



April 23, 2024

To whom it may concern:

Company name	Cosmo Energy Holdings Co., Ltd.
Representative	Shigeru Yamada Representative Director and Group CEO (Code: 5021, Prime Market of the Tokyo Stock Exchange)
Contact person	Masahiro Oikawa General Manager, Corporate Communication Dept.
TEL	03-3798-3101
Company name	Iwatani Corporation
Representative	Hiroshi Majima Representative Director and President (Code: 8088, Prime Market of the Tokyo Stock Exchange)
Contact person	Kenji Takayama Senior Managing Officer
TEL	06-7637-3470

Notice Concerning Capital and Business Alliance  
Between Cosmo Energy Holdings Co., Ltd. and Iwatani Corporation

Cosmo Energy Holdings Co., Ltd. (hereafter, “Cosmo Energy HD”) and Iwatani Corporation (hereafter, “Iwatani”) are pleased to announce that at their respective Board of Directors meetings held today, the two companies resolved to enter into a capital and business alliance agreement as outlined below.

1. Purpose of capital and business alliance

Cosmo Energy HD and Iwatani have agreed to work together under a capital and business alliance after reaching the shared understanding that by pooling their respective management resources and expertise, deepening collaboration further can create new synergies and contribute to the enhancement of enterprise value of both companies. The alliance aims to ensure a smooth transition from fossil fuels such as oil and LPG to renewable energy and hydrogen against the backdrop of changing energy demands as the world strives to achieve carbon neutrality by 2050.

In the hydrogen field, Cosmo Energy HD and Iwatani have already strengthened their collaborative relationship by signing a basic agreement regarding possible collaboration in the hydrogen business on March 8, 2022. This was followed by the establishment of Iwatani Cosmo Hydrogen Station LLC in February 2023, with the aim of collaborating in the hydrogen station business, as well as Cosmo Iwatani Hydrogen Engineering LLC in November 2023, for the purpose of collaborating in the hydrogen-related project engineering business. With the conclusion of this capital and business alliance agreement, the two companies will further strengthen and accelerate these efforts.

## 2. Overview of capital and business alliance

### (1) Details of business alliance

Under this business alliance, Cosmo Energy HD and Iwatani have agreed to explore opportunities to collaborate in the following fields. Going forward, the two companies will establish an alliance promotion committee to discuss and drive specific areas of collaboration.

In the hydrogen field in particular, in addition to continuing to cooperatively develop and expand hydrogen stations, Cosmo Energy HD and Iwatani will consider building a hydrogen supply network that encompasses production through supply and retail sales by making full use of their respective hydrogen business expertise, infrastructure, and other management resources.

#### <Fields of business alliance>

- ① Efforts to realize a decarbonized society
  - Development of infrastructure for a hydrogen energy society
  - Production of green hydrogen in Japan
  - Expansion of their decarbonization-related businesses
  - Promotion of next-generation fuel development
- ② Strengthening of their relationship in existing business sectors
  - Strengthening and optimization of their procurement functions in the energy sector
  - Strengthening of their production functions in the industrial gases sector
  - Strengthening of their production and sales functions in the chemicals and resources sectors
  - Joint marketing leveraging their respective customer bases

#### <Establishment of an alliance promotion committee>

Cosmo Energy HD and Iwatani will establish an alliance promotion committee, chaired by the representative director and president of both companies, as an organization to promote their business alliance. In addition, the two companies will also consider collaboration in areas other than those mentioned above.

### (2) Capital relationship between Cosmo Energy HD and Iwatani

As disclosed in the “Notice of Purchase of Additional Shares of Cosmo Energy Holdings Co., Ltd. and Borrowing of Funds” dated December 1, 2023, Iwatani purchased additional shares of Cosmo Energy HD and became its largest shareholder. Subsequently, Iwatani received a notice from the Japan Fair Trade Commission that, following their examination, they would not issue a cease and desist order. Iwatani then purchased an additional 250,000 shares of Cosmo Energy HD on March 27, 2024. As a result of this purchase, the ratio of voting rights held<sup>1</sup> by Iwatani now stands at 20.07%, making it an affiliated company of Cosmo Energy HD accounted for using the equity method.

1. The ratio of voting rights held (rounded to two decimal places) by Iwatani to the number of voting rights held by all shareholders of Cosmo Energy HD as of December 31, 2023 (882,208), as stated in the “Quarterly Securities Report (Third Quarter of Fiscal Year Ending March 31, 2024)” published by Cosmo Energy HD on February 8, 2024.

## 3. Overview of alliance parties

### ① Cosmo Energy Holdings Co., Ltd.

(1) Company name	Cosmo Energy Holdings Co., Ltd.
(2) Address	1-1-1 Shibaura, Minato-ku, Tokyo
(3) Name and title of representative	Shigeru Yamada, Representative Director and Group CEO
(4) Main businesses	Management of subsidiaries involved in oil ranging from upstream to downstream and other businesses
(5) Paid-in capital	46,435 million yen (as of September 30, 2023)

(6)	Established	October 1, 2015		
(7)	Major shareholders and shareholding ratio <sup>2</sup>	Iwatani Corporation	19.76%	
		The Master Trust Bank of Japan, Ltd. (Trust account)	11.00%	
		Custody Bank of Japan, Ltd. (Trust account)	6.04%	
		Kansai Electric Power Co., Inc.	2.10%	
		Cosmo Energy Holdings Client Stock Ownership	1.83%	
		Mizuho Bank, Ltd.	1.81%	
		Aioi Nissay Dowa Insurance Co., Ltd.	1.78%	
		MUFG Bank, Ltd.	1.78%	
		Sompo Japan Insurance Inc.	1.51%	
	Government of Norway	1.50%		
(8)	Relationship with Iwatani	Capital relationship	As of today, Iwatani currently holds 17,709,525 shares of the Company. In addition, Kanto Propan Gas Co., Ltd., a wholly owned subsidiary of Iwatani, holds 375 shares of the Company.	
		Interpersonal relationship	Not applicable.	
		Transactional relationship	Currently, the Company and Iwatani are engaged in the sales and procurement of LPG, LNG, and other gases, as well as the sourcing of feedstock, etc. Additionally, the two parties signed a basic agreement concerning possible collaboration in the hydrogen business, effective March 8, 2022, and jointly established Iwatani Cosmo Hydrogen Station LLC on February 8, 2023, followed by Cosmo Iwatani Hydrogen Engineering LLC on November 1, 2023.	
		Applicable classification	Iwatani is classified as an “Other Affiliated Company” of the Company.	
(9)	Consolidated operating results and financial position for the last three years <sup>3</sup>			
	Fiscal year ended	March 31, 2021	March 31, 2022	March 31, 2023
	Net assets	449,120	583,971	663,380
	Total assets	1,709,017	1,938,408	2,120,763
	Net sales	2,233,250	2,440,452	2,791,872
	Operating profit	101,289	235,303	163,780
	Ordinary profit	97,370	233,097	164,505
	Profit attributable to owners of parent	85,910	138,890	67,935
	Dividend per share (yen)	80.00	100.00	150.00

2. Source: “Status of Major Shareholders” as of December 15, 2023 presented in the “Corporate Governance Report” updated by Cosmo Energy HD on December 25, 2023.

3. Millions of yen unless otherwise specified.

## ② Iwatani Corporation

(1)	Company name	Iwatani Corporation
(2)	Address	3-6-4 Hommachi, Chuo-ku, Osaka- shi

(3)	Name and title of representative	Hiroshi Majima, Representative Director and President																						
(4)	Main businesses	Integrated Energy Business, encompassing LPG and portable gas cooking stoves, and Industrial Gases Business such as hydrogen, etc.																						
(5)	Paid-in capital	35,096 million yen (as of September 30, 2023)																						
(6)	Established	February 2, 1945																						
(7)	Major shareholders and shareholding ratio <sup>4</sup>	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>11.87%</td> </tr> <tr> <td>The Iwatani Naoji Foundation</td> <td>7.18%</td> </tr> <tr> <td>Government of Norway (Standing proxy Citibank, N.A., Tokyo Branch)</td> <td>5.29%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td> <td>4.31%</td> </tr> <tr> <td>MUFG Bank, Ltd.</td> <td>2.32%</td> </tr> <tr> <td>Resona Bank, Ltd.</td> <td>2.05%</td> </tr> <tr> <td>Tetsu Iwatani Co., Ltd.</td> <td>1.74%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>1.56%</td> </tr> <tr> <td>Iwatanisangyou Senyukai</td> <td>1.53%</td> </tr> <tr> <td>Iwatani Enyukai</td> <td>1.36%</td> </tr> </table>			The Master Trust Bank of Japan, Ltd. (Trust Account)	11.87%	The Iwatani Naoji Foundation	7.18%	Government of Norway (Standing proxy Citibank, N.A., Tokyo Branch)	5.29%	Custody Bank of Japan, Ltd. (Trust Account)	4.31%	MUFG Bank, Ltd.	2.32%	Resona Bank, Ltd.	2.05%	Tetsu Iwatani Co., Ltd.	1.74%	Nippon Life Insurance Company	1.56%	Iwatanisangyou Senyukai	1.53%	Iwatani Enyukai	1.36%
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(9)	Consolidated operating results and financial position for the last three years <sup>5</sup>																							
	Fiscal year ended	March 31, 2021	March 31, 2022	March 31, 2023																				
	Net assets	253,586	280,307	312,230																				
	Total assets	512,015	558,479	656,003																				
	Net sales	562,223	690,392	906,261																				
	Operating profit	29,352	40,076	40,035																				
	Ordinary profit	34,152	46,413	47,011																				
	Profit attributable to owners of parent	23,030	29,964	32,022																				
	Dividend per share (yen)	75.00	85.00	95.00																				

4. Source: "Status of Major Shareholders" as of September 30, 2023 presented in the "Quarterly Securities Report (Six Months Ended September 30, 2023)" submitted by Iwatani Corporation on November 10, 2023.
5. Millions of yen unless otherwise specified.

#### 4. Schedule

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|--|----------------|
| (1) Cosmo Energy HD Board of Directors resolution date | April 23, 2024 |
| (2) Iwatani Board of Directors resolution date         | April 23, 2024 |
| (3) Capital and business alliance conclusion date      | April 23, 2024 |
| (4) Capital and business alliance commencement date    | April 23, 2024 |

#### 5. Future outlook

Cosmo Energy HD and Iwatani are carefully examining how this capital and business alliance may potentially impact their respective consolidated earnings forecasts for the fiscal year ending March 31, 2025. However, the two companies believe that the future development and strengthening of their collaborative relationship will help improve business performance and enhance enterprise value of both companies in the medium to long term. If any matters arise that require disclosure in the future, the two parties will promptly make such disclosures.

#### **【Overview of the two companies (Reference)】**

##### **About Cosmo Energy Holdings Co., Ltd.**

The Cosmo Energy Group is developing its Renewable Energy Business in addition to its Oil Exploration and Production, Petroleum, and Petrochemical businesses as a group of companies with a social mission to continuously provide a safe and stable supply of energy, which is indispensable for daily life.

In addition, the Group formulated its Seventh Consolidated Medium-Term Management Plan, "Oil & New ~ Next Stage~," which it launched in FY2023, to create new growth drivers and achieve sustainable growth. It also established Vision 2030, taking into account long-term environmental changes. Under this vision, the Company aims "to create energy that shapes the future, energy that sustains society, and new forms of value." Specifically, it seeks to bolster the green electricity supply chain by building a high-value-added supply chain that encompasses power generation, supply-demand adjustment, and sales. It also aims to expand next-generation energy by supplying Sustainable Aviation Fuel (SAF)—a next-generation aviation fuel—and developing hydrogen and other energy businesses.

##### **About Iwatani Corporation**

Iwatani Corporation delivers a wide variety of products and services for daily life and industry, including energy, industrial gases, and materials, under its corporate philosophy to "Become a person needed by society, as those needed by society can prosper." With this philosophy, Iwatani aims to contribute to the realization of a sustainable society by solving societal challenges such as global warming and other environmental problems, as well as energy issues.

Striving to become a "corporate group that continues to contribute to the creation of a more comfortable space on Earth" by 2030, the 100th anniversary of its founding, Iwatani set "establishing a hydrogen energy-based society" as a key theme in its Medium-Term Management Plan, PLAN27. Under this plan, the Company is working to develop a CO2-free hydrogen supply chain as Japan's leading supplier of hydrogen, while also expanding its hydrogen business in response to decarbonization-related demand.

(End)(The official language for Cosmo Energy Group's filings with the Tokyo Stock Exchange and Japanese authorities, and for communications with our shareholders, is Japanese. We have posted English versions of some of this information on this website. While these English versions have been prepared in good faith, Cosmo Energy Group does not accept

responsibility for the accuracy of the translations, and reference should be made to the original Japanese language materials.)