

# External Opinion and Evaluation

## Expert Opinion



### Expectations for transition planning

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Last year, Toho Gas Group published its Medium-Term Management Plan 2022–2025. Pages 21 & 22 of this document were titled “Progress Report for Year One ,” indicating where in this document the

reader could find the information needed to understand specific initiatives and demonstrating a sincere and honest approach to disclosure of information. We also noted the disclosure on page 77 of “Technological Developments Leading to the Promotion of Carbon Neutrality.”

On the other hand, the term “transition plan” is becoming well known to Japanese companies. It is used to refer to the process of transitioning from current business realities to the future business reality of carbon neutrality. At the present time, most countries have instituted policies that make substantive achievement of carbon neutrality a nationally mandated contribution. Private enterprise can no longer simply declare that achieving carbon neutrality is a future goal; we have entered an era in which companies must now actually plan the steps that

will lead to that goal, publicize that process to the outside world, and accept various forms of engagement as then refine their plans and work to gain the trust and support of their stakeholders.

Page 24 of this document includes a diagram entitled “Scenarios for Carbon Neutrality,” and we hope that during the coming fiscal year, this diagram will be fleshed out further and refined with the goal of formulating and publishing a transition plan. I can well imagine that many of the individual measures have already been discussed. The task of integrating these measures into a timeline and combining them with a roadmap of technological development in the creation of a convincing narrative will not be an easy one, but that is precisely the kind of effort needed to make Toho Gas Group’s narrative a persuasive one.

## Major ESG assessments from external organizations

FTSE4Good Index Series	Continues to be selected as constituent since 2022
FTSE Blossom Japan Index	Continues to be selected as constituent since 2022
FTSE Blossom Japan Sector Relative Index	Continues to be selected as constituent since 2022
MSCI Japan ESG Select Leaders Index*	Continues to be selected as constituent since 2017
MSCI Japan Empowering Women (WIN) Select Index*	Continues to be selected as constituent since 2017
Morningstar Japan ex-REIT Gender Diversity Tilt Index	Newly selected as constituent in 2023
S&P/JPX Carbon Efficient Index	Continues to be selected as constituent since 2018
SOMPO Sustainability Index	Continues to be selected as constituent since 2012

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CDP Climate Change 2022	Received an A- rank evaluation (8-rank evaluation from D- to A)
CDP Water Security 2022	Received an A- rank evaluation (8-rank evaluation from D- to A)
Nikkei SDGs Management Survey 2022	Acquisition of 4-star★★★★ overall rating
Certified Health & Productivity Management Outstanding Organization (White 500)	Continues to be certified since 2020
Recognized by the Ministry of Health, Labour and Welfare with <i>Eruboshi</i> certification for excellence in promoting women’s participation and advancement in the workplace	Certified since 2021
Recognized by the Ministry of Health, Labour and Welfare with <i>Kurumin</i> Mark certification as a company that supports childcare	Certified since 2018
Recognized by the Ministry of Health, Labour and Welfare with <i>Platinum Kurumin</i> Mark certification as a company that supports childcare	Certified since 2023
Energy Conservation Communication Ranking System city gas retailers FY2022	Acquisition of 5-star★★★★★ overall rating
Energy Conservation Communication Ranking System electric power retailers FY2022	Acquisition of 5-star★★★★★ overall rating

## Major External Awards

Name	Main sponsor	Target	Joint award winner
The 60th SHASE Award for Distinguished Technologies	The Society of Heating, Air-Conditioning and Sanitary Engineers of Japan (SHASE)	Achieving a low-carbon urban space through mutual co-creation between suppliers and consumers. Local production for local consumption smart energy network at Minato AQULS.	Mitsui Fudosan Co., Ltd./Mitsui Fudosan Residential Co., Ltd./ Toho Real Estate Co., Ltd./Nikken Sekkei Ltd./ Nikken Sekkei Research Institute./Takenaka Corporation
2022 Technology Grand Prize	The Japan Gas Association	SGP M450, 450 kW High-efficiency, gas cogeneration system	Mitsubishi Heavy Industries Engine & Turbocharger, Ltd.
2022 Japan Subscription Business Awards Honorable Mention	Japan Subscription Business Association	Franomista, a single-drink subscription service	—