Iwatani, the Japanese Company You've Never Heard Of, Is Emerging as a Heavy Rare Earth Powerhouse

written by Jack Lifton | July 28, 2026

Most observers focus on the Japan Organization for Metals and Energy Security (JOGMEC) because it is the government's financing arm. But JOGMEC was never intended to become a rare earth merchant. That role belongs to companies such as Sojitz Corporation (TSE: 2768), Iwatani Corporation (TSE: 8088) and, historically, Mitsubishi Corporation (TSE: 8058), Sumitomo Corporation (TSE: 8053) and Mitsui & Co., Ltd. (TSE: 8031).

The appearance of Iwatani in the Caremag project signals something important about Japan's evolving strategy.

The old model: JOGMEC + Sojitz + Lynas

The Lynas project followed Japan's traditional structure. JOGMEC assumed political and financing risk, Sojitz managed commercial relationships, marketing, logistics and distribution, Lynas Rare Earths Limited (ASX: LYC) mined and separated the material, and Japanese manufacturers bought qualified products. Sojitz has decades of experience in rare earths and became the natural commercial partner for Lynas.

Why Iwatani?

Iwatani occupies a different position in Japanese industry. Most people know Iwatani as Japan's largest industrial gas company. That description is accurate but incomplete. For more than 30 years, Iwatani has also imported and distributed rare earth products to Japanese industry. It has longstanding relationships with manufacturers that consume rare earths rather than produce them. That makes Iwatani an ideal company to bridge the gap between a foreign separator and Japanese customers.

Instead of merely buying spot cargoes, Iwatani can: qualify products, coordinate logistics, maintain inventories, distribute to numerous Japanese users, and match producers with industrial demand. In effect, it becomes the commercial interface between overseas production and Japanese manufacturing.

The Caremag investment is revealing

The March 2025 agreement is especially significant. JOGMEC and Iwatani jointly created Japan France Rare Earths Co., Ltd. and agreed to invest up to €110 million in Caremag, Carester's French heavy rare earth refinery. They simultaneously signed a long term offtake agreement covering 50% of Caremag's heavy rare earth oxide production, principally dysprosium and terbium. The project is intended to supply roughly 20% of Japan's anticipated demand for those elements. That is much more than passive financial support.

It means Japan is helping create: the refinery, the financing, the customer base, and the distribution system.

Iwatani is becoming Japan's heavy rare earth merchant. I suspect this is the larger story. Sojitz remains closely associated with Lynas and Australian supply. Iwatani appears to be emerging as Japan's commercial champion for heavy rare earths coming from new sources.

Those sources could eventually include Caremag in France; the Carester SAS–Malaco Mining Sdn. Bhd. project in Malaysia; the

Lofdal Heavy Rare Earths Project in Namibia, advanced by Namibia Critical Metals Inc. (TSXV: NMI | OTCQB: NMREF); recycled rare earths; and potentially other JOGMEC-supported projects.

In other words: Sojitz has become identified with Australia's light rare earth success. Iwatani may become identified with Japan's next generation heavy rare earth diversification. That division of labor makes considerable strategic sense.

Could Iwatani become involved with Malaco?

I think there is a reasonable possibility, although there is **no public evidence at present** that such an arrangement exists. If the Carester–Malaco project succeeds, the logical commercial chain would look like this: Malaysian ionic clay feedstock → Malaco mining → Carester technology → Caremag and/or Malaysian separation → Iwatani distribution → Japanese magnet manufacturers. That would fit almost perfectly with the role Iwatani is already playing in France.

Whether the material is separated in Malaysia or partially finished in France becomes almost secondary. The important point is that Iwatani already possesses the marketing organization that Japan will need.

Why this matters

One aspect of Japan's strategy often escapes notice. Most Western governments finance mines. Japan finances **supply chains**. That means every major overseas investment typically includes four participants: a government institution (JOGMEC), an industrial trading company (Sojitz or Iwatani), a producer (Lynas, Caremag, Lofdal, potentially Malaco), and qualified

Japanese industrial customers.

That architecture is much harder to disrupt than a collection of isolated mining investments.

My conclusion

I believe Iwatani’s importance is likely to increase over the next decade. Rather than viewing it as simply another Japanese trading company, I would describe it as **Japan’s emerging heavy rare earth supply chain integrator**. If that assessment proves correct, then when we look back ten years from now, we may conclude that the truly important Japanese investment was not merely in Caremag itself. It was the decision to place **Iwatani**—an experienced distributor with decades of industrial relationships—at the center of Japan’s non-Chinese heavy-rare-earth marketing system.