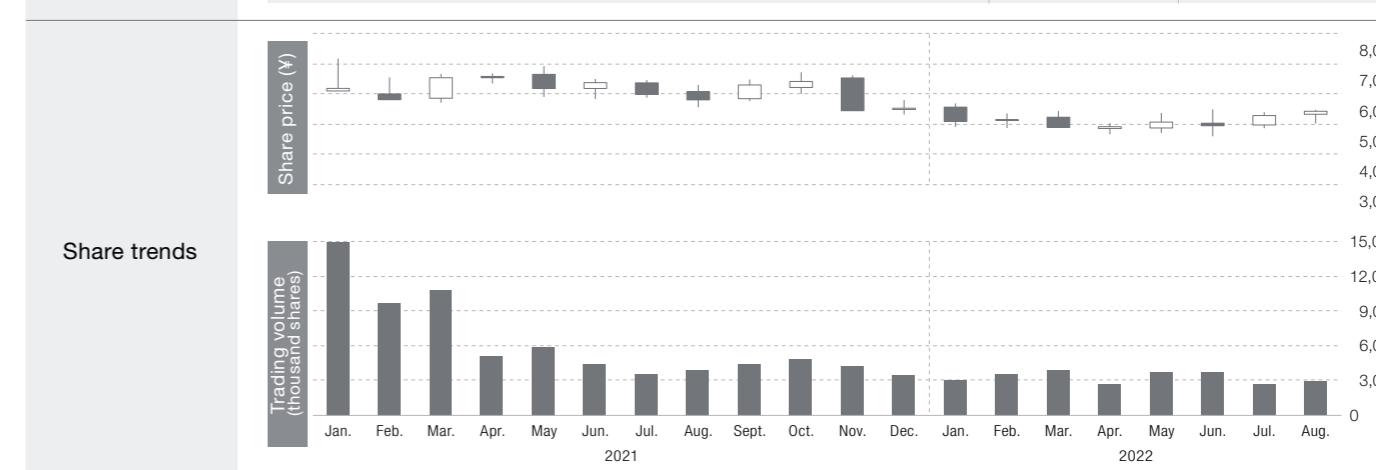
Share information

Shares listed on	Prime Market, Tokyo Stock Exchange (As of April 4, 2022)	Total shares issued and outstanding	57,571,366 shares (excluding 990,283 shares of treasury stock)
------------------	---	-------------------------------------	---

Shareholders' registry management agent	Mitsubishi UFJ Trust and Banking Corporation
---	--



Shareholder	Shares held (thousand)	Percentage of shares held ¹
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,429	12.90
The Iwatani Naoji Foundation	4,132	7.18
Custody Bank of Japan, Ltd. (Trust Account)	2,409	4.18
Government of Norway (permanent agent: Citibank N.A., Tokyo Branch)	1,539	2.67
MUFG Bank, Ltd.	1,336	2.32
Resona Bank, Ltd.	1,177	2.05
Tetsu Iwatani Co., Ltd.	1,000	1.74
Iwatanisangyou Senyukai ²	917	1.59
Nippon Life Insurance Company	898	1.56
Iwatani Enyukai ³	772	1.34



*1: Shareholding ratios are calculated excluding treasury stock (990,283 shares).

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

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

Iwatani

Iwatani Corporation

Osaka Head Office 6-4, Hommachi 3-chome, Chuo-ku, Osaka 541-0053, Japan TEL:81-6-7637-3131
Tokyo Head Office 21-8, Nishi-shimbashi 3-chome, Minato-ku, Tokyo 105-8458, Japan TEL:81-3-5405-5711



This product is made of material from well-managed FSC®-certified forests, recycled materials, and other controlled sources.

Published in October 2022



This report is printed using waterless printing with limited effluent and consumption of hazardous substances.



This report is printed with inks containing no volatile organic compounds (VOC).