

# Develop More Transparent Governance

## Business Execution and Oversight System

### Board of Directors

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

### Executive Officer System

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

### Board of Corporate Officers

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

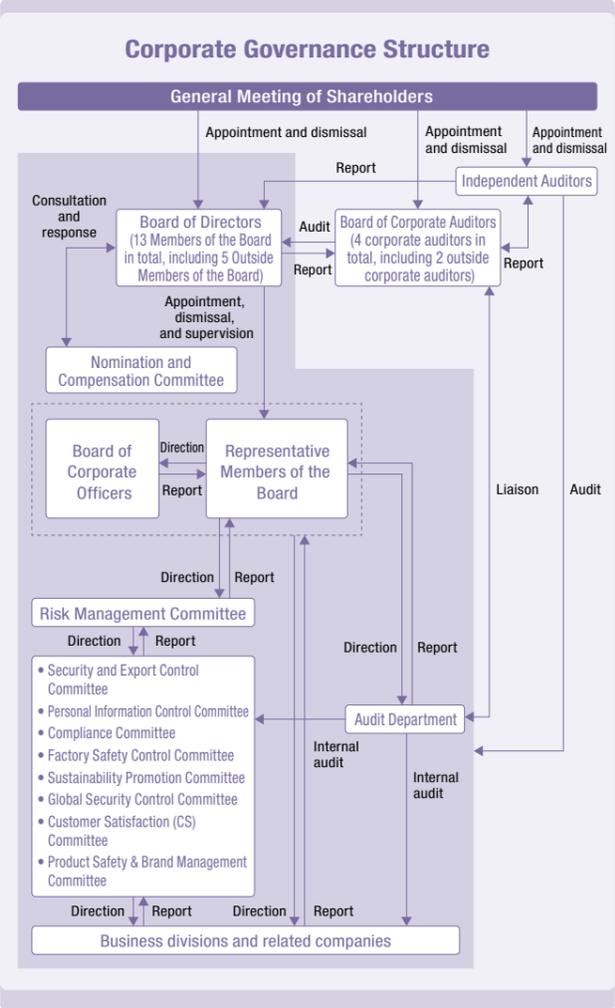
### Nomination and Compensation Committee

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

## Audit System

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

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



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

## Risk Management System

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

### Specialized individual committees

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

## Compliance

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

### Compliance Committee

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

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

### Prohibition of bribery and corruption

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

### Internal awareness-raising activities

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

# Executive Officers (As of June 21, 2023)

## 1 Akiji Makino Chairman and CEO

### Career history, status, responsibilities

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

### Reasons for appointment

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



Shares held  
68,200 shares

## 2 Toshio Watanabe Vice Chairman

### Career history, status, responsibilities

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

### Reasons for appointment

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



Shares held  
46,300 shares

## 3 Hiroshi Majima President

### Career history, status, responsibilities

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

### Reasons for appointment

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



Shares held  
20,200 shares

## 4 Makoto Horiguchi Vice President, Member of the Board

### Career history, status, responsibilities

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

### Reasons for appointment

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



Shares held  
18,800 shares

## 5 Itaru Okawa Senior Managing Officer, Member of the Board

### Career history, status, responsibilities

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

### Reasons for appointment

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



Shares held  
15,200 shares

## 6 Manabu Tsuyoshi Senior Managing Officer, Member of the Board

### Career history, status, responsibilities

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

### Reasons for appointment

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



Shares held  
9,000 shares

## 7 Hiroshi Fukushima Senior Managing Officer, Member of the Board

### Career history, status, responsibilities

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

### Reasons for appointment

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



Shares held  
3,300 shares

## 8 Hirozumi Hirota Senior Managing Officer, Member of the Board

### Career history, status, responsibilities

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

### Reasons for appointment

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



Shares held  
14,600 shares

## 9 Shinji Murai Outside Member of the Board

**Career history, status, responsibilities**

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

**Reasons for appointment**

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



Shares held  
5,800 shares

## 10 Shosuke Mori Outside Member of the Board

**Career history, status, responsibilities**

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

**Reasons for appointment**

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



Shares held  
2,700 shares

## 11 Hiroshi Sato Outside Member of the Board

**Career history, status, responsibilities**

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

**Career history, status, responsibilities**

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



Shares held  
1,700 shares

## 12 Hiroyuki Suzuki Outside Member of the Board

**Career history, status, responsibilities**

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

**Reasons for appointment**

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



Shares held  
900 shares

## 13 Yuki Saito Outside Member of the Board

**Career history, status, responsibilities**

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

**Reasons for appointment**

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



Shares held  
0 shares

## Audit & Supervisory Board Members

### 1 Toyofumi Ohama Audit & Supervisory Board Member (Full-time)

**Career history, status**

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



Shares held  
21,500 shares

### 3 Yoshinori Shinohara Audit & Supervisory Board Member (Outside)

**Career history, status**

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



Shares held  
7,400 shares

### 2 Naoki Iwatani Audit & Supervisory Board Member (Full-time)

**Career history, status**

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



Shares held  
19,900 shares

### 4 Yasushi Yokoi Audit & Supervisory Board Member (Outside)

**Career history, status**

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



Shares held  
1,100 shares

## Skill Matrix

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

# Climate Change Response

## Basic Concept

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



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

## Governance

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



## Risk Management (Assessment and Process of Identification and Management)

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



## Strategy (Scenario Analysis)

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

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

## Results of Scenario Analysis ①

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

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

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

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

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

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

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

## Results of Scenario Analysis ②

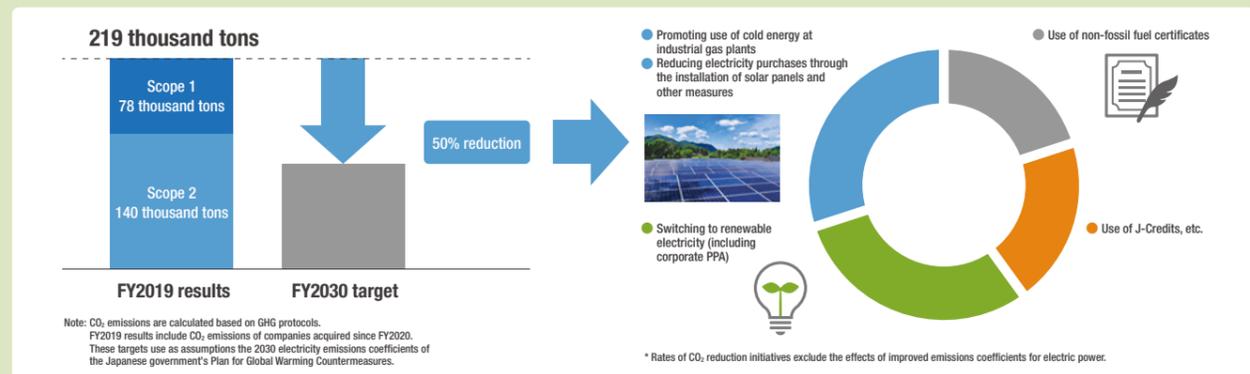
The results of scenario analysis are applied in examining medium- to long-term business strategies, making steady progress on initiatives that make our businesses more resilient, and addressing growth opportunities. As climate change response moves ahead, we recognize the potential for changes in the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

### Major responses to identified risks and opportunities

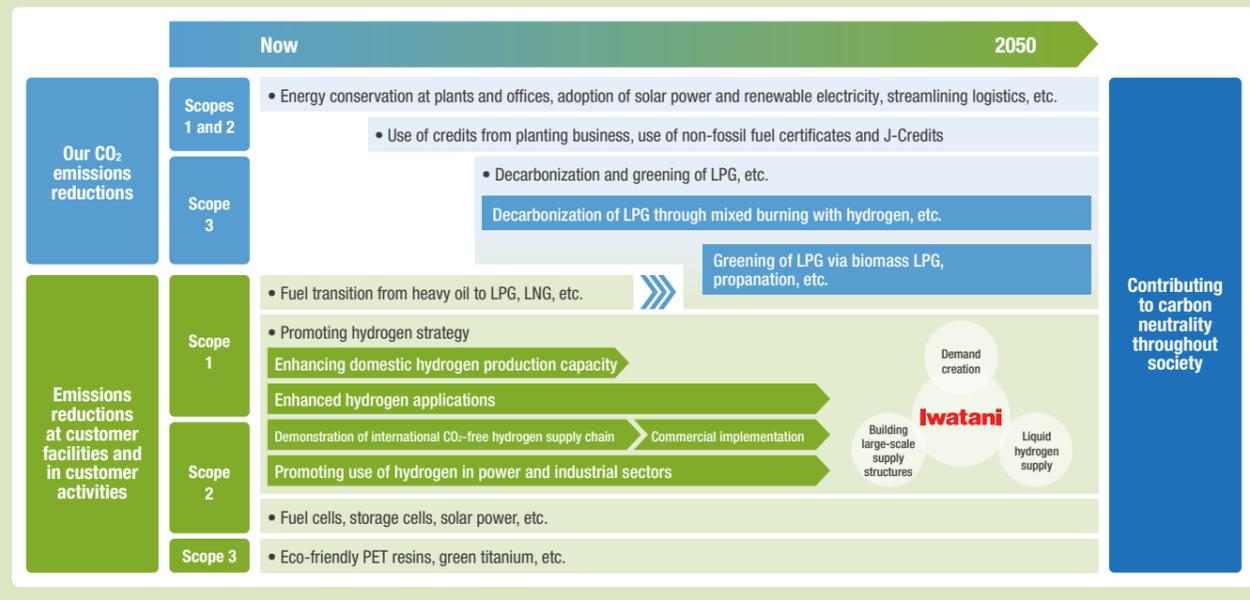
- Production and supply of green LPG (See p. 26.)
- J-Credit generation from customer CO<sub>2</sub> emissions (See p. 25.)
- Supply of mixed hydrogen and LPG (See p. 37.)
- Liquefied Hydrogen Supply Chain Commercialization Demonstration Project (See p. 23.)
- Enhancement of manufacturing and engineering functions (See p. 24.)
- Eco-friendly PET resins (See p. 45.)

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

The Iwatani Group has announced its goal of achieving carbon neutrality by FY2050, targeting as a milestone to be reached by FY2030 reductions of 50% in CO<sub>2</sub> emissions compared to FY2019 levels by the Iwatani Group in Japan. We aim to achieve our reduction targets for FY2030 through various measures, including the utilization of unused cold energy and the installation of solar panels at industrial gas plants; switching to renewable energy, including corporate PPA; and applying J-Credits that we ourselves generate. Where reductions are difficult, we will consider use of non-fossil fuel certificates.



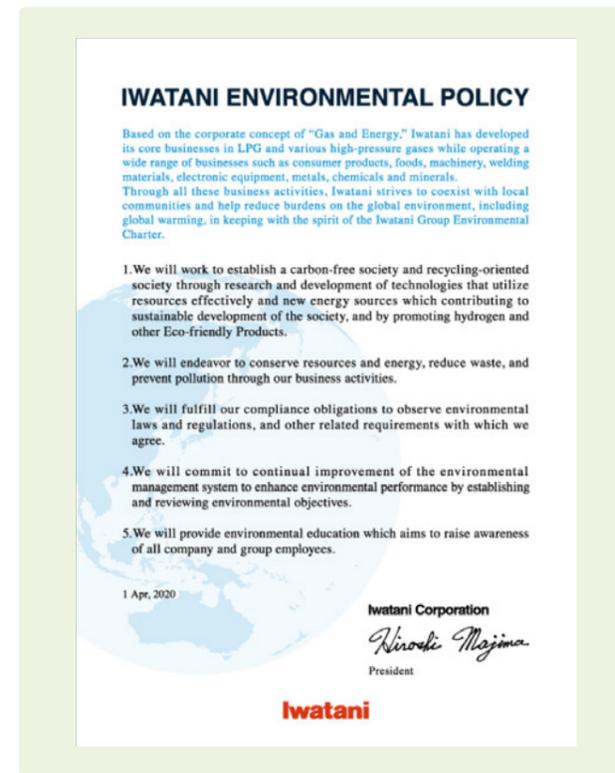
To achieve carbon neutrality by 2050, we will reduce CO<sub>2</sub> emissions in our business activities and contribute to the reduction of CO<sub>2</sub> emissions in society as a whole through the expansion of our hydrogen and other businesses.



# Promoting Environmental Management

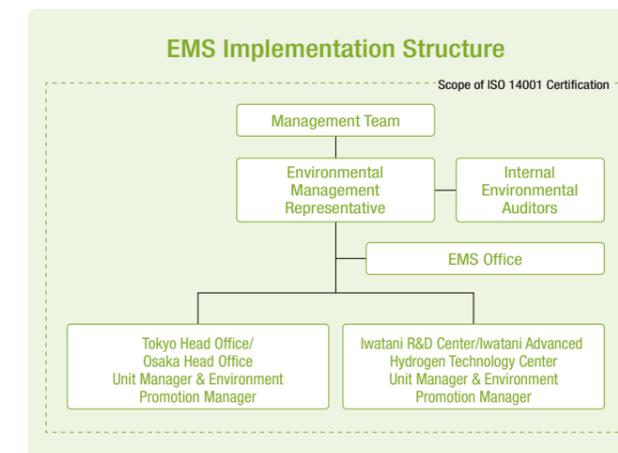
Under the Iwatani Environmental Policy, we employ an environmental management system and strive to contribute to solutions to environmental challenges.

### Environmental Policy



### Environmental Management System (EMS)

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



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

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

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

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

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

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

# Supply Chain Management and Human Rights

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

## Supply Chain Management

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

### Iwatani Group Supply Chain Conduct Policy

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

## Human Rights

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

### Iwatani Group Human Rights Policy

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

# Safety and Security Initiatives

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

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

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



Gas transport and delivery instruction based on ISS

Preparing safety management standards

## Gas Distribution Emergency Response Network

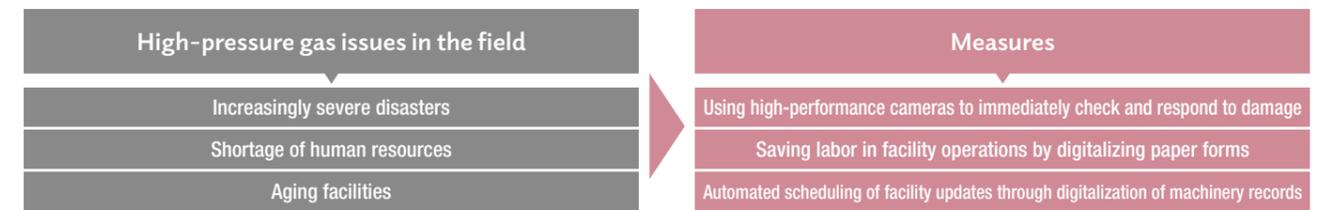
As one practical measure under these management standards, we are developing an emergency response network to enable rapid response to emergencies, including accidents and other problems that may arise during the transport of gases such as LPG and liquid hydrogen. We maintain safe transport systems through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



Emergency response drill for a tanker truck accident

## Developing an Integrated Safety Management Structure Using Digital Technologies

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



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



Plant facility inspection using tablets



Using a computer system to manage all plant facilities

# Health and Productivity Management and Occupational Health and Safety

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

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

## Health and Productivity Management Declaration

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

### Health and Productivity Management Declaration

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

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

*Kiroshi Majima*  
President



## Specific Initiatives

### Measures to support the health of employees and their families

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

### Stress checks and mental health initiatives

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

### Reducing long working hours

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

### Promoting club activities and participation in sporting events

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

# ESG Data

## Environment

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

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

## Society

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

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

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

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

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

## Governance

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

# Social Contribution Activities

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

## Joint Efforts with the Activities of the NHK Symphony Orchestra

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



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

## Support for the Japan Chamber Music Foundation

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

## Sponsoring the Music Competition of Japan

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

## Improving and Promoting Welding Skills in Asia

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



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

## A Comfortable Planet - All Japan Elementary School Essay Contest

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



## Technology Promotion through the Iwatani Naoji Foundation

### The Iwatani Naoji Foundation

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

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

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



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

## Athletics Club

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



## Sponsoring the Japan International Birdman Rally

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



## Hydrogen Awareness-Raising Activities

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



## The Support Team for Your Community Helps Keep Communities Safe

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



## Relief Fund Aids Disaster-Affected Areas

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



Relief supplies for areas affected by the July 2020 torrential downpours



Relief supplies for areas affected by the August 2021 typhoons