

Second Quarter of FY2024

Financial Results Presentation Materials

November 28, 2023

The background features a stylized illustration of three large industrial storage tanks. The tanks are rendered in shades of blue and white, with horizontal lines indicating their cylindrical structure. They are arranged in a row, with the largest tank on the right and two smaller ones on the left. The overall aesthetic is clean and professional, typical of a corporate financial presentation.

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1

Overview of Second Quarter Results for FY2024

Consolidated financial results

Decreased revenues due to lower sales in the Steel Structure Business.

Operating income increased partly due to the absence of the impact of the provision for loss on construction contracts recorded in the previous fiscal year in the Steel Structure Business.

(millions of yen)	2Q of FY2023 (Actual)	2Q of FY2024 (Actual)	YoY	
			Amount	Ratio
Net sales	4,486	4,155	(331)	(7.4%)
Operating income	253	502	249	98.3%
Operating income margin	5.7%	12.1%	–	6.4P
Ordinary income	369	660	290	78.5%
Profit attributable to owners of parent	236	483	247	104.8%
Earnings per share (yen)	65.09	138.37	73.28	–

Earnings by business segment

Steel Structure Business

Decreased revenues due to sluggish growth in overseas construction projects because of decreased large-scale projects, although domestic construction projects were firm.
Segment profit improved significantly despite an operating loss partly due to an increase in general and administrative expenses.

(millions of yen)	2Q of FY2023 (Actual)	2Q of FY2024 (Actual)	YoY	
			Amount	Ratio
Net sales	3,588	3,241	(347)	(9.7%)
Segment profit	(279)	(72)	207	—
Orders received	3,145	4,149	1,004	31.9%

Real Estate Business

Stable rental income. Profit increased due to a decrease in operating expenses.

(millions of yen)	2Q of FY2023 (Actual)	2Q of FY2024 (Actual)	YoY	
			Amount	Ratio
Net sales	897	913	15	1.8%
Segment profit	532	575	42	7.9%

2 | Earnings Forecast for FY2024

Full-year forecast for FY2024

While net sales are expected to be at the same level as FY2023, operating income is expected to maintain our previous forecast due to the increased profit in the Steel Structure Business partly owing to the absence of the impact of the provision for loss on construction contracts recorded in the previous fiscal year. ROE and ROIC are also expected to increase due to higher profit.

(millions of yen)	FY2023 (Actual)	2Q of FY2024 (Actual)	FY2024 (Forecast)	FY2023 (Actual) / FY2024 (Forecast)	
				Amount	Ratio
Net sales	11,121	4,155	11,000	(121)	(1.1%)
Operating income	1,066	502	1,300	+234	+22.0%
Operating income margin	9.6%	12.1%	11.8%	–	+2.2P
Ordinary income	1,107	660	1,300	+193	+17.4%
Profit attributable to owners of parent	717	483	900	+183	+25.5%
Earnings per share (yen)	198.04	138.37	248.30	+50.26	+25.4%
ROE	6.3%	–	8.0%	–	+1.7P
ROIC	4.7%	–	6.5%	–	+1.8P

Earnings forecast by segment

Steel Structure Business

While net sales are expected to be at the same level as FY2023, operating income is expected to return to profitability due to steady progress in domestic and overseas construction

(millions of yen)	FY2023 (Actual)	2Q of FY2024 (Actual)	FY2024 (Forecast)	FY2023 (Actual) / FY2024 (Forecast)	
				Amount	Ratio
Net sales	9,322	3,241	9,200	(122)	(1.3%)
Segment profit	(48)	(72)	170	218	—

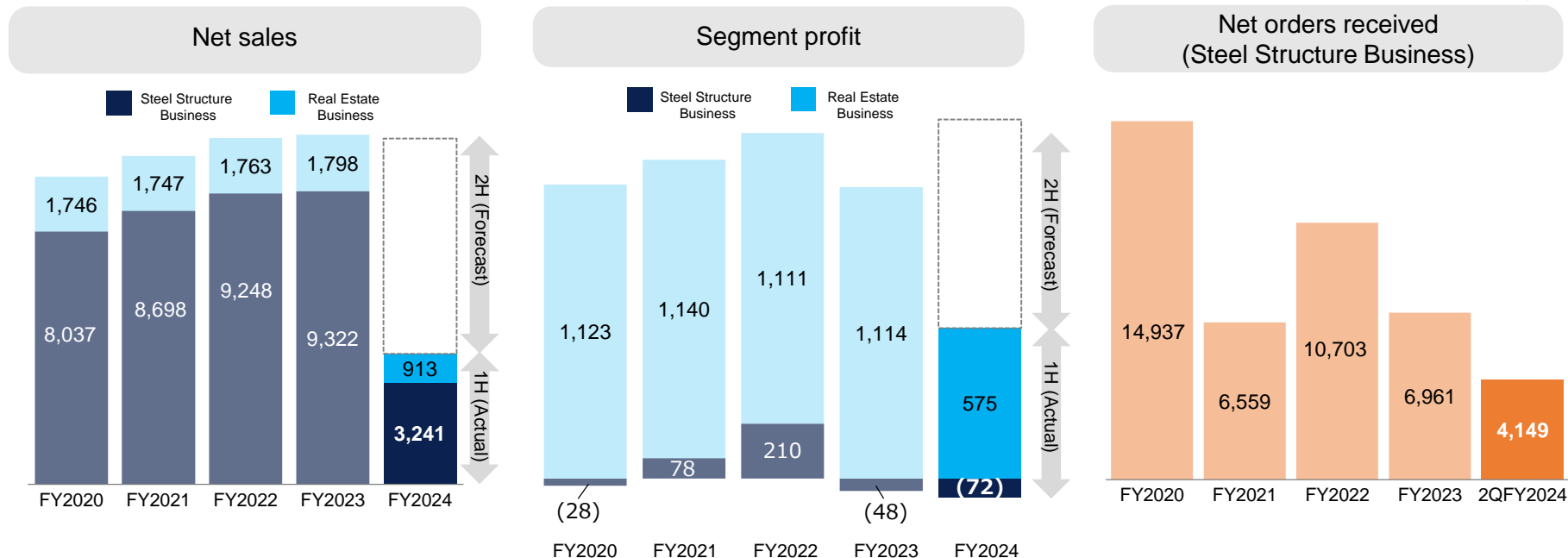
Real Estate Business

Expected to be at the same level as the previous fiscal year due to stable rental income

(millions of yen)	FY2023 (Actual)	2Q of FY2024 (Actual)	FY2024 (Forecast)	FY2023 (Actual) / FY2024 (Forecast)	
				Amount	Ratio
Net sales	1,798	913	1,800	2	+0.1%
Segment profit	1,114	575	1,130	16	+1.4%

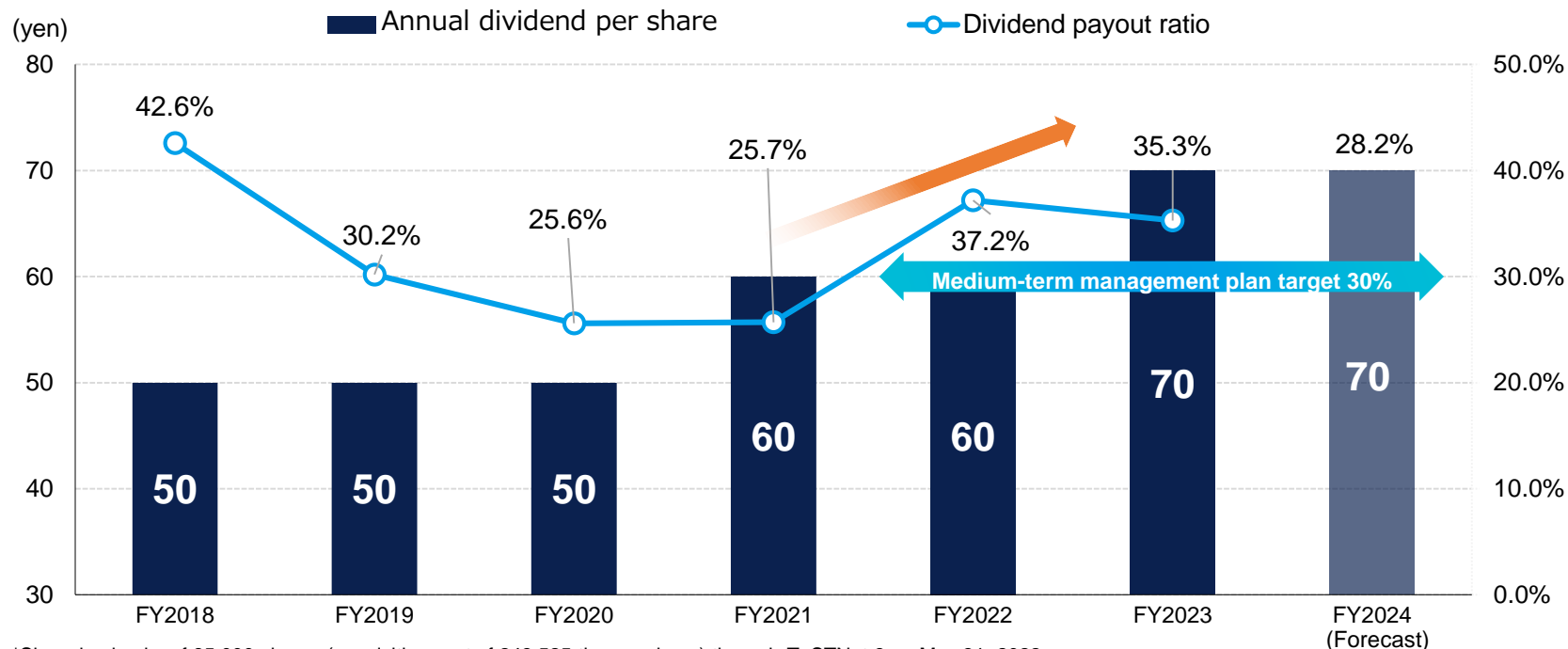
Segment performance trends and forecasts for FY2024

The Steel Structure Business is expected to improve its profit significantly despite a decrease in net sales. The Real Estate Business is expected to post increases in both net sales and profit owing to stable rental income and a decrease in operating expenses. Toward the end of the fiscal year, both net sales and segment profit are expected to make a good progress, enabling the Company to achieve its earnings forecast (net sales of 11.0 billion yen and operating income of 1.3 billion yen). Net orders received in the Steel Structure Business are progressing at a faster pace than the previous fiscal year. (millions of yen)



Returning profits to shareholders

Under the basic policy of “aiming to returning profits to shareholders through stable distribution, etc.,” the Company paid a dividend of 60 yen per share in FY2022, and 70 yen per share in FY2023, increased by 10 yen (total shareholder return ratio of 69.2%). The Company plans to continue to pay a dividend of 70 yen in FY2024.



*Share buybacks of 85,000 shares (acquisition cost of 243,525 thousand yen) through ToSTNet-3 on May 31, 2022.

*Share buybacks of 150,000 shares (acquisition cost of 441,300 thousand yen) through ToSTNet-3 on May 31, 2023.

3

Progress Made in the Implementation of Business Strategies

Participation in the carbon neutrality market - Our initiatives and achievements

Fuel ammonia

Market trend

- The government aims to introduce 3 million tons/year by 2030.
- Domestic electric power companies announced promotion of introduction.
- Major petroleum and petrochemical companies are also considering its introduction to their own power generation facilities.
- Consideration is under way to use it for vessel fuels, etc. to reduce carbon tax burden.

Our initiatives

- Collaboration with JFE Engineering Corporation to conduct joint sales and marketing activities.
- Conducted technological development for the construction of a large ammonia tank.
- Penetration into overseas ammonia markets in addition to Japanese market.

Recent achievements

Received orders from each domestic and overseas petrochemical company for one of the largest low-temperature ammonia tanks in Japan and overseas, in operation from 2022 or later.



30,000-ton low-temperature ammonia tank constructed in Taiwan. The largest low-temperature ammonia tank in the Southeast Asian region.

Participation in the carbon neutrality market - Our initiatives and achievements

Capture and storage/ + effective utilization of carbon dioxide (CCS/CCUS)

Market trend

- The government aims for 13 million tons/year of underground storage by 2030.
- It has selected seven “Advanced CCS Project Areas.”

Our initiatives

- Received orders for and constructed spherical tanks for domestic CCS demonstration and spherical tanks for liquefied carbon dioxide derived from waste plastic.
- Promoted technological development for the construction of large spherical tanks.

Recent achievements

- Received an order for Japan’s first spherical tank for CCS demonstration, currently under construction, to be operational from FY2024 or later.
- Received an order for Japan’s first spherical tanks for liquefied carbon dioxide derived from waste plastic. Currently under construction, to be operational sequentially from FY2024 or later.



Currently constructing a total of three spherical tanks for liquefied carbon dioxide.

Participation in the carbon neutrality market - Our initiatives and achievements

Liquefied natural gas (LNG)

Market trend

- About 72 million tons of gas is imported annually, mainly as fuel for power generation and city gas.
- Increasingly adopted by private companies as a carbon-neutral transition fuel from oil and coal.

Our initiatives

- Received orders for and constructed low-temperature tanks for LNG satellite terminals.
- Promoted technological development for larger low-temperature tanks for LNG satellite terminals.

Recent achievements

Received orders for and constructed four low-temperature tanks for one of the largest LNG satellite terminals in Japan from city gas companies and others, to be operational sequentially in FY2023 or later.



Received orders for low-temperature tanks (vertical cylindrical LNG tanks) from city gas companies, etc., in response to the introduction of LNG with less environmental impact.

APPENDIX

Corporate profile

Corporate name	ISHII IRON WORKS CO., LTD.
Headquarters	26-11, 3-Chome, Tsukishima, Chuo-ku, Tokyo
Date of establishment	Founded: March 1900 / Incorporated: November 1919
Representative	Hiroaki ISHII, Representative Director and President
Paid-in capital	1,892 million yen (as of March 31, 2023)
Business description	Steel Structure Business, Real Estate Business
Number of employees	139 (consolidated basis, as of March 31, 2023)
Group companies	Subsidiaries: 2, affiliates: 1
Fiscal year end	March 31
Qualifications	<ul style="list-style-type: none"> • ISO9001 Certification • Specific construction business license No.122476(Specific-1) issued by the Governor of Tokyo • First-Class Registered Architect's Office Registration No. 7001 issued by the Governor of Tokyo • Seismic structural calculation programs certified business site for high-pressure gas facilities, etc. (Class A and Class B)
Stock listings	Tokyo Stock Exchange Standard Market (Securities Code: 6362 / Loan-Transaction Stock)

Steel Structure Business

As a specialist tank manufacturer, Ishii Iron Works Co., Ltd. provides integrated engineering services from design to fabrication, installation, and commissioning, focusing on products for petroleum refineries, city gas companies, petrochemical companies, and electric power companies.

— Petroleum refineries



— Petrochemical companies



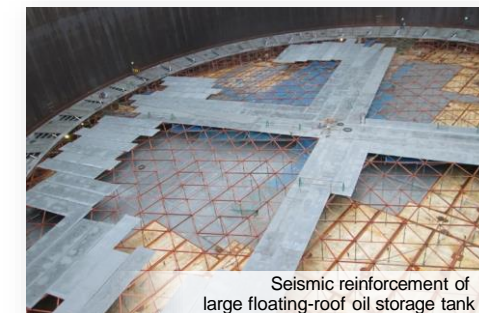
— City gas companies



— Other storage tanks



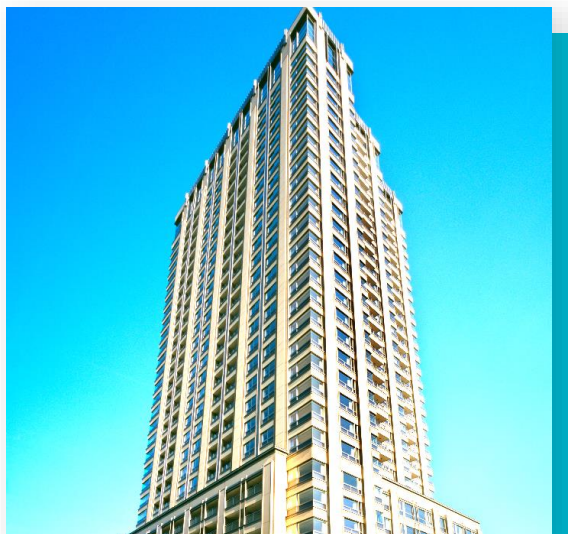
— Seismic reinforcement and maintenance



Real Estate Business

Ishii Iron Works Co., Ltd. develops and manages real estate that meets society's changing requirements, and provides high value-added buildings such as condominiums, logistics facilities, and commercial facilities that take advantage of company-owned land locations. In recent years, the Company has also entered the solar power generation business.

— Condominiums



Suncity Ginza East

— Logistics facilities



DS・L・HQ HANEDA

— Solar power generation



Higashi-Kojiya Fourth Power Plant

120 years of value creation

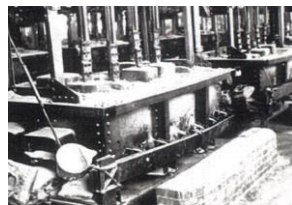
From “Technological contributions for our country” to “Technological contributions for the world”

From our founding period to the end of WW2

In 1900, Takichi ISHII founded an iron works shop in Tsukishima, Tokyo. The shop developed technologies related to the energy industry, including gas and oil, and provided a variety of equipment



Founder Takichi ISHII



Manufactured the first alumina electrolyzer in Japan

From the oil crises to our 100th anniversary

Over many years of research and development, the Company was able to provide new equipment and construction methods, such as PS (pre-stressed) concrete tanks. Started real estate leasing business



Low-temperature tank made of PS concrete. Received many authorized certifications, including the Technological Progress Certification from the JPI (Japan Petroleum Institute) in 1978



Completed construction of one of the Japan's largest city gas holders in 1995

1900–1945

1945–1973

1973–2000

2000–Present

From the end of WW2 to the oil crises

Firmly established a position as a tank and plant manufacturer along with the development of the domestic energy industry. Having actively expanded overseas, the Company has become known as “ISHII—the tank fabricator.” Entered into new businesses such as leisure industry



Largest wet seal gas holder in East Asia (at that time)

Our 100th anniversary to today

Promoted the development of new facilities for a recycling-oriented society and real estate for an aging society



Low-temperature tank terminal completed in Singapore in 2015



Completed construction of Japan's first five tsunami-resilient structured tanks in Kesenumma, Miyagi in 2020



Completed construction of Japan's largest low-temperature ammonia tank in 2022

The Ishii DNA

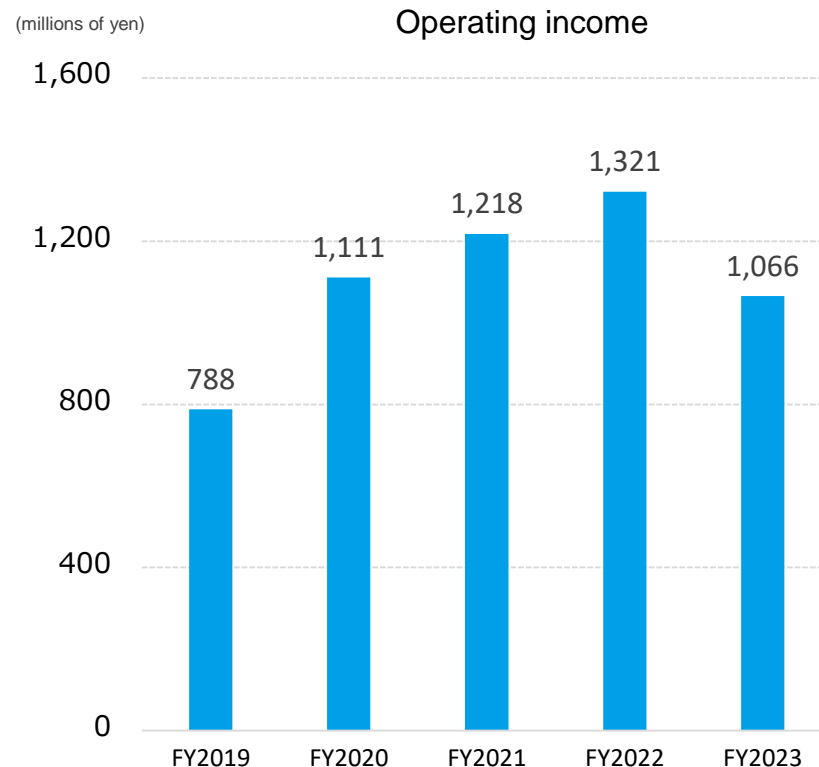
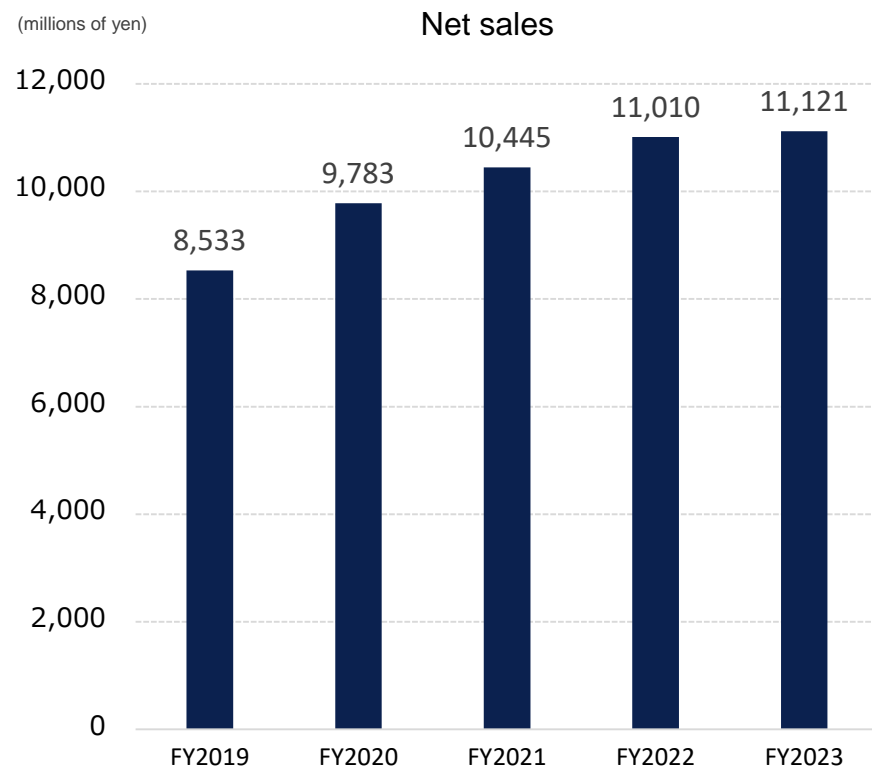
From EPC operations, which include planning, engineering, procurement, and construction, to commissioning and maintenance operations, we provide safe, reliable and highly efficient tanks and plants that meet our customers' requirement while complying with required regulations and standards within limited cost and time constraints.



Since its establishment in 1900, the Company has been supplying tank and plant facilities essential to customers in key industries such as petroleum, chemicals, steel, electric power, and gas throughout the world. Over the course of more than a century of history, we have inherited our DNA of a manufacturing company with technological know-how.

Focusing on the three points of (1) improving problem-solving skills, (2) improving communication skills, and (3) improving sensitivity backed by experience and qualifications, we develop global human resources.

Business results



Disclaimer

Forward-looking statements contained in this document are based on currently available information and current assumptions regarding uncertain factors that may affect future results. Accordingly, actual results may differ from these forecasts due to changes in various factors.