Iwatani

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Consolidated Financial Results for the Six Months Ended September 30, 2025 [Japanese GAAP]

November 11, 2025

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Stock exchange listing: Tokyo
Code number: 8088
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Scheduled date of filing semi-annual securities report: November 11, 2025
Scheduled date of commencing dividend payments: December 15, 2025
Availability of supplementary briefing material on financial results: Yes
Schedule of financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended September 30, 2025 (April 1, 2025 to September 30, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2025	409,128	2.3	10,758	(33.3)	18,000	(12.8)	20,315	51.1
September 30, 2024	400,004	1.5	16,140	10.6	20,638	13.5	13,440	11.4

(Note) Comprehensive income: Six months ended September 30, 2025: ¥ 23,248 million [32.0 %]
Six months ended September 30, 2024: ¥ 17,611 million [(25.0)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	88.27	-
September 30, 2024	58.41	-

(Notes) 1 The Company finalized the provisional accounting treatment for the application of equity method in the fiscal year ended March 31, 2025. As a result, figures for the six months ended September 30, 2024 reflect the finalization of the provisional accounting treatment.

2 The Company carried out a 4-for-1 share split of its common share as of October 1, 2024. Basic earnings per share has been calculated as if this share split were carried out at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2025	850,406	410,189	46.9
March 31, 2025	873,044	397,209	44.2

(Reference) Equity: As of September 30, 2025: ¥ 398,598 million
As of March 31, 2025: ¥ 386,053 million

(Note) The Company finalized the provisional accounting treatment for the business combination in the first half of the fiscal year ending March 31, 2026. As a result, figures as of March 31, 2025 reflect the finalization of the provisional accounting treatment.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	-	-	47.00	47.00
Fiscal year ending March 31, 2026	-	23.50			
Fiscal year ending March 31, 2026 (Forecast)			-	23.50	47.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026(April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	936,400	6.0	49,100	6.2	63,100	2.6	48,800	20.6	212.05

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

New 2 Companies

Exclusion: 6 Companies

(2) Accounting policies adopted specially for the preparation of semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2025: 234,246,596 shares

March 31, 2025: 234,246,596 shares

2) Number of treasury shares at the end of the period:

September 30, 2025: 4,067,775 shares

March 31, 2025: 4,107,871 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2025: 230,158,549 shares

Six months ended September 30, 2024: 230,126,104 shares

(Note) The Company carried out a 4-for-1 share split of its common share as of October 1, 2024.
Average number of shares outstanding during the period has been calculated as if this share split were carried out at the beginning of the previous fiscal year.

*1. Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

*2. Cautionary Statement with Respect to Forward-Looking Statements, and Other Information

(Caution regarding forward-looking statements)

The forward-looking statements, such as results forecasts, included in this document are based on information currently available to the Company and assumptions considered reasonable, and do not purport to be a promise by the Company to achieve such results. Actual results may differ materially, depending on a range of factors. For the assumptions prerequisite to the results forecasts and the points to be noted in the use of the results forecasts, please see "Overview of Operating Results, Etc. (4) Consolidated Financial Results Forecasts" on page 4.

(How to obtain supplementary briefing material on financial results)

The briefing material on financial results is scheduled to be posted on the company's website.

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Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Six Months Ended September 30, 2025

1) Economic Environment and Initiatives

During the first half of the current fiscal year, the Japanese economy showed resilience with a pick-up in personal consumption due to an improvement in the income environment despite rising prices, and an increase in capital investment against the backdrop of robust corporate earnings. However, the outlook remained uncertain due to factors such as developments in the U.S. tariff policy.

Under these circumstances, Iwatani (hereinafter referred to as the "Company") expanded its business to achieve its basic policies of "solutions to social issues" and "sustained growth" in accordance with its medium-term management plan, "PLAN27," which ends in the fiscal year ending March 31, 2028.

In order to realize a hydrogen energy-based society, an onsite low-carbon hydrogen production and supply project that the Company is jointly undertaking with Toyota Tsusho Corporation and Eurus Energy Holdings Corporation has been certified as eligible for price gap support under the Hydrogen Society Promotion Act by the Ministry of Economy, Trade and Industry. The three companies will establish a joint company in March 2027, aiming to commence operations around 2030. In addition, we signed a basic agreement with the Tokyo Metropolitan Government for the future utilization of the hydrogen fuel cell ship Mahoroba, which was used for passenger ship operations at Expo 2025 Osaka, Kansai, Japan. Through its operation in Tokyo, we will contribute expanding the use of hydrogen for mobility applications.

With regard to our carbon-free strategies, while working to expand the handling of eco-friendly resins, the bio-PP that we began importing and selling was adopted as packaging material by a major domestic cosmetics manufacturer. This bio-PP is the only one in the world manufactured from non-fossil biomass materials, and we aim to expand its adoption in the Japanese market in the future.

2) Earnings

During the first half of the current fiscal year, despite the negative impact of LPG import price fluctuations and the weakening of the helium market, the recording of a gain on sale of non-current assets resulted in net sales of 409.128 billion yen (+9.123 billion yen year-on-year), operating profit of 10.758 billion yen (-5.381 billion yen year-on-year), ordinary profit of 18.000 billion yen (-2.638 billion yen year-on-year), and profit attributable to owners of parent of 20.315 billion yen (+6.874 billion yen year-on-year).

(2) Segment Information

Integrated Energy

In the Integrated Energy Business, despite steady sales of energy-related equipment, revenue decreased due to the import price of LPG falling below the previous year, leading to a decline in sales prices. As for profits, LPG sales volume decreased in the wholesale sector and there was a negative impact of LPG import price fluctuations (-2.066 billion yen year-on-year), profitability declined. Furthermore, the slowdown in the Chinese economy led to sluggish sales of portable gas cooking stoves and cassette gas canisters.

As a result, net sales in this segment were 156.492 billion yen (-0.770 billion yen year-on-year), and operating loss was 0.211 billion yen (a deterioration of 3.482 billion yen year-on-year).

Industrial Gases & Machinery

In the Industrial Gases & Machinery Business, while sales of hydrogen and hydrogen-related equipment increased, demand for air separation gases in China was sluggish, and the profitability of specialty gases declined due to the weakening of the helium market. In the gas-related equipment, shipments of equipment for the automobile industry and semiconductor industry decreased.

As a result, net sales in this segment were 132.447 billion yen (+3.864 billion yen year-on-year) and operating profit was 5.823 billion yen (-2.165 billion yen year-on-year).

Materials

In the Materials Business, sales increased due to efforts to ensure stable supply amid continued export restrictions from China on rare earths and other items. In addition, the sales volume of eco-friendly PET resin increased, and stainless steel sales remained steady due to the impact of new consolidation. On the other hand, the mineral sands business saw deteriorating profitability of our mining sites in Australia, and sales of high-performance film materials, mainly for smartphones, were sluggish.

As a result, net sales in this segment were 104.955 billion yen (+5.800 billion yen year-on-year) and operating profit was 6.074 billion yen (-0.059 billion yen year-on-year).

Others, Adjustments

Net sales were 15.231 billion yen (+0.230 billion yen year-on-year), and operating profit was 1.531 billion yen (-0.163 billion yen year-on-year).

(3) Overview of Financial Position for the Six Months Ended September 30, 2025

Total Assets

Total assets at the end of the first half of the current fiscal year decreased by 22.638 billion yen from the end of the previous fiscal year to 850.406 billion yen. This was mainly due to decreases of 36.600 billion yen in Notes and accounts receivable - trade, and contract assets and 5.799 billion yen in land, respectively, despite increases of 8.974 billion yen in investment securities, 6.665 billion yen in merchandise and finished goods and 2.948 billion yen in work in process, respectively.

Total Liabilities

Total liabilities at the end of the first half of the current fiscal year decreased by 35.618 billion yen from the end of the previous fiscal year to 440.216 billion yen. This was mainly due to decreases of 19.474 billion yen in notes and accounts payable - trade, 9.344 billion yen in long-term borrowings and 6.638 billion yen in “Other” under “Current liabilities,” including commercial paper.

Interest-bearing debt, including lease liabilities, etc., at the end of the first half decreased by 11.091 billion yen to 253.356 billion yen from the end of the previous fiscal year.

Total Net Assets

Total net assets at the end of the first half of the current fiscal year increased by 12.980 billion yen from the end of the previous fiscal year to 410.189 billion yen. This was mainly due to increases of 10.251 billion yen in retained earnings and 6.971 billion yen in valuation difference on available-for-sale securities, respectively, despite a decrease of 4.656 billion yen in foreign currency translation adjustment.

Cash Flows

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the first half of the current fiscal year decreased by 1.725 billion yen from the end of the previous fiscal year to 25.862 billion yen.

(Operating Activities)

Net cash provided by operating activities in the first half of the current fiscal year increased in revenue by 9.771 billion yen from the same period of the previous fiscal year to 23.029 billion yen.

This was mainly due to an increase in cash resulting from a decrease in accounts receivable - trade, and contract assets of 38.732 billion yen, profit before income taxes of 29.997 billion yen and depreciation of 14.648 billion yen, and a decrease in cash resulting from a decrease in trade payables of 23.041 billion yen, income taxes paid of 11.659 billion yen, a loss on sale and retirement of non-current assets of 11.197 billion yen, an increase in inventories of 9.633 billion yen and share of profit of entities accounted for using equity method of 5.245 billion yen.

(Investing Activities)

Net cash used in investing activities in the first half of the current fiscal year decreased in expenditure by 28.167 billion yen from the same period of the previous fiscal year to 2.704 billion yen.

This was mainly due to an increase in cash resulting from the sale of property, plant and equipment of 22.064 billion yen, and a decrease in cash resulting from the purchase of property, plant and equipment of 19.721 billion yen, the purchase of intangible assets of 3.849 billion yen and the purchase of investment securities of 0.859 billion yen.

(Financing Activities)

Net cash used in financing activities in the first half of the current fiscal year increased in expenditure by 32.100 billion yen from the same period of the previous fiscal year to 21.936 billion yen.

This was mainly due to a decrease in cash resulting from dividends paid of 10.796 billion yen, a net decrease in commercial paper of 5.000 billion yen and a net decrease in borrowings of 4.949 billion yen.

(4) Consolidated Financial Results Forecasts

Although economic trends, fluctuations in LPG import prices, and other factors may affect our business performance, we have not changed our consolidated earnings forecast announced on May 14, 2025, for the first half of the current fiscal year.

Semi-annual Consolidated Financial Statements and Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	27,759	26,032
Notes and accounts receivable - trade, and contract assets	162,256	125,655
Electronically recorded monetary claims - operating	26,368	24,096
Merchandise and finished goods	65,786	72,452
Work in process	7,375	10,324
Raw materials and supplies	11,391	11,306
Other	27,733	28,104
Allowance for doubtful accounts	(212)	(241)
Total current assets	328,458	297,729
Non-current assets		
Property, plant and equipment		
Land	79,287	73,488
Other, net	160,918	165,326
Total property, plant and equipment	240,206	238,814
Intangible assets		
Goodwill	21,090	20,348
Other	27,515	29,467
Total intangible assets	48,606	49,816
Investments and other assets		
Investment securities	211,938	220,912
Other	44,380	43,687
Allowance for doubtful accounts	(545)	(554)
Total investments and other assets	255,772	264,045
Total non-current assets	544,585	552,676
Total assets	873,044	850,406

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	76,102	56,628
Electronically recorded obligations - operating	34,367	30,522
Short-term borrowings	24,421	25,518
Income taxes payable	10,882	8,526
Contract liabilities	8,330	11,102
Provision for bonuses	7,194	7,557
Other	93,695	87,056
Total current liabilities	254,993	226,912
Non-current liabilities		
Bonds payable	70,000	70,000
Long-term borrowings	111,619	102,275
Provision for retirement benefits for directors (and other officers)	1,522	1,167
Retirement benefit liability	6,082	6,225
Other	31,616	33,635
Total non-current liabilities	220,841	213,304
Total liabilities	475,835	440,216
Net assets		
Shareholders' equity		
Share capital	35,096	35,096
Capital surplus	32,128	32,179
Retained earnings	274,909	285,160
Treasury shares	(1,558)	(1,548)
Total shareholders' equity	340,576	350,888
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29,334	36,305
Deferred gains or losses on hedges	2,270	2,691
Foreign currency translation adjustment	11,839	7,183
Remeasurements of defined benefit plans	2,031	1,528
Total accumulated other comprehensive income	45,476	47,709
Non-controlling interests	11,155	11,591
Total net assets	397,209	410,189
Total liabilities and net assets	873,044	850,406

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income (For the six months)

(Million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	400,004	409,128
Cost of sales	293,326	302,529
Gross profit	106,677	106,598
Selling, general and administrative expenses		
Transportation costs	15,376	15,648
Provision of allowance for doubtful accounts	(2)	52
Salaries, allowances and bonuses	22,094	22,970
Provision for bonuses	6,008	6,367
Retirement benefit expenses	1,012	872
Provision for retirement benefits for directors (and other officers)	78	73
Other	45,968	49,855
Total selling, general and administrative expenses	90,536	95,839
Operating profit	16,140	10,758
Non-operating income		
Interest income	186	165
Dividend income	881	986
Foreign exchange gains	–	171
Share of profit of entities accounted for using equity method	2,278	5,245
Subsidy income	1,092	1,025
Other	1,974	1,824
Total non-operating income	6,412	9,419
Non-operating expenses		
Interest expenses	1,248	1,505
Foreign exchange losses	173	–
Other	492	673
Total non-operating expenses	1,914	2,178
Ordinary profit	20,638	18,000
Extraordinary income		
Gain on sale of non-current assets	339	11,662
Gain on sale of investment securities	1,691	57
Gain on liquidation of subsidiaries and associates	–	409
Subsidy income	5	52
Gain on liquidation of project	–	332
Total extraordinary income	2,036	12,514
Extraordinary losses		
Loss on sale of non-current assets	155	59
Loss on retirement of non-current assets	189	405
Loss on sale of investment securities	1	0
Loss on liquidation of subsidiaries and associates	1	–
Loss on tax purpose reduction entry of non-current assets	5	52
Total extraordinary losses	353	517
Profit before income taxes	22,321	29,997
Income taxes	8,327	8,950
Profit	13,993	21,046
Profit attributable to non-controlling interests	553	731
Profit attributable to owners of parent	13,440	20,315

Semi-annual Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	13,993	21,046
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,872)	6,578
Deferred gains or losses on hedges	(1,764)	290
Foreign currency translation adjustment	7,208	(4,102)
Remeasurements of defined benefit plans, net of tax	(74)	(486)
Share of other comprehensive income of entities accounted for using equity method	119	(77)
Total other comprehensive income	3,617	2,201
Comprehensive income	17,611	23,248
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,942	22,548
Comprehensive income attributable to non-controlling interests	669	699

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	22,321	29,997
Depreciation	13,456	14,648
Loss on tax purpose reduction entry of non-current assets	5	52
Amortization of goodwill	1,597	1,605
Increase (decrease) in allowance for doubtful accounts	(24)	40
Increase (decrease) in provision for bonuses	403	293
Increase (decrease) in retirement benefit liability	102	90
Decrease (increase) in retirement benefit asset	(206)	239
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(40)	(391)
Interest and dividend income	(1,067)	(1,152)
Interest expenses	1,248	1,505
Foreign exchange losses (gains)	(38)	(12)
Share of loss (profit) of entities accounted for using equity method	(2,278)	(5,245)
Loss (gain) on sale and retirement of non-current assets	5	(11,197)
Loss (gain) on sale of investment securities	(1,690)	(57)
Loss (gain) on liquidation of subsidiaries and associates	1	(409)
Decrease (increase) in accounts receivable - trade, and contract assets	23,802	38,732
Decrease (increase) in inventories	(10,658)	(9,633)
Increase (decrease) in trade payables	(16,905)	(23,041)
Decrease (increase) in advance payments to suppliers	615	(2,375)
Increase (decrease) in contract liabilities	(414)	2,931
Other, net	(6,388)	(5,128)
Subtotal	23,846	31,490
Interest and dividends received	1,199	1,054
Dividends received from entities accounted for using equity method	3,006	3,593
Interest paid	(1,191)	(1,448)
Income taxes refund (paid)	(13,603)	(11,659)
Net cash provided by (used in) operating activities	13,258	23,029

(Million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(24,767)	(19,721)
Proceeds from sale of property, plant and equipment	1,043	22,064
Purchase of intangible assets	(5,569)	(3,849)
Proceeds from sale of intangible assets	–	8
Purchase of investment securities	(1,211)	(859)
Proceeds from sale and redemption of investment securities	1,991	94
Proceeds from liquidation of subsidiaries and associates	–	652
Proceeds from sale of investments in capital	1	1
Loan advances	(7,345)	(8,865)
Proceeds from collection of loans receivable	5,822	8,716
Other, net	(836)	(945)
Net cash provided by (used in) investing activities	(30,871)	(2,704)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(19,145)	1,485
Proceeds from long-term borrowings	14,352	–
Repayments of long-term borrowings	(6,258)	(6,435)
Proceeds from issuance of bonds	29,839	–
Net increase (decrease) in commercial papers	–	(5,000)
Net decrease (increase) in treasury shares	(11)	(2)
Repayments of lease liabilities	(675)	(637)
Dividends paid	(7,464)	(10,796)
Dividends paid to non-controlling interests	(472)	(544)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(5)
Net cash provided by (used in) financing activities	10,163	(21,936)
Effect of exchange rate change on cash and cash equivalents	1,679	(934)
Net increase (decrease) in cash and cash equivalents	(5,770)	(2,546)
Cash and cash equivalents at beginning of period	33,614	27,588
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	175	592
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	239	227
Cash and cash equivalents at end of period	28,260	25,862

(Notes to Segment Information, Etc.)

I. First Half of FY2024 (April 1, 2024 - September 30, 2024)

a) Information related to sales, operating income (loss) by reportable segment

(million yen)

	Reportable Segments				Others *1	Total	Adjustments *2	Semi-annual Consolidated Statements of Income *3
	Integrated Energy	Industrial Gases & Machinery	Materials	Subtotal				
Net sales								
Outside customers	157,263	128,583	99,155	385,002	15,001	400,004	-	400,004
Intersegment	2,168	1,854	1,060	5,083	13,262	18,346	(18,346)	-
Total	159,432	130,438	100,216	390,086	28,264	418,350	(18,346)	400,004
Segment income (loss)	3,270	7,988	6,133	17,393	1,694	19,088	(2,947)	16,140

(Note) *1. "Others" is an operating segment not included in reportable segments. "Others" represents businesses in foods, livestock industry, finance, insurance, transportation, safety, information processing, etc.

*2. Adjustments for segment income (loss) include companywide expenses not allocated to each segment and the elimination of intersegment transactions.

*3. Segment income is adjusted with operating income of the semi-annual consolidated statements of income.

b) Information on impairment loss on fixed assets and goodwill by reportable segment

None

II. First Half of FY2025 (April 1, 2025 - September 30, 2025)

a) Information related to sales, operating income (loss) by reportable segment

(million yen)

	Reportable Segments				Others *1	Total	Adjustments *2	Semi-annual Consolidated Statements of Income *3
	Integrated Energy	Industrial Gases & Machinery	Materials	Subtotal				
Net sales								
Outside customers	156,492	132,447	104,955	393,896	15,231	409,128	-	409,128
Intersegment	2,087	1,070	1,112	4,271	13,423	17,694	(17,694)	-
Total	158,580	133,518	106,068	398,167	28,655	426,822	(17,694)	409,128
Segment income (loss)	(211)	5,823	6,074	11,686	1,531	13,217	(2,458)	10,758

(Note) *1. "Others" is an operating segment not included in reportable segments. "Others" represents businesses in foods, livestock industry, finance, insurance, transportation, safety, information processing, etc.

*2. Adjustments for segment income (loss) include companywide expenses not allocated to each segment and the elimination of intersegment transactions.

*3. Segment income (loss) is adjusted with operating income of the semi-annual consolidated statements of income.

b) Information on impairment loss on fixed assets and goodwill by reportable segment

None

(Notes in the Event of Significant Changes in Shareholders' Equity)

None

(Notes on the Assumption of a Going Concern)

None

(Notes on Business Combinations, Etc.)

(Significant revision of the initial allocation of acquisition costs in comparative information)

Although the Company applied provisional accounting treatment for the business combination with ISG, Inc. conducted on November 29, 2024, in the previous fiscal year, it finalized the provisional accounting treatment in the first half of the fiscal year under review. As a result of accordingly having finalized the provisional accounting treatment, significant revisions to the amount initially allocated to acquisition cost have been reflected in the comparative information included in the semi-annual consolidated financial statements for the fiscal year under review.

Consequently, the provisionally calculated amount of goodwill, initially 4,082 million yen, has decreased by 1,872 million yen due to the finalization of the accounting treatment, resulting in a revised amount of 2,210 million yen. The decrease in goodwill was due to increases of 2,729 million yen in other intangible assets (customer-related intangible assets) and 856 million yen in deferred tax liabilities.

In addition, on the consolidated balance sheet for the previous fiscal year, goodwill decreased by 1,802 million yen, while other intangible assets (customer-related intangible assets), deferred tax liabilities, and retained earnings increased by 2,653 million yen, 833 million yen, and 17 million yen, respectively.

Additional Information

Results for 1H FY2025

The Company finalized the provisional accounting treatments for the application of equity method in the fiscal year ended March 31, 2025, and for the business combination in the six months ended September 30, 2025. As a result, figures for the six months ended September 30, 2024 and the fiscal year ended March 31, 2025 reflect the finalization of the provisional accounting treatments.

(1) Consolidated Statements of Income

(Unit: 100 million yen) **(Figures are rounded down to the nearest 100 million yen)**

	1H FY2024 Apr-Sep 2024	1H FY2025 Apr-Sep 2025	Change	Rate	FY2025 (Forecast)	Overview
Net sales	4,000	4,091	91	2.3%	9,364	Net sales increased mainly due to robust sales of products for industrial sectors, particularly in the Materials Business, as well as the impact of new consolidations. As for profits, despite factors such as a decline in helium profitability, the negative impact on profits due to LPG import price fluctuations and an increase in selling, general and administrative expenses, profit increased due to an increase in share of profit of entities accounted for using equity method, recording of a gain on sale of non-current assets, etc.
Gross profit	1,066	1,065	(0)	(0.1%)	—	
Operating profit	161	107	(53)	(33.3%)	491	
Ordinary profit	206	180	(26)	(12.8%)	631	
Profit attributable to owners of parent	134	203	68	51.1%	488	

* Figures for fiscal year ending March 31, 2026 (forecast) were announced on May 14, 2025.

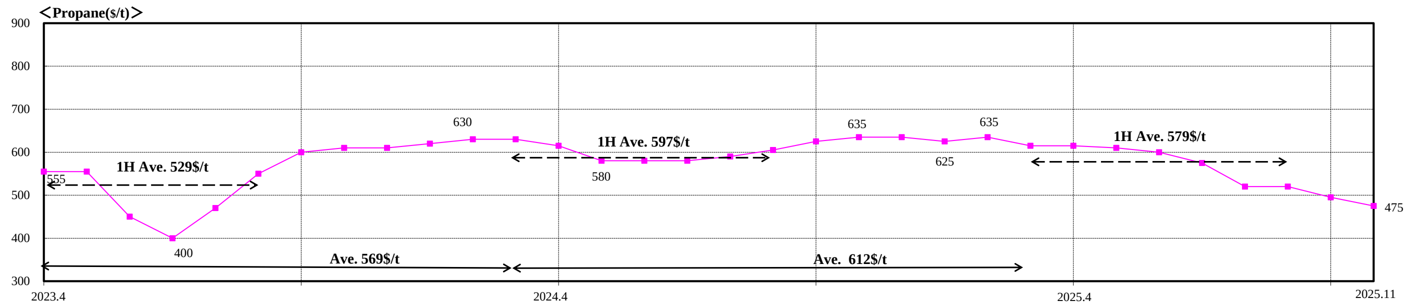
(2) Operating Profit Except for Impact of LPG Import Price Fluctuation

(Unit: 100 million yen)

	1H FY2024 Apr-Sep 2024	1H FY2025 Apr-Sep 2025	Change	Rate	FY2025 (Forecast)	Overview
Operating profit	161	107	(53)	(33.3%)	491	・Impact of LPG import price fluctuation led to decrease in profit by 2.0 billion yen year-on-year. ・Operating profit except for the impact of LPG import price fluctuation was 13.8 billion yen, a decrease of 3.3 billion yen.
Impact of LPG import price fluctuation	(10)	(31)	(20)	—	—	
Operating profit except for impact of LPG import price fluctuation	171	138	(33)	(19.3%)	491	

* For more detailed information, please see a slide of "Impact of LPG Import Prices" in Iwatani Corporation Business Overview. (https://www.iwatani.co.jp/eng/ir/pdf/about_iwatani.pdf)

(3) LPG Import Price (CP)



(4) Segment Information

(Unit: 100 million yen)

		1H FY2024 Apr-Sep 2024	1H FY2025 Apr-Sep 2025	Change	Rate	Overview
Integrated Energy	Net sales	1,572	1,564	(7)	(0.5%)	・Profit decreased due to negative impact of LPG import price fluctuation. ・Sales volume in the LPG wholesale sector decreased. ・Decrease in sales of portable gas cooking stoves and cassette gas canisters. ・Sales were steady for energy-related equipment
	Operating profit	32	(2)	(34)	—	
Industrial Gases & Machinery	Net sales	1,285	1,324	38	3.0%	・Increase in sales volume of hydrogen and hydrogen-related equipment. ・Decline in the profitability of air separation gases due to lower demand in China. ・Decline in the profitability of specialty gases due to weakening in helium markets. ・Decrease in shipments of equipment for the automotive and semiconductor industries.
	Operating profit	79	58	(21)	(27.1%)	
Materials	Net sales	991	1,049	58	5.8%	・Increase in sales of rare earths and other items due to the efforts to ensure stable supply. ・Increase in sales volume of eco-friendly PET resin. ・Steady sales of stainless steel due to the impact of new consolidation. ・Decline in the profitability of our own mining sites of mineral sands. ・Sluggish sales of high-performance film materials.
	Operating profit	61	60	(0)	(1.0%)	
Others, Adjustments	Net sales	150	152	2	1.5%	
	Operating profit	(12)	(9)	3	—	

* Net sales represent sales to third parties.
* "Others, Adjustments" represents the sum of the "Other" business segment and "Adjustments."

(5) LPG and Industrial Gases Net Sales・Sales Volume

	Sales volume (thousand tons)				Net sales (100 million yen)			
	1H FY2024 Apr-Sep 2024	1H FY2025 Apr-Sep 2025	Change	Rate	1H FY2024 Apr-Sep 2024	1H FY2025 Apr-Sep 2025	Change	Rate
Domestic residential use	486	477	(8)	(1.8%)	770	753	(16)	(2.2%)
Domestic industrial use	151	155	3	2.2%	179	171	(8)	(4.5%)
LPG sub total (except for overseas)	638	633	(5)	(0.8%)	950	925	(25)	(2.6%)
LPG total	644	639	(5)	(0.9%)	958	932	(26)	(2.7%)
Various industrial gases	―	―	―	―	770	801	30	4.0%

(6) Financial Position

(Unit: 100 million yen)

	FY2024 end	1H FY2025 end	Change
Total assets	8,730	8,504	(226)
Equity	3,860	3,985	125
Interest-bearing debt, gross	2,644	2,533	(110)
Interest-bearing debt, net	2,366	2,273	(93)
Equity ratio	44.2%	46.9%	2.7pt
Ratio of interest-bearing debt to total assets	30.3%	29.8%	(0.5pt)
Debt-to-equity ratio, gross	0.68	0.63	(0.05pt)
Debt-to-equity ratio, net	0.61	0.57	(0.04pt)

(7) Capital Expenditure

(Unit: 100 million yen)

	1H FY2025 Apr-Sep 2025	FY2025 (Forecast)
Integrated Energy	81	153
Industrial Gases & Machinery	118	298
Materials	34	70
Others, Adjustments	54	129
Capital expenditure	289	650
Depreciation	154	320

* Presented here are figures for property, plant and equipment, intangible assets (including goodwill), and investments securities, etc. (which include ¥22.0 billion yen invested in property, plant and equipment in the current period.)
*"Others, Adjustments" represents the total of the "Others" business segment and "Adjustments."

(8) Cash Flows

(Unit: 100 million yen)

	1H FY2024 Apr-Sep 2024	1H FY2025 Apr-Sep 2025	Change
Cash and cash equivalents at beginning of period	336	275	(60)
Cash flows from operating activities	132	230	97
Cash flows from investing activities	(308)	(27)	281
Free cash flow	(176)	203	379
Cash flows from financing activities	101	(219)	(321)
Effect of exchange rate change on cash and cash equivalents	16	(9)	(26)
Net increase (decrease) in cash and cash equivalents	(57)	(25)	32
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	1	5	4
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	2	2	(0)
Cash and cash equivalents at end of period	282	258	(23)

(9) Amount of share of profit or loss of Cosmo accounted for using equity method

(Unit: 100 million yen)

	1H FY2024 Apr-Sep 2024	1H FY2025 Apr-Sep 2025	FY2025 (Forecast)
Amount of share of profit or loss of Cosmo accounted for using equity method	19	47	106

(10) Dividends

	1H FY2025 end	FY2025 end (Forecast)	FY2025 (Forecast)
Dividend (Yen)	23.50	23.50	47.00
Dividend payout ratio (consolidated) (%)			22.2%

(11) Non-consolidated

Non-consolidated Statements of Income

(Unit: 100 million yen)

	1H FY2024 Apr-Sep 2024	1H FY2025 Apr-Sep 2025	Change	Rate
Net sales	2,426	2,441	14	0.6%
Operating profit	52	(0)	(53)	―
Ordinary profit	169	134	(34)	(20.4%)
Profit	143	201	58	40.9%

Financial Position

(Unit: 100 million yen)

	FY2024 end	1H FY2025 end	Change
Total assets	6,180	5,991	(188)
Equity capital	2,540	2,694	153
Equity capital ratio	41.1%	45.0%	3.9pt

In this document, "Cosmo Energy Holdings Co., Ltd." is abbreviated to "Cosmo."