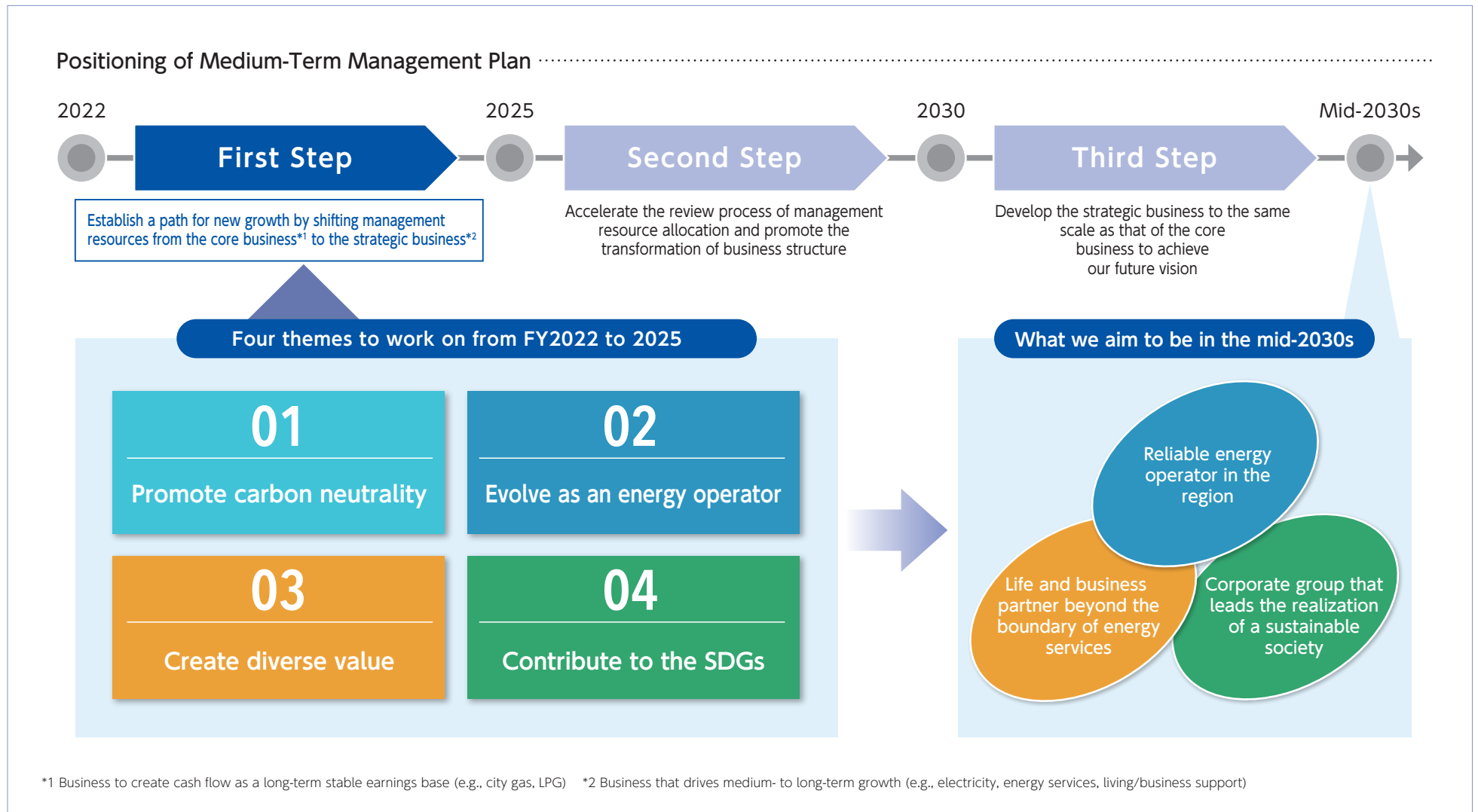


Medium-Term Management Plan 2022-2025

This Plan is positioned as the first step toward realizing what we aim to be in the mid-2030s, as stated in the Group Vision, and the path toward new growth will be made certain by means of initiatives based on four themes.



01 Promote carbon neutrality

In addition to promoting low-carbon/decarbonization efforts for our gas customers' premises, we will work to develop technologies with an eye on 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.

Reductions of carbon and decarbonization at gas customer locations

We provide one-stop support so that customers can achieve carbon neutrality by shifting fuel to city gas, promoting advanced energy utilization, and introducing carbon-neutral LNG.

●Promotion of fuel type switching and advanced utilization of energy

- Contribute to low carbonization by switching fuel to city gas
- Promote advanced use of energy using cogeneration and heat storage materials; strengthen sales of ENE-FARM, etc.

●Efforts by the procurement side to meet customer needs

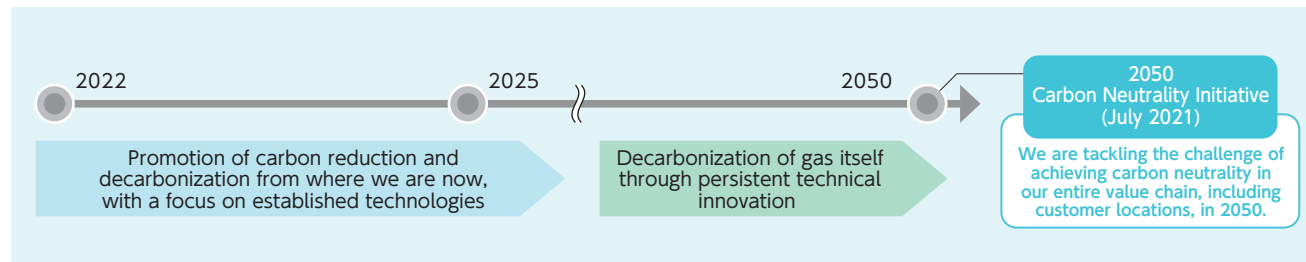
- Procure carbon-neutral LNG in a flexible manner
- Investigate and study overseas projects on CO₂ absorption and fixation and on procurement of zero emission fuels, etc.

●Support customers to achieve carbon neutrality

- We will provide support for a series of initiatives of our corporate customers so that they can realize carbon neutrality, from consulting to implementation of reduction measures to subsequent operation management and maintenance

Develop technologies to decarbonize gas itself

We will steadily promote the development and demonstration of CO₂ separation/capture and methanation, which are some of the key technologies to achieve carbon neutrality.



Goals by FY2025

●Amount of contribution to CO₂ reduction

1 million tonnes

●Amount handled of renewable energy power sources*

250 thousand kW

* The amount handled of renewable energy power sources includes all power sources developed and owned in Japan and overseas, feed-in tariff (FIT) power generation, and procurement.

●CO₂ separation and capture

- With the aim of separating and capturing CO₂ at our customers' sites, build a system that uses membranes and adsorbents to promote in-house verification
- Toward the future, promote element study and test evaluation with the aim of separating and capturing CO₂ from the atmosphere/exhaust gas by using LNG cold energy

●Methanation (e-methane)

- Start with a small-scale demonstration using biogas-derived CO₂ for the practical application of methanation technology and the mass introduction of e-methane
- Use methane synthesized in the demonstration as a raw material for city gas

Establish a foundation to expand the use of hydrogen

In addition to embodying the concept of a hydrogen supply base, we will build up a firm position as a hydrogen supplier in the region by advancing efforts to the practical application of hydrogen utilization technology and by responding to increasing hydrogen needs.

●Building the Chita Midorihama Factory-based hydrogen supply chain

- Constructed a hydrogen production plant in the factory
- Actively promote alliances with other companies that have insights and expertise, and take initiative in establishing a hydrogen supply chain in the region

●Use of hydrogen

- Promote technological development related to hydrogen

combustion to expand its applicability in the thermal and other fields and commercialize hydrogen technologies at an early stage through demonstration at customers' sites

- As for mobility applications, develop and operate hydrogen stations by utilizing a cross-industry framework to expand vehicle types and applications

Low-carbonize/decarbonize electricity

We will enhance the development and procurement of renewable energy power sources while diversifying power sources, and we will provide a menu of services that utilize these sources to contribute to our customers' carbon neutrality.

●Expansion of renewable energy power sources

- In addition to solar power, biomass, and other renewable energies, we will diversify power sources in the medium-term future, including involvement in offshore wind power, and broaden the development and procurement of renewable energy power sources

●Utilization of renewable energy power supply

- Combine renewable energy power sources and nonfossil certificates to provide a carbon-neutral electricity service menu
- Propose new regional electric power etc. centering on renewable energy sources

●Expansion of electricity services

- Strengthen sales of distributed energy resources, such as solar power generation and storage batteries
- Launch demonstration and commercialization of Virtual Power Plants, etc.

Medium-Term Management Plan 2022-2025

02 Evolve as an energy operator

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.

Expansion of energy share

As a total energy provider, we deliver variety of energy services, including city gas, LPG, electricity and hydrogen, to more customers in an optimal manner to support their life and business.

● Responding to diverse customer needs

- Improve menu options to meet diverse customer needs such as carbon-neutral energy supply
- Promote solution proposals

● Strengthening sales proposals, alliances

- Deepen relationships with customers through our community-based service shop "ENEDO," which serves as a real contact point
- Utilize/strengthen alliances with other companies; broad-based development

Ensuring safe, secure and stable supply

We will ensure constantly safe, secure and stable energy supply while steadily promoting the development of city gas infrastructure to achieve low carbonization from the ground up.

Goals by FY2025

- Number of customer accounts*1 Achieving **3 million** as soon as possible
- Sales volume City gas*2 ... Maintain the same level as 2021
LPG Approximately 10% expansion
Electricity ... Expanded by about 10% every year

*1 Total number of customer accounts of City Gas, LPG, and Electricity.
*2 Including LNG sales volume (Converted to the amount of City Gas)

● Develop infrastructure for the spread and expansion of city gas

- Expand service areas through city planning and demand development
- Promote the development of supply infrastructure to improve the capacity of gas transportation to wider areas

● Ensure safe, secure and stable city gas supply

- Promote various measures to ensure safe, secure and stable supply

Realization of low-cost and stable procurement

To mitigate the effects of the changing international situation and rapidly changing market conditions, we will promote the diversification of suppliers in order to secure stable and inexpensive procurement.

● LNG procurement

- Decentralize procurement areas and diversify contract types
- Launch procurement from the LNG Canada Project
- To further improve flexibility and achieve lower procurement prices, examine measures and establish systems by making use of the Group's assets and expertise

● LPG procurement

- Flexible procurement by using the Meiko LPG Terminal
- Streamline delivery management through the use of digital technology

Group Vision
What we aim to be

Reliable energy operator in the region

● Electricity procurement

- Procure stable power by utilizing the Yokkaichi Power Station and collaborating with multiple partners
- To stabilize procurement and income/expenditure fluctuations, promote efforts to secure power sources and improve the ratio of in-house power sources (e.g., examining large-scale power sources, utilizing VPP and storage batteries)

Expansion of domestic and overseas energy-related business

With the knowledge and expertise cultivated through our business operation, we will scale up energy-related business, such as gas sales/LNG-related business and renewable energy business, at home and overseas.

● Participate in investments in domestic and overseas energy projects

- Participation in domestic and overseas renewable energy business
- Fuel conversion from coal, petroleum, etc. to city gas in collaboration with local gas companies
- Strengthen information gathering and project discovery capabilities by enhancing overseas base factors

● Involvement in the LNG value chain, etc.

- Launch the LNG Canada Project (midstream project) in addition to the Ichthys Project (upstream) and LNG transport vessels

Management Index

- Policy
- Accelerate investment for sustainable growth while maintaining the ability to generate operating cash flow
 - Even in an investment expansion phase, balance between efficiency and soundness to manage the entire system

	Profitability	Efficiency	Soundness
Management Index	Operating cash flow	ROA	Debt to Equity ratio
Management Goal	210 billion yen and over (Cumulative total from FY2022 to FY2025)	About 3%*1 > WACC*2 (FY2025)	About 0.6 (FY2025)

*1 Consolidated ordinary income for FY2025 is approximately 25 billion yen *2 WACC=Cost of capital: Mid 2%

03 Create diverse value

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.

Expansion of services that enrich people's lives

Enhance customer contact points by improving the contents and convenience of our digital platforms.

●Expansion of contact points with customers

- Expand the number of contact points by expanding the content and convenience of digital platforms

●Expansion of service menu

- Enhance services through initiatives such as co-creation with customers or start-ups

04 Contribute to the SDGs

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

Strengthen initiatives for coexistence with local communities

We will work more closely with local governments and other organizations to strengthen efforts for coexistence with local communities to solve social issues and improve resilience.

●Promote solutions for social issues by collaborating with local governments

- Contribute to the development of attractive communities by deepening cooperation with local governments in various fields, including carbon-neutral support and the introduction of district heating and cooling
- Revitalize regional economy through regional new energy

●Improve local resilience

- Improve region-wide disaster prevention capabilities by enhancing industry-government-academia collaboration
- Conduct joint disaster prevention drills and fortify collaborative structures with local governments in case of a disaster

Goals by
FY2025

●Digital contacts Membership **1.3** million

●Number of new service launches About **10** services a year

Expansion of services to support business

We will enhance our support for customers' business by expanding service menu options that help solve increasingly complex and sophisticated business issues.

●Expand products and services

- Expand the menu of products and services that contribute to improving customers' business profitability and operation through "TOHOBIZNEX," our total business support site
- In the energy service area, broaden the scope of services for appliances in addition to cogeneration and gas air conditioning
- Co-creation with other industries to further expand service areas

- Improve resilience of other gas operators through deterioration diagnosis of facilities and technical support for construction/maintenance of other infrastructure
- Promote the introduction of distributed power sources

●Minato AQUUS (Second stage development)

- Promote the revitalization of the region and development of sustainable and robust communities
- In a tie up with Nagoya City, introduce various technologies to achieve carbon neutrality at an early stage and improve the quality of life

Initiatives for ESG

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

●Environment (E)

- Implement climate change countermeasures, resource environment protection, and biodiversity conservation; contribute toward realizing a sustainable society

●Society (S)

- Maintain and strengthen relationships with stakeholders and contribute to regional development together with partner companies and other concerned parties

●Governance (G)

- Strengthen corporate governance to continue to be a company trusted by stakeholders

Group Vision
What we aim
to be

Life and business
partner beyond the
boundary of energy
services

Broaden business domains by utilizing our assets and expertise

We will expand our business domain by leveraging the Group's assets and expertise and actively engage in co-creation with other businesses.

●Utilization of owned real estate

- Effectively utilize real estate, such as former sales offices and supply stations, for regional development

●External sales of production technology and shared technology

- Expand expertise and commercial materials cultivated through the production and supply of city gas to other fields/industries

●Business development in new areas

- Explore and demonstrate new areas that contribute to solving social issues and promoting regional development while utilizing company-owned assets and expertise
- Create value through cocreation and collaboration with other industries and start-ups

Group Vision
What we aim
to be

Corporate
group that leads
the realization of
a sustainable
society

Improve work satisfaction and ease of work and promote diversity

We will work to improve job satisfaction and ensure a comfortable working environment and diversity in order to increase employee engagement and to achieve individual and organizational growth.

●Human resource management

- Promote challenges for employees through training, placement, evaluation, etc. for their further growth

●Diversity and inclusion

- Secure diverse human resources and support their activities toward revitalizing the organization, strengthening competitiveness, and creating innovation

●Flexible working style

- Establish an environment where employees can choose a productive working style so that they can achieve a fulfilling work-life balance

●Safety and health management

- Encourage physical and mental health promotion and create a safe, secure and comfortable workplace so that employees can play an active role for a long time

Four themes to work on from FY2022 to 2025

01 Promote carbon neutrality

Through initiatives such as fuel conversion for heat demand and proposals for advanced energy utilization, we have been promoting decarbonization at customer sites. We are also advancing the development of methanation and CO₂ separation and capture technologies in anticipation of the future decarbonization of gas itself. Additionally, efforts towards the decarbonization of hydrogen usage and electricity are steadily progressing.

Reductions of carbon and decarbonization at gas customer locations

Promotion of fuel type switching and advanced utilization of energy	Initiatives for Carbon Neutrality ①Reductions of carbon and decarbonization at customer locations: Switching fuel types for thermal demand Initiatives for ESG [Environment] - Global Warming Countermeasures Climate Change Mitigation at Customer Locations Business Report: City Gas Business - "Responding to Diverse Customer Needs"	P.25 P.39 P.75
Efforts by the procurement side to meet customer needs	Initiatives for Carbon Neutrality ①Reductions of carbon and decarbonization at customer locations: carbon-neutral LNG	P.25
Support customers to achieve carbon neutrality	Initiatives for Carbon Neutrality ①Reductions of carbon and decarbonization at customer locations: CNxP business	P.25

Develop technologies to decarbonize gas itself

CO ₂ separation and capture	Initiatives for Carbon Neutrality ②Carbon recycling Business Report: Technical and Product Development - "Technical Development Linked to Promotion of Carbon Neutrality"	P.26 P.77
Methanation(e-methane)	Initiatives for Carbon Neutrality ③Decarbonization of gas itself	P.27

Establish a foundation to expand the use of hydrogen

Building the Chita Midorihama Factory-based hydrogen supply chain	Initiatives for Carbon Neutrality ④Use of hydrogen: Building a hydrogen supply chain	P.29
Use of hydrogen	Initiatives for Carbon Neutrality ④Use of hydrogen: Development of hydrogen combustion technology	P.29
	④Use of hydrogen: Implementation of hydrogen technology at Minato AQUUS Business Report: City Gas Business - "Expansion of Services to Support Business"	P.30 P.76
	Business Report: Technical and Product Development - "Technical Development Linked to Promotion of Carbon Neutrality"	P.77

Low-carbonize/decarbonize electricity

Expansion of renewable energy power sources	Initiatives for Carbon Neutrality ⑤Electricity: Decarbonization of power sources Business Report: Electricity Business - "Expansion of Renewable Energy Power Sources"	P.30 P.80
Utilization of renewable energy power supply	Initiatives for Carbon Neutrality ⑤Electricity: Initiatives toward VPP commercialization	P.30
Expansion of electricity services	Business Report: Electricity Business - "Electricity Services"	P.80

02 Evolve as an energy operator

While maintaining safety, security, and stable supply as our key premises, we have expanded our energy market share, and the number of customers for city gas, LPG, and electricity has reached 2.92 million. Our business has also expanded overseas, such as starting operations in Thailand and Vietnam, leading to growth in gas, LNG, and renewable energy businesses overseas as well.

Expansion of energy share

Responding to diverse customer needs	Initiatives for Carbon Neutrality ①Reductions of carbon and decarbonization at customer locations: CNxP business, carbon-neutral LNG Business Report: City Gas Business - "Expansion of services that enrich people's lives" Business Report: City Gas Business - "Expanding Services to Support Business"	P.25 P.73 P.76
Strengthening sales proposals, alliances	Business Report: City Gas Business - "Improving customer service"	P.74

Ensuring safe, secure, and stable supply

Develop infrastructure for the spread and expansion of city gas	Business Report: City Gas Business - "Ensuring Safe, Secure, and Stable Supply"	P.71
Ensure safe, secure, and stable city gas supply	Business Report: City Gas Business - "Ensuring Safe, Secure, and Stable Supply"	P.71

Realization of low-cost and stable procurement

LNG procurement	Business Report: City Gas Business - "Realization of low-cost and stable procurement"	P.71
LPG procurement	Business Report: LPG and Other Energies - "Stable Energy Procurement at a Reasonable Price"	P.79
Electricity procurement	Business Report: Electricity Business - "Procuring a stable supply of electric power"	P.80

Expansion of domestic and overseas energy-related business

Participate in investments in domestic and overseas energy products	Initiatives for ESG [Society]: Contribution to the Local Communities "Regional Revitalization Through Regional New Power Generation" Business Report: Business Development - "Overseas energy businesses"	P.45 P.81
Involvement in the LNG value chain, etc.	Business Report: Business Development - "Overseas energy businesses"	P.81

03 Create diverse value

We expanded our services to enrich lives through enhancements such as the content on our Club TOHOGAS member site and the launch of the Mitsu Kurasu information dissemination medium within the ASMITAS life service platform. We also advanced the expansion of business support services centered around TOHO BIZNEX. In addition, progress was made in trials of the on-land fish-farming business Chita Cool Salmon, which uses LNG-based cooling and heating.

Expansion of services that enrich people's lives		
Expansion of contact points with customers	Business Report: City Gas Business – "Expansion of services that enrich people's lives"	P.73
	Business Report: City Gas Business – "Improving customer service"	P.74
Expansion of service menu	Business Report: City Gas Business – "Expansion of services that enrich people's lives"	P.73
	Business Report: Business Development – "Expanding Services and Contact Points with Customers"	P.82
Expansion of services to support business		
Expand products and services	Business Report: City Gas Business – "Expansion of services to support business"	P.76
Broaden business domains by utilizing our assets and expertise		
Utilization of owned real estate	Business Report: Business Development – "Utilizing real estate holdings and unused land"	P.83
External sales of production technology and supply technology	Business Report: City Gas Business – "TOPIC: Sales of gas production and supply technology to third parties"	P.72
Business development in new areas	Business Report: Technical and Product Development – "Developing products that enrich people's lives"	P.77
	Business Report: Business Development – "TOPIC: Chita Cool Salmon Land-Based Aquaculture"	P.83

04 Contribute to the SDGs

We have entered into comprehensive cooperation agreements with multiple local governments and established regional electricity companies with the aim of solving regional social issues such as achieving carbon neutrality and promoting locally sourced energy consumption. We also formulated sustainability policies and restructured our implementation framework. We are committed as well to promoting diversity and inclusion, improving ease of work, and enhancing safety and health management, and our efforts have been recognized with certifications that include Platinum Kurumin and White 500.

Strengthen initiatives for coexistence with local communities		
Promote solutions for social issues by collaborating with local governments	Initiatives for ESG [Society]: Contribution to the Local Communities "Signing Comprehensive Collaboration Agreements with Municipalities" "Regional Revitalization Through Regional New Power Generation"	P.45 P.45
Improve local resilience	Initiatives for ESG [Society]: Contribution to the Local Communities "Basic Agreement on Technical Cooperation with Municipalities"	P.46
Minato AQULS (Second stage development)	Initiatives for ESG [Society]: Contribution to the Local Communities "Contributing to the Regional Community Through Minato AQULS"	P.46
Initiatives for ESG		
Environment (E)	Initiatives for ESG [Environment]	P.33
Society (S)	Initiatives for ESG [Society]	P.45
Governance (G)	Initiatives for ESG [Governance]	P.57
Improve work satisfaction and ease of work and promote diversity		
Human resource management	Initiatives for ESG [Society]: Promotion of Personnel Policies "Human Resource Management"	P.49
Diversity and inclusion	Initiatives for ESG [Society]: Promotion of Personnel Policies "Diversity and Inclusion"	P.50
Flexible working style	Initiatives for ESG [Society]: Promotion of Personnel Policies "Improving Ease of Work"	P.51
Safety and health management	Initiatives for ESG [Society]: Initiatives for Occupational Health and Safety	P.53