

Value Creation Process

Based on the founding spirit in which customers, shareholders, and employees form a trinity with the aim of being a public (local community) service, we have constantly sought to create new value while taking on various challenges as a Group and growing together with the region. While utilizing our strengths acquired through 100 years of business management to the fullest, we will contribute to the realization of a sustainable society while also achieving the Toho Gas Group Vision.

Financial capital	Manufacturing capital	Human capital
Total assets 693.5 billion yen	Domestic bases City gas plants 4 Works	Number of consolidated employees 6,080
Equity ratio (%) 58.0 %	Pipeline length 30,000 km (Approx.)	Engagement rating*1 BB
Financial ratio (R&I) AA	LPG supply network Meiko LPG Terminal (secondary terminal), gas-filling and delivery bases 21	Female total managerial hiring ratio 32.8 %
Natural capital	Power generation equipment	Society and related capital
LPG purchase volume 2.66 million tonnes	Yokkaichi Works 16.5 MW	City gas service area (in three Tokai prefectures) 54 cities, 21 towns, and 1 village
LPG purchase volume 0.63 million tonnes	Tsu Power Storage Station 11.4 MW	Intellectual capital
	Capital expenditures (Inc. investment) 60.1 billion yen	Research and development costs 1.57 billion yen

(FY2022)

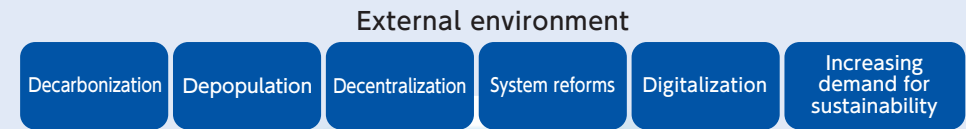
Strengths acquired through 100 years of business management

Provision of diverse energies, systems that support stable supply, and technology development and solutions

Business foundations in local communities, contact points with customers, and trust from regions and customers

Organizational culture and human resources with the mission of supporting the region

*1 Engagement survey results according to Link and Motivation Inc.



Toho Gas Group Medium-Term Management Plan 2022-2025 ▶P.17

Toho Gas Group Vision ▶P.15

Materiality ▶P.13

- Promote carbon neutrality
- Provide various kinds of energy and services
- Supply safe, secure and stable energy
- Contribute to the region through the resolution of social issues
- Improve work satisfaction and ease of work and promote diversity
- Strengthen compliance and governance

Corporate Philosophy ▶P.1

Corporate Mission

We, together with our Group companies, are dedicated to the creation of a rich and exciting life and the development of attractive and vital communities by setting our greatest value on the trust placed in us.



Achievement of the Toho Gas Group Vision

What we aim to be in the mid-2030s

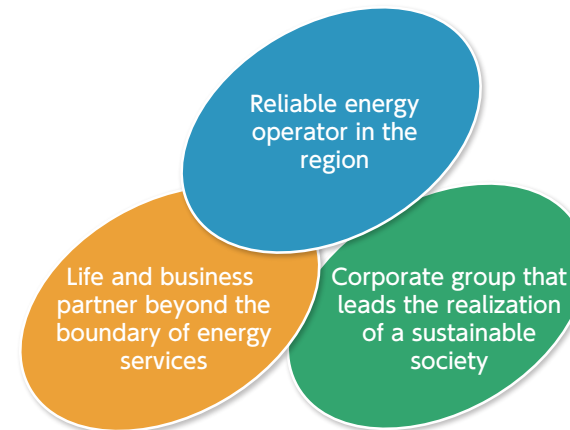
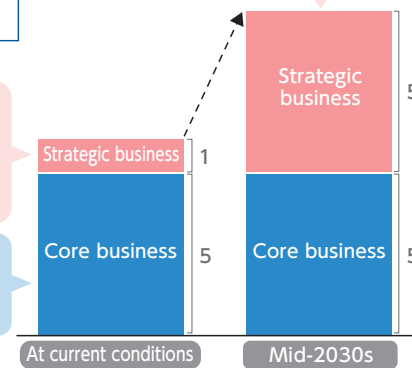


Image of expansion of business scale

Drive medium- to long-term growth by expanding business in fast-growing areas and by providing added value through the focused investment of management resources

Develop a strategic business to the same scale as that of the core business through focused investment of management resources

Enhance our ability to generate cash flow through business restructuring to maintain a stable, long-term earnings base



	FY2022 results	Change from previous year
Number of customers ^{*2}	2.92 million	(+50 thousand)
City gas sales volume ^{*3}	3.55 billion m ³	(-0.16 billion m ³)
LPG sales volume	475 thousand tonnes	(-10 thousand tonnes)
Electricity sales volume	2.37 billion kWh	(+0.24 billion kWh)
Digital contact ^{*4}	0.9 million	(+0.2 million)
New service launches ^{*5}	11/year	(-)
CO ₂ reduction contribution volume	307 thousand tonnes	(-)
Volume of renewable energy sources handled ^{*6}	93 thousand kW	(+29 thousand kW)
Operating cash flow	56.4 billion yen	(+20.9 billion yen)
ROA	5.0%	(+2.5 points)
Debt to Equity ratio	0.36	(-0.01)

Goals until FY2025
Reaching 3 million as soon as possible
Maintain our current pace
Expand by about 10%
Expand by about 10% annually
1.30 million
About 10/year
1 million tonnes
250 thousand kW
210 billion yen or more (FY2022-2025 aggregate)
About 3%^{*7} > WACC^{*8} (FY2025)
About 0,6 (FY2025)

Output

Outcome

*2 Total number of customer accounts of City Gas, LPG, and Electricity.
 *3 Including LNG sales volume (Converted to the amount of City Gas)
 *4 Total number of customer accounts of Club TOHOGAS, ASMITAS, and TOHOBIZNEX
 *5 Total for ASMITAS, new services, digital services, etc.
 *6 Volume of renewable energy sources handled includes power development and ownership both domestically and internationally, FIT sources, as well as procurement.
 *7 Consolidated ordinary income for FY2025 is approximately 25 billion yen.
 *8 WACC = Cost of capital: Mid 2%