



—— Toho Gas Group ——

FY2023 Business Plan

Enrich our future together.

March 31, 2023

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I Introduction

The outlook of the business environment surrounding the Toho Gas Group remains uncertain due to the prolonged semiconductor shortage and soaring raw material prices, despite the gradual easing of movement restrictions caused by the COVID-19 pandemic and recovery of economic activity. The environment surrounding energy is also changing rapidly, with energy supply and demand tightening and price volatility increasing due to the Russia-Ukraine issue.

Under such circumstances, in FY2022, which is the first year of our new medium term management plan and the 100th anniversary of our founding, we made efforts to promote carbon neutrality as well as working to materialize and implement measures including enhancing services that contribute to everyday life and businesses, and fulfilling our roles in coexisting with local communities, while continuing to ensure safe, secure, and stable supply of energy.

In FY2023, the second year of our medium term management plan, we will make sure to deliver results toward achieving the medium term management plan by further accelerating our initiatives in each theme, while at the same time making flexible efforts to swiftly address environmental changes and promote a business structure reform by shifting in our managerial resources from core businesses to strategic businesses. Through these efforts, we will engage in continuous growth of the Group into the future and contribute to the development of local communities and the realization of a sustainable society.

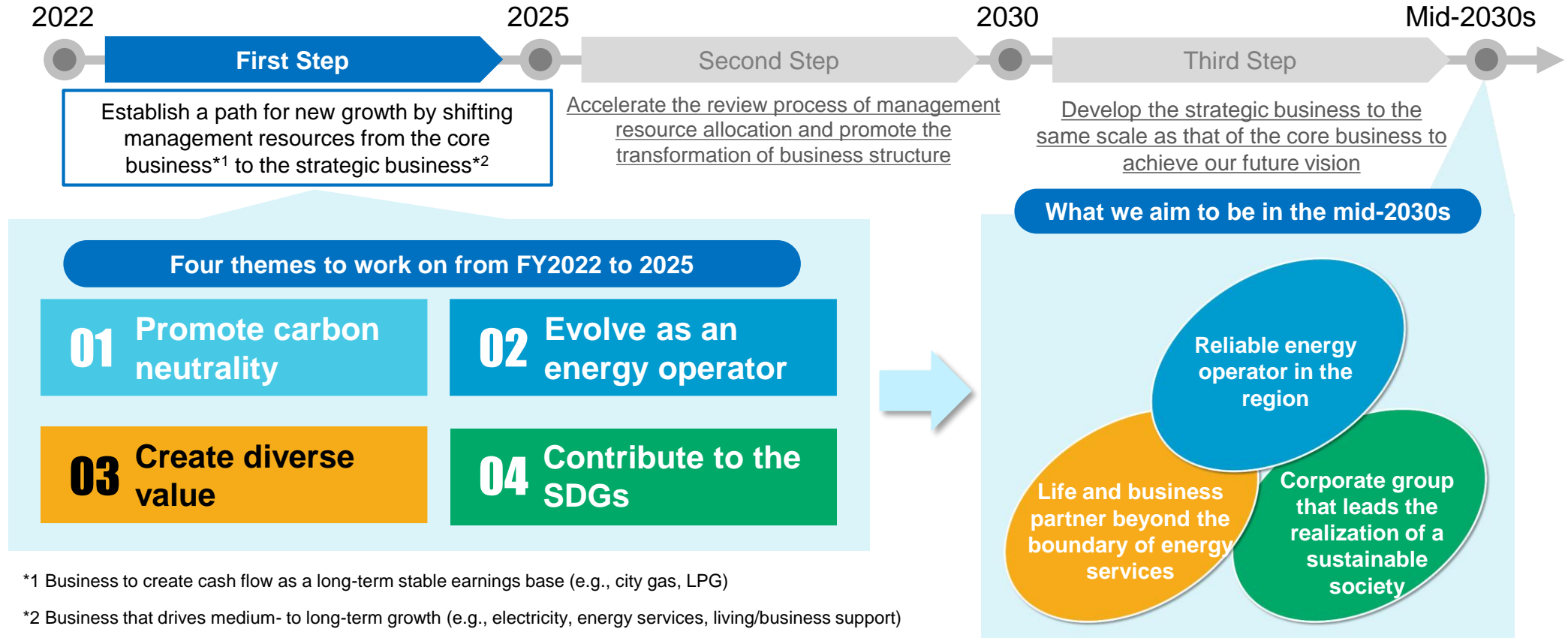
Representative Director, President

増田信之

Nobuyuki Masuda

【Reference】 Positioning Medium-Term Management Plan (Reposted)

The Medium-term Management Plan is positioned as the first step toward the realization of the vision set forth in the Group Vision, and by tackling the four themes, we will solidify the path to new growth.





Promote carbon neutrality 01

In addition to promoting reductions of carbon and decarbonization at customer locations , we will work to develop technologies with an eye to future decarbonization of gas itself.

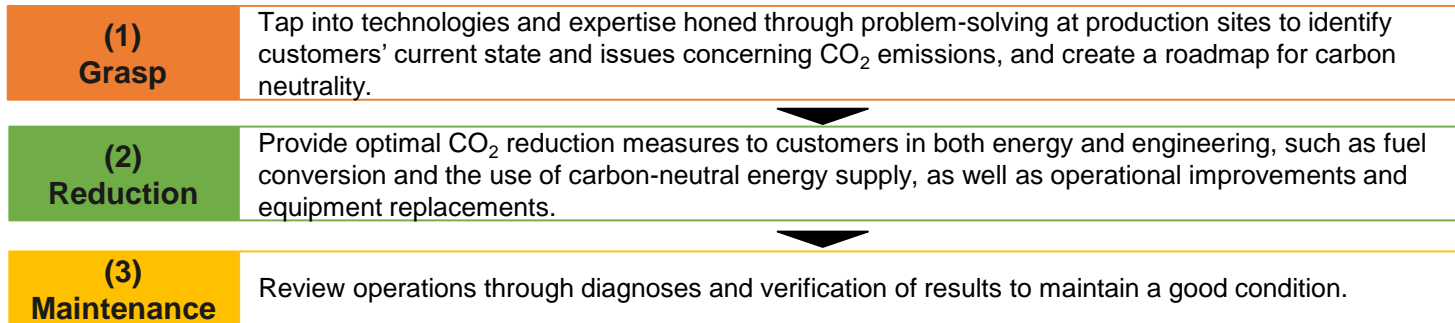
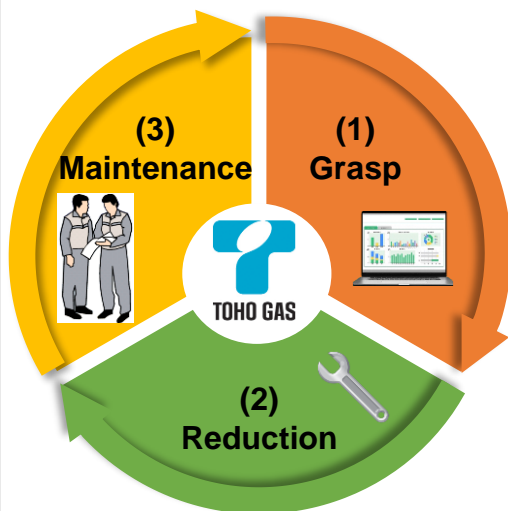
We will also work to expand the use of hydrogen, reduce/eliminate carbon in electricity, and promote the transition to carbon neutrality.

(A) Reductions of carbon and decarbonization at customer locations (1/2)

We will expand our CN×P business, which supports customers in achieving carbon neutrality based on the key concept of “Do everything we can to achieve carbon neutrality.”

CN×P business* that supports customers to achieve carbon neutrality

- The CN×P business is a service in which the Group, as an energy Professional, provides support with a one-stop Package from consulting to engineering, and works together with customers as a Partner in achieving carbon neutrality.
- Taking advantage of our strength in making proposals for integrated energy and engineering solutions, we will contribute to the realization of carbon neutrality by repeating the cycle: (1) Grasp, (2) Reduction and (3) Maintenance according to customers' situations and technological innovations.



On-site Voices

Launching the CN×P business

- There are no shortcuts to carbon neutrality. I believe the most reliable path to achieving it is to work on what we can do now, one step at a time.
We launched the CN×P business (fully launched in July 2022) so that we can support and work together as a partner with customers aiming to achieve carbon neutrality.
- We will work with the aim of achieving a reputation as the leading player in carbon neutrality by customers.



Mr. O,
Energy Sales
Planning Dept.

* CN stands for carbon neutrality.

(A) Reductions of carbon and decarbonization at customer locations (2/2)**(1) Grasp CO₂ emissions**

- Visualize the overall picture of CO₂ emissions (visualize the amounts and sources of emissions).
- Choose appropriate CO₂ reduction measures and prioritize them by cost effectiveness.
- Set CO₂ reduction targets and formulate a roadmap for the medium to long term.

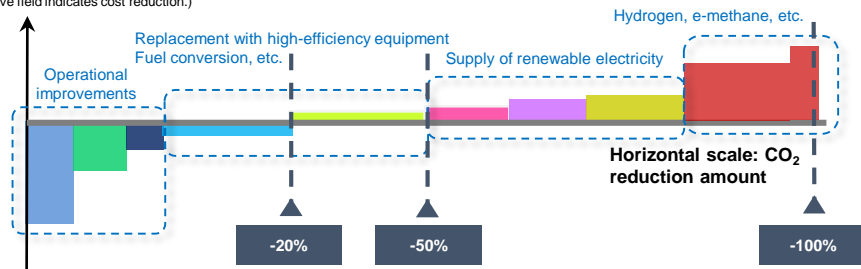
Visualize CO₂ emissions for each product

- Identify CO₂ emissions for each product according to the situation of the production site.
- Enables the identification and implementation of more effective CO₂ reduction measures.

Support the formulation of an emissions reduction roadmap

- Present visual CO₂ reduction measures in order of cost effectiveness as tailored to the customer, and create our original CN curve as a medium- to long-term benchmark.

Vertical scale: CO₂ reduction cost
(Negative field indicates cost reduction.)



Visualize CO₂ reduction measures in order of cost effectiveness, as tailored to the customer.

Emissions reduction roadmap (example of our original CN curve)

(2) Reduce CO₂ emissions

- Promote reductions of carbon and decarbonization by switching fuel from coal and oil to natural gas.
- Improve operations, introduce energy-saving measures, and replace them with high-efficiency equipment.
- Utilize carbon-neutral energy.
 - Carbon-neutral LNG.
 - Supply renewable electricity (on-site solar power generation services, etc.).
 - Utilize hydrogen (technical support for hydrogen combustion or mixed combustion, future hydrogen supply).

**Low carbonization through fuel conversion of heat demand
(Example of Daio Paper Corporation)**

- Fuel conversion from heavy fuel oil from the coal burning kiln at Kani Works led to CO₂ reduction worth approx. 11,000 tons per year (equivalent to 30% of lime combustion).

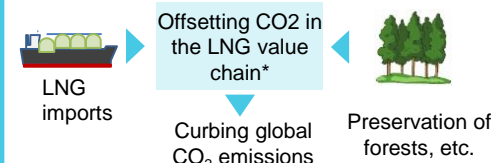


Overall view of lime combustion kiln

Combustion part

Carbon-neutral LNG

- After the start of supply in August 2021, gradually expand transaction volume in accordance with customer needs.
- Contribute to customer's CO₂ reduction through continued flexible procurement and research and examination of projects that lead to credit generation, etc.



* All stages from natural gas extraction to combustion at the customer's site

(3) Maintain a good condition

- On-site diagnosis and monitoring of CO₂ emissions, and maintenance of equipment introduced.
- Verify results and consider new CO₂ reduction measures.

(B) Develop technologies to decarbonize gas itself

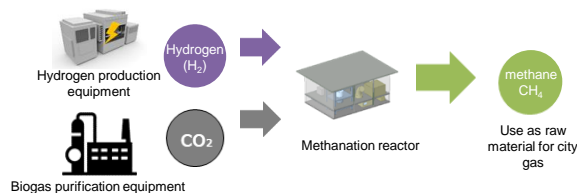
We will promote initiatives in Japan and abroad to introduce e-methane,¹ as well as making steady efforts to develop and demonstrate CO₂ separation and capture technologies.

Initiatives for introducing e-methane

- Promote initiatives with various partners in Japan and abroad for the introduction of e-methane.
- In Japan, we will start demonstration of methanation² using biogas-derived CO₂ in collaboration with the city of Chita.
- Abroad, we will promote consideration of establishing a supply chain from the production to importation of e-methane with Tokyo Gas, Osaka Gas, Mitsubishi Corp., Toyota Tsusho, and TotalEnergies.

Methanation demonstration in collaboration with Chita city

- With the supply of biogas-derived CO₂ from Chita City, we will establish methanation equipment and conduct efficiency evaluation of the entire system.
- The synthesized methane will be used as a raw material for city gas.



Demonstration at Chita LNG joint terminal (image)

Consideration of introducing e-methane using LNG terminal in the U.S.

- We will embark on joint-examination with Tokyo Gas, Osaka Gas, and Mitsubishi Corp. with the aim of commencing importation to Japan by 2030. In FY2023, we will select the area and consider the optimal plant design.



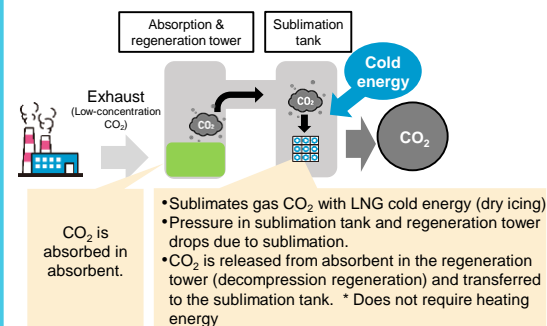
Candidate locations for the e-methane production site
(Texas and Louisiana, U.S.)

CO₂ separation and capture

- Promote development and demonstration of various recovery technologies for higher efficiency and lower cost, such as direct recovery from exhaust gas and air.

CO₂ separation and capture technology Cryo-Capture®³

- Technology that reduces costs by approximately 60% compared to conventional methods using LNG cold energy



Conceptual diagram

¹ E-methane is a synthetic methane produced from non-fossil energy such as green hydrogen.

² Methanation is a technology for generating methane using hydrogen and CO₂. It is a promising means of decarbonization that allows effective use of existing infrastructure and leads to reduced social burden and increased resiliency.

³ The name Cryo-Capture was coined from cryogenics, which means cold energy, and capture, as in capturing CO₂ from exhaust. Nagoya University and Toho Gas have obtained basic patents and trademark registration.

(C) Establish a foundation to expand the use of hydrogen

We will work on the construction of production facilities, the study of transportation and supply systems and the development of technologies related to consumption for the establishment of a hydrogen supply chain.

Establishment of a domestic hydrogen supply chain

- In response to the need of the region to use hydrogen, promote the effort at each stage in partnership with other companies that have insights and expertise.

Production

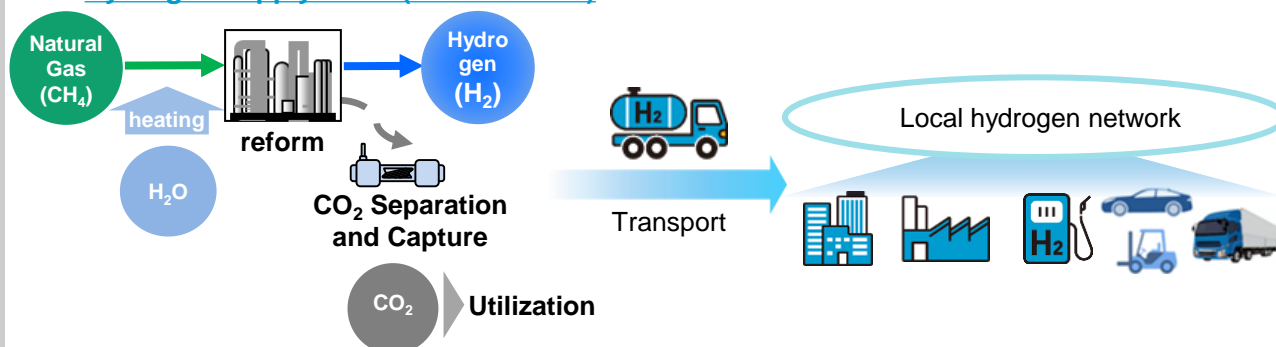
- Start construction of a plant with a production capacity of 1.7 t/day* within the Chita Midorihama Works, and commence hydrogen supply by FY2024.
* 1.7 t can fill approx. 340 fuel-cell vehicles with hydrogen.

Transportation and Supply

- Consider shipment using trailers and stillages in partnership with other companies.
- Promote consideration for supplying pipes for hydrogen (local network) at minato AQULS.

Consumption

- Promote technological development and demonstrations related to hydrogen combustion and mixed combustion, such as encouraging the introduction of hydrogen and city gas dual-use burners and investigating issues relating to hydrogen-mixed combustion for conventional gas engines, in order to expand hydrogen's applicability in the thermal field, among others.
- Contribute to the spread of hydrogen stations and mobility, such as fuel-cell vehicles and industrial vehicles.

Hydrogen supply chain (future vision)**Expansion of hydrogen combustion testing services**

Hydrogen combustion test field
(in Technical Research Institute)

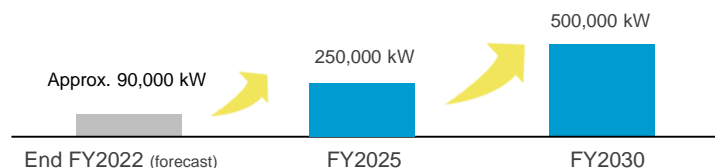
- Support for identifying issues and examining countermeasures for hydrogen utilization using customers' burners and furnaces, leveraging our know-how and technologies for fuel conversion and burner development, etc.
- Dedicated test facility to be constructed in March 2023 to accommodate larger furnaces

(D) Low-carbonize/decarbonize electricity

We will enhance the development and procurement of renewable power sources while diversifying power sources, and will enhance our power services that utilize these sources.

Renewable power sources

- Steadily broaden the development and procurement of renewable power sources while diversifying power sources to achieve the target for the volume of renewable energy sources handled.

Renewable power source handling volume target*

* Renewable power source handling volume includes development & ownership of power sources (including FIT power sources) and procurement in Japan and abroad.

Solar power generationOffshore wind power generation

Promote examination of the power generation business off the coast of Aomori in the Sea of Japan (south side) together with Vena Energy Holdings Ltd. and Shikoku Electric Power Co., Ltd.

Power services

- Use renewable power sources to provide service menus that contribute to low-carbon and decarbonized electricity.
- Green eco plan for home use (a rate plan that combines renewable power sources and non-fossil certificates)
- On-site solar power generation services for corporations (without initial investment), etc.
- Enhance service menus that promote efficient use of electricity.
- Demand response service that encourages energy saving
- Being verified for early commercialization of Virtual Power Plants (VPP)

Residential demand response service
"Energy saving challenge"

Received the highest rating of five stars in the energy-saving communication ranking program*



(Example of screen of energy saving challenge)

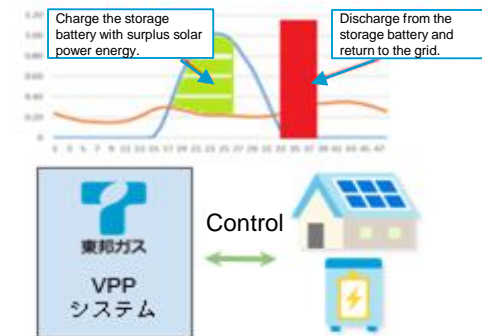
Demonstration of residential VPP

Diagram of VPP demonstration
(control of solar power generation and storage battery)

* A program under METI that studies, rates, and publishes the degree of information provision and services related to energy saving for general consumers by electric power and gas companies. This rating was for the "FY2022 City gas and electricity" category.

Evolve as an energy operator

02



We will continue to take all possible measures to ensure safe, secure, and stable supply, and strive to increase our energy market share by utilizing diverse kinds of energy. We will also work to further extend new energy-related business at home and overseas.

(A) Expand energy share

We will aim to acquire 3 million energy customers at an early stage, as stated in our medium-term management plan, by addressing diverse customer needs and increasing and enhancing customer contact points.

Responding to diverse customer needs

- Roll out services and products that meet diverse needs for energy and then some based on the theme, “Toho Gas provides this and that for everyday life.”
- Contribute to the spread of net-zero energy houses (ZEHs) by proposing ENE-FARM and other advanced equipment.



- Opened the e-commerce site “Kurashi Soko” within ClubTOHOGAS. Going forward, we will offer products that enrich people’s lives.
- Launched “On-site Water Problem Service,” a 24/7 service that handles sudden water leaks and clogged pipes.

Contributing to the spread of ZEHs

- Promote ZEH proposals that combine gas-heated hot water floor heating that realizes a comfortable life and solar power generation + ENE-FARM.
- Offer initial investment-free proposals for solar power generation and storage batteries.
- The new ENE-FARM to be launched in April 2023 offers even greater efficiency.

(Right: New ENE-FARM Panasonic 2023 model)



Expansion of customer base

- Increase and enhance customer contact points by delivering energy and a variety of products and services in an integrated and effective manner.
- Increase the number of gas, electricity, and LPG customers overall.

Strengthening sales force in the residential field

- Promote initiatives such as enhancing the product lineup, introducing a membership program that offers perks and preferential treatment, and strengthening sales channels so as to further support customers as a partner in everyday life in general.

Strengthening sales force in the commercial field

- Further strengthen proposals integrating energy and engineering, thereby contributing to solving business issues such as reducing CO₂ in customers’ supply chains.

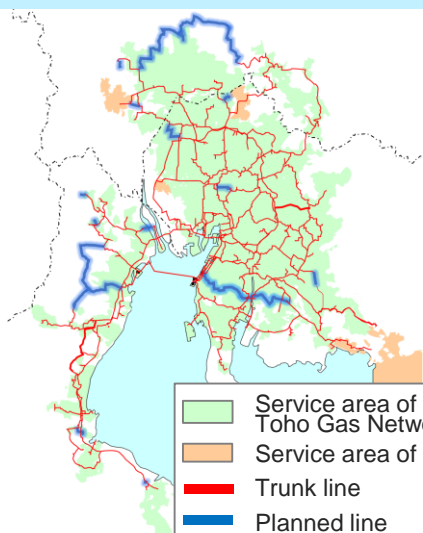
Wide-area deployment of LPG and promotion of alliances

- Expand from our core business area of the three Tokai prefectures and strengthen demand development in the Shizuoka and Nagano areas; increase the number of customers in residential and commercial areas through alliances with other companies.

We will take security and disaster-prevention measures to pursue safe, secure and stable energy supply, and steadily develop infrastructure for the expansion of our city gas supply area.

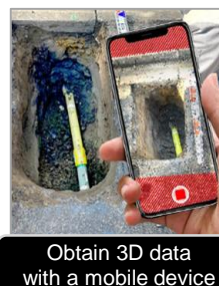
Development of infrastructure for the spread and expansion of city gas

- Expand supply areas through demand development mainly in the Gifu and Mie areas.
- Promote the development of infrastructure, contributing to the improvement of transportation capacity and supply stability.

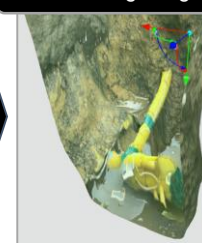


Safe, secure and stable city gas supply

- Implement disaster-prevention measures against earthquakes, tsunamis and other natural disasters.
- Measures against large earthquakes and tsunamis are in place at key production and supply facilities of city gas
- Promote replacements and other measures to further improve the quake-proof rate of low-pressure main-branch pipe (currently 97%)
- Promote anti-aging measures for equipment.
- Replace aged electric equipment in city gas plants
- Develop and introduce regenerative repair methods for internal supply pipes that do not require road excavation
- Adopt advanced technologies.
- Smart meters to be introduced starting from FY2023
- Upgrade maintenance through 3D pipe drawings of gas pipe burial information



3D drawing image



Automatic drawing technology

On-site Voices

Challenge of Passing on Skills that Support Gas Supply

- We are working to pass on the know-how and skills cultivated over 100 years of business operations from veterans to younger employees, while also utilizing advanced technologies such as VR.
- We will continue to support stable gas supply with our mission as a professional gas supplier.



Mr. M, Toho Gas Network Co., Ltd.

* VR stands for virtual reality, and is a technology that offers experience as close to real life as possible in a virtual world.

(C) Realization of low-cost and stable procurement

We will build an LNG procurement portfolio that is resilient to environmental changes, secure diverse power sources, and procure & deliver LPG using the latest technologies, etc. for realizing low-cost and stable procurement.

Stable LNG procurement and response to changing environments

- Build a procurement portfolio that is highly adaptive to environmental changes.
 - Secure sufficient procurement mainly through long-term contracts amid a tight LNG market.
 - Continue consideration of building a procurement portfolio that is resilient to environmental changes while taking into account the balance between price competitiveness and supply stability.
- Promote flexible response to changing environments.
 - Prepare and implement flexible and agile response procedures to rapid fluctuations in supply and demand.
 - Also consider participation of investments in new LNG vessels for strengthening the LNG value chain.



Ichthys offshore production and processing facility (CPF*) *Central Processing Facility



LNG Canada Project
(Under construction)

Stable power source procurement and improvement in the in-house power source ratio

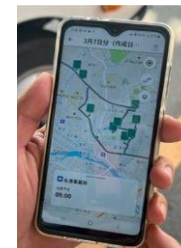
- Secure stable power sources by combining in-house power sources and various means of procurement.
- Install regulated power supply (a storage battery for the grid) that contributes to stability in supply and demand.
- Efforts contributing to improvement of the in-house power source ratio, such as considering large-scale power sources.



Tsu Energy Storage Plant
(Under construction)

LPG procurement & delivery

- Promote stable and low cost LPG procurement, and streamline delivery management.
- In terms of procurement, continue low-cost and stable LPG procurement by using Meiko LPG Terminal, one of Japan's largest secondary terminals, and inland vessels.
- In terms of delivery, streamline delivery by combining AI delivery route optimization technology* and remote metering technology.



Optimal delivery routes are displayed on the delivery person's smartphone.

(D) Expansion of domestic and overseas energy-related business

We will work to cultivate the energy business in Southeast Asia and Australia, as well as strengthening the business across the world at home and abroad.

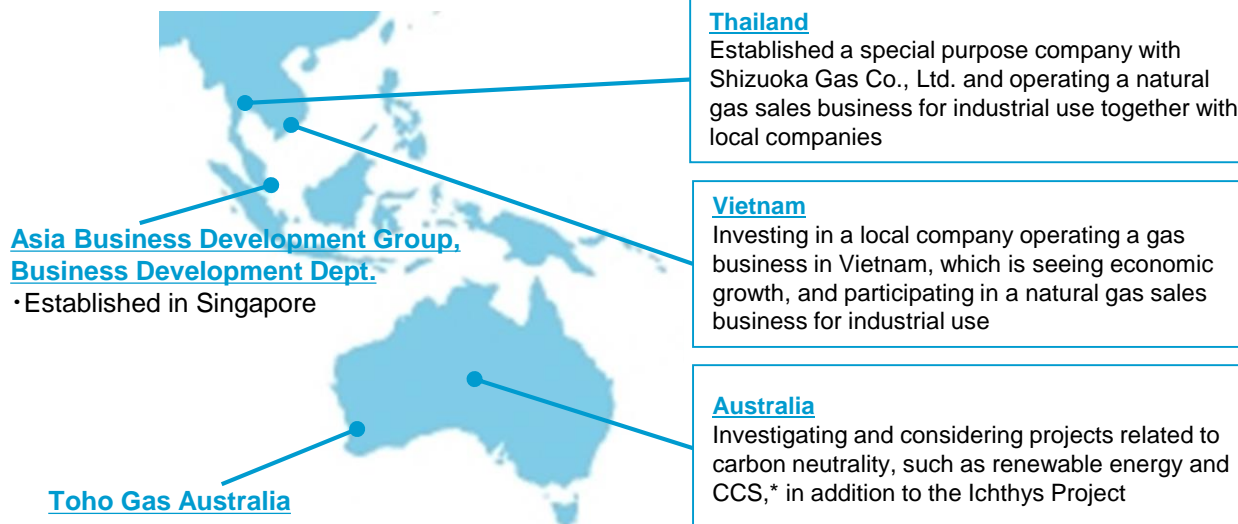
Energy-related business abroad

• Initiatives in Southeast Asia and Australia

- Contributing to combining local economic growth and reductions of carbon and decarbonization in Southeast Asia, where energy demand is rising, by leveraging our insights and expertise in the use of natural gas.
- Building information networks to identify new projects, as well as offering sales and technical support to investees at the Singapore and Australia bases.

• Initiatives in Europe and U.S.

- Deepening management involvement in businesses related to natural gas utilization in Europe and the U.S., and promoting business research on carbon neutrality.



* CCS stands for CO₂ collection and storage.

Energy-related business in Japan

- Mizushima Gas Corporation provides services that support the security and comfort of people's lives, mainly in the Mizushima district of Kurashiki City, and promotes reductions of carbon and decarbonization of the community.

- Kanazawa Energy Co., Ltd., in which we invest, has commenced energy sales using in-house hydropower generation, etc. In both the gas and power generation businesses, it is promoting smart field work using digital technologies such as wearable devices.



Create diverse value **03**

We will expand our services to meet diversifying customer needs and solve their problems, and also broaden our business domains by utilizing our assets and expertise.

(A) Expansion of services that enrich people's lives

We will enhance our digital platform for residential customers in order to expand customer contact points for increasing service menus and products, especially in fields such as “Living,” “Food,” and “Health and Caregiving.”

Digital platform

- Expand contacts with customers through enhancing the content and convenience of “Club TOHOGAS”, a membership website for customers and “ASMITAS”, a various services platform.

Information media “Mitas Kuras” and e-commerce shop “Mitas Shop”

- To increase the appeal of “ASMITAS” and to keep customers coming back, launch “Mitas Kuras” and strength the ability to dispatch information.
- Create “Mitas Shop”, an e-commerce site where customers can purchase hidden gems in the Tokai area related to the information provided by ASMITAS.

みたすくらす

Media disseminating local information by creators in the Tokai area



Mutual collaboration

みたすショップ
mitasshop

An e-commerce site that sells hidden gems of the Tokai area

On-site Voices

Launching Mitas Kuras

- There are many excellent goods and experiences in this region that are not yet known.
- We will expand our role as an energy company of the region by delivering these goods and experiences to customers, and contributing to the vitalization of the region through new product and service development in collaboration with local companies.



Ms. K, Business Development Dept.

Service menus and products

- Services and products that enrich the lives of our customers.

“Wagaya no Meister”, a home renovation shop



- Strengthen proposals for eco-friendly renovations and insulation renovations, which will also reduce utility costs.
- Increase eco-friendly products such as storage batteries and solar power generation devices.

Enhancing services using digital technologies



- Launched “TOHOGAS Car Share”, a car-sharing service in which users can register and use the service through an app, and “Tohogas”, a health app for walking.

Digital contact points

No. of members: **880,000**

(As of February 28, 2023)

<Target for end of FY2025: 1.3 million>

* The number of digital contact points represents the sum of the members of ClubTOHOGAS, ASMITAS, and TOHOBIZNEX.

* The number of new launches represents the sum of new ASMITAS services and digital services.

Number of new service launches

11 (FY2022)

(B) Expansion of services to support business

We will contribute to solving customers' business challenges by enhancing service menus and products through membership site for commercial customers and strengthening energy-related services.

Total membership business support site

- Expand services of "TOHOBIZNEX", a total membership business support site, to improve customer convenience.
- Launched a gas & electricity consumption & rate online inquiry service.
- Providing useful information for business through webinars, etc.



Energy-related services

- Enhance energy-related services by increasing product lineups and expanding service areas.
- In design and construction, increase order intake by securing a system that can propose the optimal equipment, including electric products, for each customer, in addition to promoting the introduction of co-generation and gas-powered air conditioning.
- In operation management and maintenance, expand range of services covered.

Service menus and products

- Expand service menus and products that help solve business challenges for customers in various industries.
- A subsidy support service that assists in introducing energy-saving equipment
- "A BCP (business continuity plan) formulation support service" for hospitals
- "A barrier-free vehicle shuttle service" for day care facilities (day care business operators)
- Proposals for restaurants to join "Franomista"

Franomista, a subscription service offering one free drink



--Awarded a Special Prize in the 2022 Japan Subscription Business Award--

- Supporting restaurants affected by the pandemic to attract customers.
- In collaboration with energy companies in the Kanto and Hokuriku areas, Franomista was launched in other areas in FY2022.
- Information systems-related services by Toho Gas Information System Co., Ltd.
 - Contracted system development services for customers
 - Services using data centers, and more

(C) Expansion of business domain by utilizing owned assets and know-how

We will expand our new business domain including co-creation with other businesses.

Business development in new areas

- Determine the business feasibility of land-based salmon farming in FY2023 in view of demonstration results.

Land-based farming of “Chita Cool Salmon”

- In June 2022, test shipped (Approx. 2 tons) trout salmon reared by land-based farming using LNG cold energy and sold them in supermarkets, etc. in Aichi.
- Scale expanded and Phase2 test for commercialization carried out (Aiming to ship more than 10 tons of salmon).

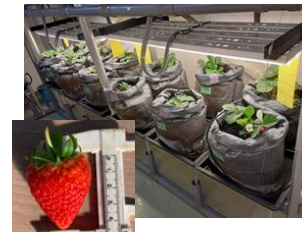


High-efficiency agriculture

- Conducting experimental cultivation at our technology research center in collaboration with TOWING, a start-up engaged in technology development for “high performance soil,” an artificial soil.



(Above: High performance soil;
Right: Cultivation of strawberries)



Utilization of our real estate and technologies

- Promote the use of our real estate and offer technologies leveraging our insights and expertise for external sale.

Utilization of our real estate

- Opened a bouldering class within “Howa Sports & Culture” operated by Toho Real Estate Co., Ltd.



Bouldering gym

External sale of gas production technology

- Develop compact power generation facilities leveraging unused energy (gas pressure difference) and make preparations for external sale.



Turbine Generator

External sale of gas supply technology

- Offer maintenance technologies such as proprietary regenerative repair methods and remote monitoring systems to gas providers.
- Apply gas pipe construction and maintenance technologies to water pipes.

Contribute to the SDGs **04**

As a community-based company, we will continue to contribute to the SDGs together with our stakeholders.

(A) Strengthening efforts for regional symbiosis

We will deepen our collaboration with local governments and other organizations to strengthen efforts for coexistence with local communities to solve social issues and improve resilience.

Partnership with local governments

- Working with local governments to solve local issues, such as achieving carbon neutrality, and contributing to the development of attractive communities.



Signing of a comprehensive partnership agreement with Okazaki City (November 2022)

- Six comprehensive partnership agreements were entered into with local governments in FY2022. An organization dedicated to coexistence with local communities was established in April 2023 to further promote initiatives leading to the solution of local social issues.
- Three local PPSs were established in FY2022, bringing the total to five, including Matsusaka Electric Power Co., Inc. and Okazaki Sakura Electric Power Co., Inc.
- Concluded a basic agreement on technical cooperation with Nagoya City Waterworks and Sewerage Bureau. Promoting mutual cooperation in the maintenance and management of gas and water facilities and human resource development.

On-site Voices

Contributing to local communities through local PPS

- We are promoting initiatives related to local PPS out of a desire to contribute to the vitalization of local communities through local production for local consumption of energy.
- We will continue to contribute to solving various social issues of the region through the business activities of local PPSs.



Mr. Y., Power Business Promotion Dept.

Development of “minato AQULS”

- Certificated as a “Carbon Neutral Leading Area” by the Ministry of the Environment in April 2022.
- A condominium certified as ZEH-M Oriented* completed in March 2023; Phase I development completed.
- In Phase II development, the realization of decarbonization in minato Aquls will be considered with Nagoya City and other partners.



Park Homes LaLa Nagoya minato AQULS Garden Square (Mitsui Fudosan Residential)

Concept of minato AQULS community development

- Clean and smart community development that achieves carbon neutrality
- Utilization of local resources in partnership with local governments; improvement of resilience
- Proposals for new lifestyles

* A ZEH-M Oriented certification is given to condominiums that have reduced primary energy consumption by more than 20% for the entire building, including common areas.

Local resilience

- Contributing to improve the resilience of the entire community through industry-government-academia collaboration.
- Participation in joint disaster drills and community disaster prevention events with government, municipalities, and other businesses.
- Prediction of damage from wind and flood damage, which has been occurring frequently in recent years, and study & evaluation of response measures.

We will steadily address ESG issues toward the realization of sustainability.

Initiatives in the field of environment (E)

- Implement climate change countermeasures, resource recycling, and biodiversity conservation to contribute to realizing a sustainable society.
- Reduce CO₂ emissions in business activities.
- Maintain zero emissions from industrial waste from city gas plants; recycle waste from gas pipe works.
- Maintain and restore biodiversity through business activities and contribution to local communities; carry out forest conservation activities in Toho Gas Forests and *satoyama* (seminatural areas).



Forest conservation activities at Toho Gas Forest Mitake



Granted Aichi biodiversity company certification (November 2022)

Initiatives in the field of society (S)

- Enhance our sustainability promotion system to achieve continuous growth of the Group, as well as providing Contribution to the local community activities.
- Established the Sustainability Committee to implement the progress management of Materiality and conduct the monitoring of human rights DD (due diligence)* and supply chain-wide CSR procurement, etc.
- Provide SDG-related education for the next generation in partnership with local communities and exercise classes through our sports club activities (baseball and tennis classes).

* Human rights due diligence is a series of actions to identify risks of human rights violations in business operations, evaluate those risks, and implement appropriate measures.

Initiatives in the field of governance (G)

- Strengthen governance and information security to continue to be a company trusted by stakeholders.
- Promote risk management throughout the entire Group, such as identifying and assessing key risks and implementing measures to reduce risks.
- Ensure thorough compliance with laws such as the Anti-Monopoly Act through web video trainings, and promote use of the compliance consultation desk.
- Carry out cross-departmental drills for potential cyber-attacks.

(C) Improve work satisfaction and ease of work and promote diversity

We will promote flexible workstyles and diversity, and increase opportunities for learning and taking on challenges so that diverse human resources can fully exercise their motivation and abilities.

Flexible working styles and diversity

- Promote initiatives for active participation and retention of a diverse workforce.
 - Enhance support programs for childbirth, childcare and nursing care aiming to fulfill and balance work and life.
 - Abolish the dress code which enables employees to demonstrate their strengths and individuality.
 - Allow side jobs which contributes to career development and contribution to the community.
 - Strengthen hiring and supporting retention for expanding active female employees.
 - Implement safety and health measures that support the long-term success of employees.
 - Strengthen career recruitment in priority areas.
 - Conduct career consulting to encourage and support employees' voluntary career development.

Opportunities for learning and taking on challenges

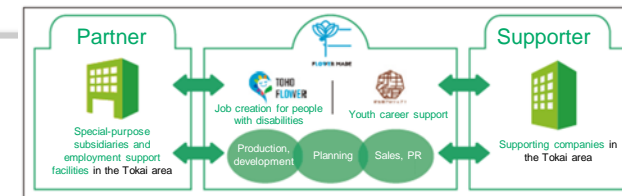
- Increase external learning opportunities to train human resources who can address rapid changes in the business environment and lead business reforms.
- Systematically train and allocate employees based on their skills, experience, and motivation.
 - Career Challenge program
 - Open-call-type rotation for business development and new service planning
 - Increased dispatches, contributing to business ideas and acquisition of an international mindset
 - TOHO MEETUP
 - Lectures by external lecturers to encourage exchange between divisions and raise awareness of young employees to take on challenges



A TOHO MEETUP

Initiatives at Toho Flower Co., Ltd.

- Together with a student venture firm, Toho Flower Co., Ltd., a special-purpose subsidiary, launched “Flower Maid”, a community contribution project linking companies and welfare facilities in the Tokai area for “promotion and support to the employment of people with disabilities” and “support career education for young people, mainly students.”



III Reference material: Sales volume and investment

Number of customer accounts		FY2021 (actual)	FY2022 (estimated)	FY2023 (plan)	Medium-term management plan target
	Number of customers ¹	2.87 million	2.92 million	2.98 million	Reach 3 million at an early stage
1 Total number of customer accounts of city gas, LPG, and electricity					
Sales volume		FY2021 (actual)	FY2022 (estimated)	FY2023 (plan)	Medium-term management plan target (FY2025)
	City gas ²	3.71 billion m3	3.58 billion m3	3.67 billion m3	Maintain the same level as in 2021
	LPG	486 thousand tons	476 thousand tons	480 thousand tons	Approx. 10% increase
	Electricity	2.13 billion kWh	2.41 billion kWh	2.54 billion kWh	Approx. 10% increase each year
2 Includes LNG sales volume (Converted to the amount of city gas)					
Investment		FY2021 (actual)	FY2022 (estimated)	FY2023 (plan)	Medium-term management plan target
	Core business ³	44.7 billion yen	36.1 billion yen	40.2 billion yen	FY2022–2025 total 230 billion yen (Core : Strategic = 1 : 1)
	Strategic business ⁴	15.6 billion yen	24.5 billion yen	30.1 billion yen	
	Total	60.3 billion yen	60.6 billion yen	70.4 billion yen	

3 Businesses that create cash flow as a long-term stable earnings base (e.g., city gas, LPG)

4 Businesses that drive medium- to long-term growth (e.g., electricity, energy services, living/business support)

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Earning forecasts and other forward-looking statements in this document are management's current views and beliefs in accordance with data currently available, and are subject to a number of risks, uncertainties and other factors that may cause actual results to differ materially from those projected.