



Toho Gas Group Integrated Report 2025

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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.

Management Policy

- Think and act on a customer-first basis.
- Develop markets through foresight and technology.
- Foster human resources by focusing on competence and ambition.
- Pursue a flexible and vitalized organization.
- Broaden our vision and expand our line of business.

Employee Action Criteria

- Challenge and Innovation
- Sensitivity and Response
- Proficiency and Pride
- Activeness and Brightness
- Reliability and Honesty



Toho Gas Group Vision

The Toho Gas Group Vision is our ideal positioning in the mid-2030s, the halfway point to 2050. This vision reflects our desire to evolve as an energy operator, as well as to serve customers in areas other than energy, and to take the lead in realizing a sustainable society.

Ideal Positioning in the Mid-2030s

Reliable
energy operator
in the region

Reliable energy operator in the region

The Company works single-mindedly in response to major changes in domestic and international environments. We will also maintain efforts aimed at achieving carbon neutrality, while leveraging our strengths in diverse energy services to promote expanded energy share.



Life and business partner beyond the boundary of energy services

By proposing a combination of energy provision and related services while expanding value provision in areas other than energy, we will resolve issues currently faced in daily life and business, and contribute to creating a better future.



Life and
business partner
beyond the
boundary of
energy services

Corporate group
that leads
the realization of
a sustainable society

Corporate group that leads the realization of a sustainable society

By further leveraging the capabilities of our organization and human resources, whose mission is to support the community, while working to resolve issues facing those communities, we will transform ourselves into a corporate group that evolves alongside local communities.



Our Belief and Corporate Slogan

To realize the Toho Gas Group Vision, we established Our Belief, which summarizes the principles cherished by the Group. We also updated our Corporate Slogan to express the new corporate image of the Toho Gas Group as a company that provides value beyond energy.

Our Belief

To facilitate unwavering peace of mind and a vibrant future, creating areas where everyone wants to live, starting with your community.

Corporate Slogan

未来の、まんなかへ

(Mirai no Mannakae)

100 Years After Our Founding,
Our Challenge Begins in Your Community

Whether it be a community where
the Toho Gas Group has operated for many years
or a new community where we will build new relationships,
we want to make it an attractive place to live.

Communities where life is colorful and psychologically fulfilling
Communities where innovation and vitality abound
Communities that excite and inspire people's hearts
Sustainable communities where peace of mind is
maintained across generations

We will provide the energy and services desired by
our customers, and create communities comprising
the heart of Japan where everyone wants to live.

Toward the Heart of the Future
(Mirai no Mannakae)

About the Report's Cover Design

The cover of this report was designed based on the Toho Gas Group's new Corporate Slogan, "Mirai no Mannakae." Blue represents the Toho Gas Group, while yellow represents our stakeholders, including local communities, customers, and society. Together, they express our commitment to expanding and connecting with each other to co-create new value.

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Editorial Policy

Integrated Report 2025 introduces specific initiatives to provide our stakeholders with a deeper understanding of Toho Gas. We will continue to improve the information in the report while incorporating feedback from all of our stakeholders so that it will serve as a valuable communication tool.

Reporting Period

FY2024 (from April 1, 2024 to March 31, 2025), including some activities during FY2025

Scope of Report

As a general rule, Toho Gas Co., Ltd. and its consolidated subsidiaries and equity-method affiliates (as of March 31, 2025) are referred to as "Toho Gas Group." For information related to specific parts of the Group, the relevant organization is specified in each year's report.

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Forward-looking statements in this report are projections based on information currently available and involve potential risks and uncertainties. Therefore, please be aware that the actual performance may differ from the forecasts in this report due to various factors.

Reference Guidelines

International Integrated Reporting Council (IIRC) Framework
Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0
GRI Sustainability Reporting Standards
ISO 26000
Environmental Reporting Guidelines (2018 version)
Task Force on Climate-related Financial Disclosures (TCFD) recommendations
Taskforce on Nature-related Financial Disclosures (TNFD) recommendations

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Website for More Information

Shareholder and investor information (IR)
<https://www.tohogas.co.jp/lang/en/corporate/>

Sustainability Initiatives

<https://www.tohogas.co.jp/lang/en/approach/eco/>



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TOP MESSAGE

**We will continue taking on
new challenges to realize
the “Toho Gas Group Vision”
and evolve into a corporate group
that continues to grow together
with our stakeholders.**

Satoshi Yamazaki

Representative Director,
President



TOP MESSAGE

Embarking on the Second Step Toward Realizing Our Group Vision

I'm Satoshi Yamazaki, and I was appointed president of Toho Gas in April 2025. Since joining the Company in 1986, I have built my career mainly in the Sales, Finance, and Planning departments. Initially, I was assigned to the front lines of the Sales Department, where I interacted directly with customers and came to understand firsthand the importance of our work, which is to deliver energy supporting our daily lives, as well as the fact that customer trust is the cornerstone of our group. Based on these experiences, I have come to believe that our role is much more than simply selling gas as an energy source; our role is to enrich and improve people's lives through gas sales and contribute to resolving issues facing local communities. I have subsequently gained experience in other departments, but my way of thinking remains unchanged.

During my tenure as director in charge of the Planning Department, I was involved in formulating the Toho Gas Group Vision (Group Vision), announced in March 2022, and Medium-Term Management Plan 2022–2025 (previous plan), which was the first step toward realizing our Group Vision. Given the pressing issues of achieving carbon neutrality and transforming our business structure, it was an invaluable experience to have been involved in clarifying the vision and roadmap for the Group's future.

Having achieved the previous plan's targets in the first step, we announced Medium-Term Management Plan 2025–2027 (new plan) in March 2025 as the second step toward realizing our Group Vision. As we steadily implement the new plan, I believe my mission as president is to accelerate the transformation of our business structure, enhance corporate

value, and guide the Group in a direction that provides balanced value to all Group stakeholders.

Promoting Business Structure Reforms Amid the Current Business Environment

Looking at the current business environment from a medium- to long-term perspective as we work to achieve our Group Vision and new plan, we can anticipate trends that will affect the structure of energy demand, such as progress toward carbon neutrality and Japan's declining population. While these factors may pose risks to our business, I believe that progress toward carbon neutrality also creates opportunities to provide new energy sources and expand energy-related services. To transform these risks into opportunities for growth, the new plan will accelerate the reallocation of management resources from core businesses*¹ to strategic businesses*² and promote business structural reforms.

In our core businesses, we will increase the number of customers, mainly in the gas business, and steadily improve efficiency through the use of IT and AI, ensuring that profits and cash flows are in line with our plans. In strategic businesses, we will strengthen resource allocation to expand profits in businesses that have the potential to become new pillars and drivers of growth, such as the electric power and overseas businesses. At present, we must make upfront investments in strategic businesses, but we will carefully identify areas where we can leverage strengths cultivated in our core businesses and proceed with investments that will contribute to future profit growth. Additionally, we will thoroughly manage the profitability of each business and monitor ROIC to regularly confirm whether our business portfolio is contributing to the enhancement of corporate value.

To this end, we also believe it is necessary to pursue an appropriate capital structure through shareholder returns and other measures, in tandem with business restructuring aimed at achieving profit growth. In FY2024, we conducted the largest share buyback in the Company's history. In line with the new plan, we will aim to achieve progressive dividend increases alongside profit growth, while also conducting share buybacks to optimize our capital structure.

*1 City gas, LPG, and other businesses that generate cash flows as a long-term stable earnings base

*2 Businesses such as electricity, overseas, and energy services that drive medium- to long-term growth



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Expanding Strategic Businesses Based on Trust Gained Mainly in Core Businesses

The 7th Strategic Energy Plan, approved by the Cabinet of Japan in February 2025, sets forth a direction for achieving a well-balanced S+3E^{*3} that is not biased toward environmental issues and takes into account energy security, increased electricity demand, and other changing circumstances. Natural gas in particular will contribute to reducing environmental impact through fuel conversion and other measures, and will remain an important energy source even after carbon neutrality is achieved. LPG is another portable and easily stored decentralized energy source, and it has been positioned as an important source of energy that contributes to improving living conditions in evacuation shelters and other locations during disasters. Our core city gas and LPG businesses, which are major pillars of the Group's business, will continue to follow this trend. We will promote the development of natural gas and expand the scale of the LPG business, while increasing the profitability of core businesses through operational improvements and enhanced LNG procurement capabilities, to generate stable cash flows.

At the same time, strategic businesses will be the driving force behind profit growth for the next generation. In the electric power business, we will strive to build competitive power sources and promote the development of renewable energy while aiming to generate stable profits through electricity sales and the provision of electric power services to customers. Overseas, our energy business will focus on Asia, North America, and other regions, leveraging the knowledge and expertise cultivated in core businesses to promote the expansion of natural gas and renewable energy.



Additionally, as a business group that creates regional value, we will promote solutions-oriented businesses leading to a symbiotic relationship with local communities, businesses, local governments, and other entities in an effort to achieve sustainable growth for local communities and the Group.

As mentioned earlier, we will generate stable cash flows in core businesses while leveraging knowledge, expertise, and customer relationships accumulated through our core businesses to achieve strategic business expansion. Through these endeavors, we will expand our contribution efforts to new regions while increasing the prosperity we are able to provide to customers.

^{*3} The basic perspective of Japan's energy policy is to simultaneously achieve safety, energy security, economic efficiency, and environmental compatibility.

Promoting Sustainability Management to Realize Sustainable Group Growth

The Group has been promoting initiatives that emphasize the three elements of the environment (E), society (S), and governance (G) with the aim of enhancing long-term corporate

value. As environmental issues become increasingly serious and the calls for corporate social responsibility grow louder, we will redouble our efforts to promote sustainability management—management that realizes a sustainable environment and society, as well as sustainable business growth.

Environmental initiatives, comprising activities aimed at reducing environmental impacts—a pressing global issue—are one of the most important tasks undertaken by the Group. However, I think there are two important points to consider in promoting the achievement of carbon neutrality by 2050. First, carbon neutrality cannot be achieved in the short term, neither today nor tomorrow. While advancing technological developments aimed at achieving carbon neutrality, it is also necessary to focus on reducing cumulative emissions by broadly promoting the use of natural gas, which contributes to reducing CO₂ emissions in the short term. The second point is that the path to achieving carbon neutrality has not yet been determined. While reducing environmental impacts is certainly important in terms of energy supply, economic efficiency and stability must also be maintained. At this juncture, rather than deciding on a single measure, I believe it is important to explore multiple options in order to find the optimal solution. In addition to decarbonizing gas itself through the use of e-methane going forward, the entire Group will work as one to promote a wide range of initiatives targeting a smooth transition to carbon neutrality, including the widespread use of hydrogen and the capture and utilization of CO₂.

Regarding efforts focused on society, our contributions to revitalizing local communities are consistent with our corporate culture of going beyond business activities to build deep relationships of trust with local residents and working together to build a better future. Each and every Group employee has a desire to contribute to local communities, and we recognize

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TOP MESSAGE



this commitment to the community as the driving force behind our business activities. Going forward, we will continue to firmly maintain this corporate culture and contribute to resolving issues facing local communities.

In terms of governance, we will continue to strengthen corporate governance by improving the effectiveness of the Board of Directors, strengthening risk management systems, and enhancing supervisory and auditing functions. With regard to compliance, we take the violation of antitrust laws seriously, as maintaining trusting relationships with customers constitutes the most important component of our business foundation, and we will implement thorough measures to prevent any breach of law. We will take the lead in ensuring thorough compliance with all relevant laws and regulations so as not to damage the trust we have built with our stakeholders.

Supporting Employee Growth, Working to Continuously Increase Employee Engagement

The active participation of each and every employee is the source of sustainable corporate growth. Employees who take

pride and satisfaction in their work and experience a sense of accomplishment and growth on a daily basis constitute the critical foundation required for the Company to continue creating new value.

To this end, we place great importance on improving employee engagement and recognize that diverse personalities and values are the source of innovation. We strive to foster a corporate culture in which employees accept each other and leverage their individual strengths.

Additionally, to maximize employee capabilities, we will provide comprehensive, multifaceted support, including career development tailored to individual strengths, expanded systems that encourage tackling new challenges, and flexible workstyles and comfortable work environments to ensure that employees remain physically and mentally healthy and are able to maximize their capabilities over the long term.

Furthermore, as president, I want employees to avoid simply being satisfied with the status quo. Instead, I want employees to thoroughly think things through and develop a mindset of boldly taking on challenges. In recent years, I feel there has been a growing awareness of taking on new challenges within the Group, but we are still only halfway there. I have always told our employees that we never know until we try, and to approach everything we do with conviction and accountability. As I continue to communicate with even more employees, I hope to firmly instill the idea that there is no growth without challenge.

Through these efforts, we aim to create a virtuous cycle for sustainable growth, in which employee growth leads to company growth, and company growth encourages further employee growth. I believe that increasing employee engagement, and creating an environment where all employees can thrive and continue taking on new challenges, will lead

to corporate growth, and ultimately, maximize the value we provide to customers and other stakeholders.

To Our Stakeholders

The Toho Gas Group's universal values are embodied in the tripartite unity, which is our belief that it is essential that shareholders, local communities and customers, and employees enjoy mutual prosperity. We have perpetuated this philosophy of coexistence and mutual prosperity among shareholders, customers, and employees since our founding, and I will uphold this principle of maintaining a balance among our many stakeholders and intend to make it one of the foundations of our management approach. We will strive to enhance corporate value and meet shareholders' expectations for sound financial health, which will lead to better services for local communities and customers, and ultimately, promote the growth of our colleagues. I believe this will serve as the foundation for further corporate growth.

The Group has continued to grow thanks to the generous support of our many stakeholders. As a manager, my greatest priority is to continue living up to the deep level of trust and high expectations of our stakeholders. As we work to achieve our new plan and realize our Group Vision, I will maintain an earnest approach to corporate management to ensure that our group can continue to be a trusted and dependable presence for all stakeholders. I look forward to the continued support of all our stakeholders as we transform our business structure and take the next steps toward further growth.

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CHAPTER 01

About Toho Gas Group

This section introduces Toho Gas Group's history of taking on challenges for more than 100 years, and provides an overview of our company, latest performance, regional presence, and business activities.

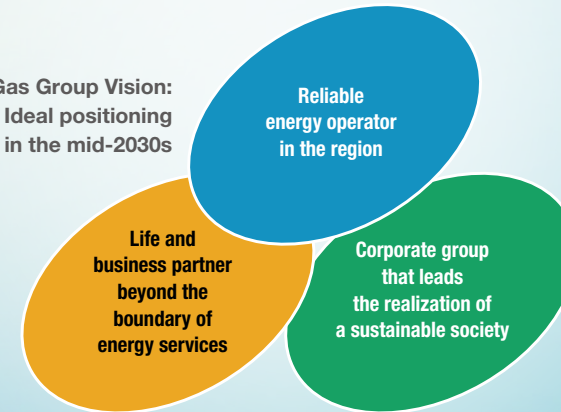


History of Toho Gas Group

—A History of Challenges and Creation

Toho Gas Group has grown and developed alongside the community, changing its feedstocks from coal and petroleum to natural gas in response to changes in society and the business environment, and expanding its range of applications. By providing diverse types of clean energy including city gas, liquefied petroleum gas (LPG), electricity, and hydrogen, and by creating value as a partner in everyday life and business, we are evolving as a corporate group that is growing alongside the community, creating enriched lives, business, and community.

Toho Gas Group Vision:
Ideal positioning
in the mid-2030s



Toho Gas Founding

The gas business began in 1872 with the lighting of gas lamps in the Bashamichi area of Yokohama. In 1906, Nagoya Gas Co., Ltd. was founded as the seventh gas company in Japan. In 1922, Nagoya Gas merged with the gas business division that had been spun off from The Kansai Electric Power Company, Incorporated, creating Toho Gas Co., Ltd.



First Toho Gas president,
Sakura Okamoto

Introduction of LNG

We have been using liquefied natural gas (LNG), which has the lowest CO₂ emissions of any hydrocarbon fuel, as a raw material for city gas since 1977. We are also diversifying procurement sources in preparation for geopolitical risks and other factors.



LNG conversion work
near Nagoya Station

Electricity Business

To expand our business domain, and in response to the full liberalization of the electricity retail market, we entered the retail electricity business in 2016. We have expanded electricity sales while promoting the stable procurement of power and other efforts.



Yokkaichi Power Plant

Contributing to Low-Carbon and Decarbonization Efforts in Asia

We are engaged in energy businesses, mainly natural gas sales, in four Asian countries, and are expanding our overseas business by increasing operational bases, including the incorporation of TOHO GAS SINGAPORE PTE. LTD.*



* TOHO GAS SINGAPORE PTE. LTD.,
established in January 2025

TOHO GAS SINGAPORE
office building

LPG Business

Toho Liquefied Fuel Co., Ltd. (currently Toho Liquefied Gas Co., Ltd.) was established in 1959 to promote the use of LPG. We subsequently expanded the LPG business, positioning it as a pillar alongside the city gas business.



Toho Liquefied Gas
Co., Ltd.,
Meiko LPG Terminal

City Gas Circular Transportation Trunk Pipeline

In an effort to improve city gas supply infrastructure, we completed a circular transportation trunk pipeline in 2009, which took 35 years from the start of construction, and spans approximately 117 km. This has improved supply capacity and stability.



Circular trunk pipeline
opening ceremony

Minato AQUUS Smart Town

In 2018, we opened Minato AQUUS, which contributes to the region's decarbonization efforts and the improvement of its disaster prevention capabilities. We aim to contribute to local communities through clean and smart urban development.



Minato AQUUS site concept

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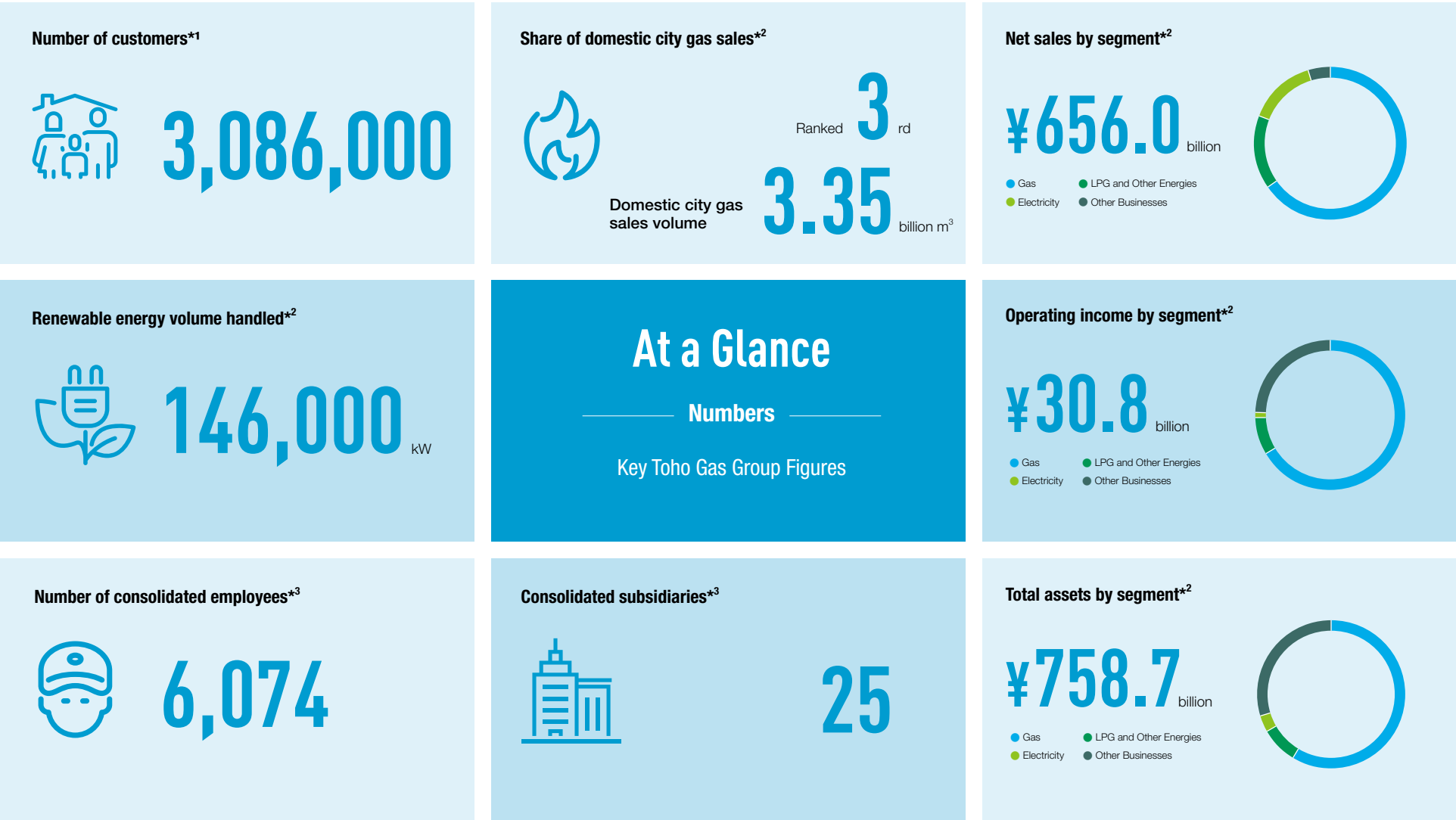
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At a Glance Numbers



At a Glance Regional Presence

Toho Gas Group supports the economy and lifestyles of the Chukyo greater metropolitan area, which is one of the lifelines of the Japanese economy. Based in the Tokai region comprising the three prefectures of Aichi, Gifu, and Mie, we are expanding business areas in various fields both in Japan and overseas.

Population

Approximately

11,220,000 ^{*1}

Aichi, Gifu, and Mie
(Approx. 10% of Japan)

Product shipments

Approximately

¥71 ^{*2} trillion

Aichi, Gifu, and Mie
(Approx. 20% of Japan)

Trade exports

Approximately

¥22 ^{*3} trillion

Aichi, Gifu, and Mie
(Approx. 20% of Japan)



Aichi, Gifu, Mie, Okayama,
and Ishikawa



Aichi, Gifu, Mie, Shizuoka,
Ishikawa, Okayama, and Nagano



Aichi, Gifu, Mie,
and surrounding areas^{*4}

^{*1} Based on the 2024 Basic Resident Registration System (Ministry of Internal Affairs and Communications) ^{*2} Based on the 2023 Basic Survey of Japanese Business Structure and Activities (Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry)
^{*3} 2024 Trade Volume by Port, Nationwide Ranking ^{*4} Chubu Electric Power Grid Co., Inc. supply area

At a Glance Businesses

Toho Gas Group has changed its feedstocks from coal and petroleum to natural gas in response to changes in society and the business environment, and has also expanded its range of applications. At present, we are contributing to the realization of a low-carbon society through fuel conversion and advanced utilization and are developing a variety of businesses centered on energy supply.

Core Businesses

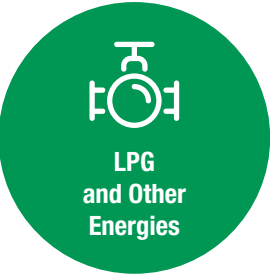
Current normalized
base income*: **¥16** billion

FY2027
income forecast: **¥18** billion



Gas Business

This business supplies city gas to customers through pipelines laid along roads in Aichi, Gifu, and Mie prefectures. We procure, manufacture, supply, and sell gas feedstock, as well as sell gas appliances.



LPG
and Other
Energies

In addition to LPG and LPG appliance sales, we are engaged in LNG sales, the heat supply business, and the sale of coke and petroleum products. Furthermore, in response to the growing demand for hydrogen in recent years, we are working to build a foundation as a hydrogen supplier in the region.



Strategic Businesses

Current normalized
base income*: **¥4** billion

FY2027
income forecast: **¥10** billion



Electricity
Business

We are expanding the electricity retail business as one of the diverse energy options we offer customers. We are expanding electricity services, including electricity rate plans that use renewable energy and on-site solar power generation services for corporate customers, while also working to reduce and eliminate carbon from power sources.



Other
Businesses

We are engaged in a wide range of businesses, including overseas development and investment in natural gas and other resources, real estate management and leasing, plant facility design and construction, and comprehensive utility services. Additionally, in November 2024, we commenced full-scale operation of the land-based salmon farming business.



* Base income level excluding non-recurring gains and losses due to market conditions and other factors

Company Overview

Company Information (As of March 31, 2025)

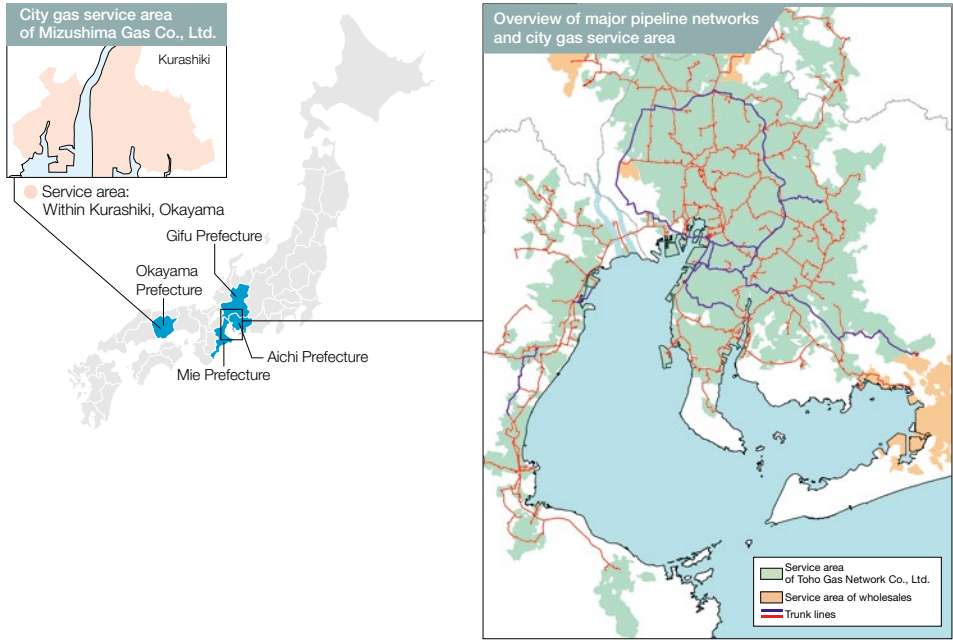
Name	Toho Gas Co., Ltd.
Date established	June 26, 1922
Head office address	19-18, Sakurada-cho, Atsuta-ku, Nagoya, Aichi 456-8511, Japan
Main businesses	- Gas business - Heat supply business - Electricity business - Business related to renewable energy and hydrogen - Businesses related to the extraction and sale of energy resources such as natural gas
Capital	33,072 million yen
Number of employees	934 (6,074 consolidated)

Major Offices and Plants (As of March 31, 2025)

Name	Location
Head Office	Atsuta-ku, Nagoya
Tokyo Branch Office	Chuo-ku, Tokyo
Technical Research Institute	Tokai, Aichi Prefecture
Ichinomiya Office	Ichinomiya, Aichi Prefecture
Okazaki Office	Okazaki, Aichi Prefecture

Name	Location
Gifu Office	Gifu, Gifu Prefecture
Tsu Office	Tsu, Mie Prefecture
Chita Production Department	Chita, Aichi Prefecture
Yokkaichi Works	Yokkaichi, Mie Prefecture

Gas Supply Network



Main Global Bases



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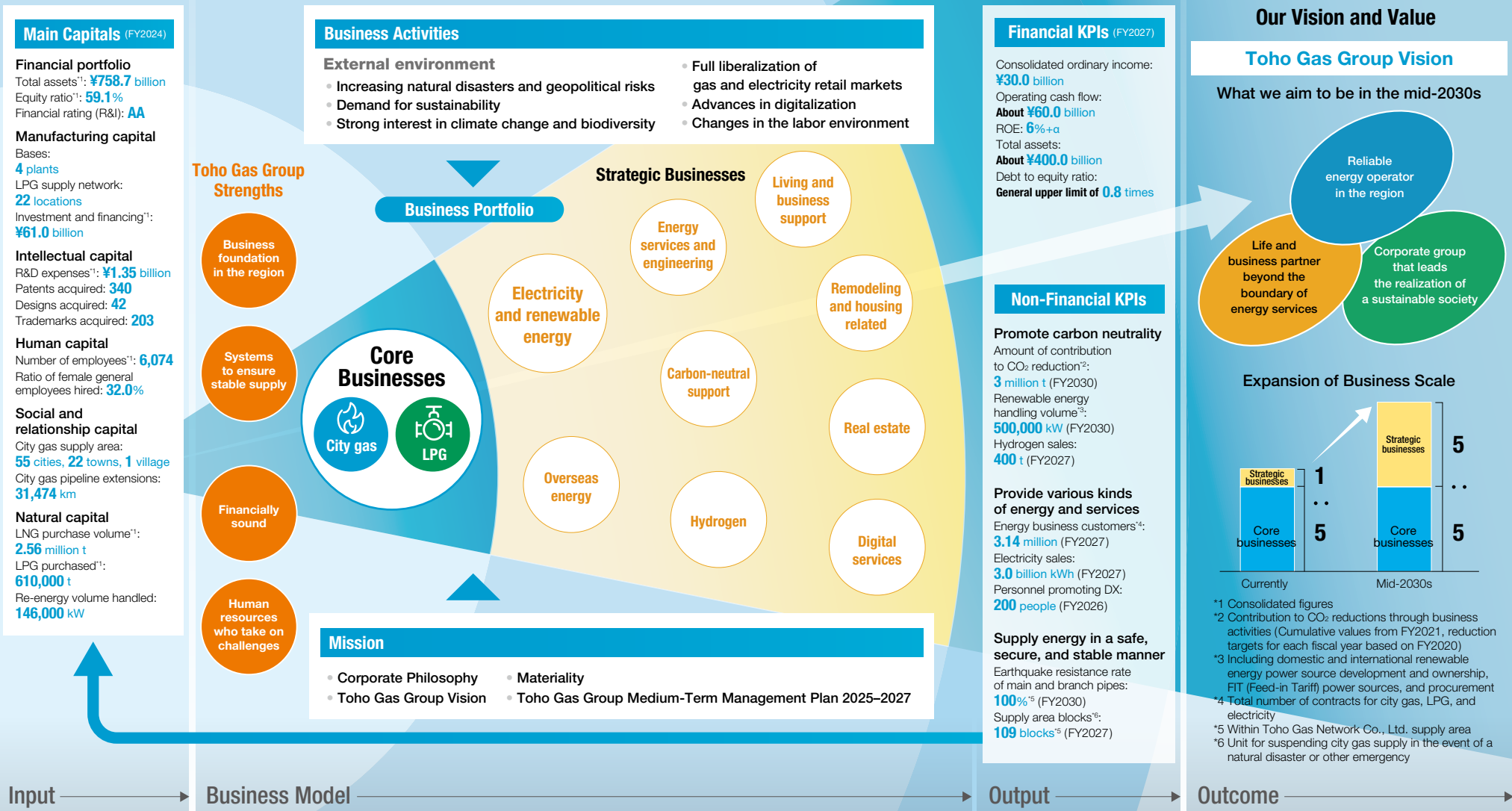
Toward the Realization of Our Ideal Positioning

This section introduces strategies under Medium-Term Management Plan 2025–2027, launched to realize our ideal positioning, and the efforts of each business to implement these strategies.



Value Creation Process

Toho Gas Group uses its cultivated strengths and management capitals to realize the Group Vision and contribute to the development of a sustainable society.



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Materiality

Utilizing the Global Reporting Initiative (GRI) Standards,* the international benchmark for sustainability information disclosure, we extract individual issues in line with the expectations of our stakeholders and the Toho Gas Group Vision (hereinafter, “Group Vision”). The extracted issues are evaluated in terms of their social value and economic value, and after an exchange of opinions with the relevant agencies, materiality is identified by the Management Committee and Board of Directors. Main materiality targets are then linked to Medium-Term Management Plan 2025–2027.

* Standards for sustainability information disclosure published by the Global Reporting Initiative (GRI), an international NGO

Materiality Identification Process

STEP 1

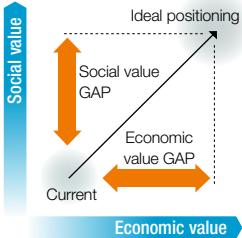
Extraction of Individual Issues

Based on issues considered in the process of formulating the Group Vision, evaluation criteria from ESG evaluation agencies, and stakeholder expectations, among other factors, 30 individual issues were extracted.

STEP 2

Organization and Evaluation of Extracted Individual Issues

Materiality candidates were examined in a workshop based on the individual issues extracted in Step 1. To realize a sustainable society and the new Group Vision, we mapped out individual issues along two axes based on their social value and economic value. Issues with common elements were then grouped together.



STEP 3

Materiality Identification

Discussions were held on the issues grouped in Step 2, which were organized into a draft materiality plan. Materiality was then identified by the Management Committee and Board of Directors.

Summary of Major Risks and Opportunities

Changes in the external environment	Major risks	Major opportunities		Materiality
Climate change (long term)	- Reduced demand for natural gas - Increases in gas and electricity sales prices due to carbon pricing, among other factors - Strengthening of laws and regulations	- Promotion and expansion of carbon-neutral energy sources such as e-methane, hydrogen, renewable electricity, and related businesses - Expansion of energy-saving equipment and promotion of advanced, highly efficient use - Growing need for decarbonization support	1	Promote carbon neutrality
Climate change (short term) Lifestyle and values diversification	- Loss of customers, loss of competitiveness - Lost business opportunities	- Growing importance of energy transition - Creation of new products and services in the lifestyle and business fields - Promotion of innovation	2	Provide various kinds of energy and services
Geopolitical risks Increasing natural disasters and other crises	- Difficulties in procuring energy - Rising energy, material, and equipment costs - Supply disruptions due to natural disasters such as storms and floods	- Improving regional sustainability and increasing customer trust through manufacturing and supply facilities that are resilient to natural disasters - New demand growth	3	Supply energy in a safe, secure, and stable manner
Declining population due to low birth rates and aging Shrinking domestic market	- Shrinking of energy retail business - Labor shortages, declining vitality in rural areas	- Revitalization of local communities through resolution of local issues - Expansion of products and services that improve convenience and efficiency	4	Contribute to the community by resolving social issues
Changes in the labor environment Advances in digitalization	- Intensifying recruitment competition and increasing turnover rates - Mismatches between abilities/skills and work - Declining productivity and operational efficiency due to delays in DX promotion	- Promotion of innovation through diversification of human resources - Increased output through improved abilities and skills - Improved productivity and operational efficiency through DX promotion	5	Enhance work satisfaction and ease of work, and promote diversity
Increasing social responsibilities	- Loss of trust from customers, investors, and other stakeholders - Increased litigation risks and business continuity disruptions	—	6	Strengthen compliance and governance

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Materiality

Main Targets Related to Materiality

		Indicators and Items	Targets	
1	Promote carbon neutrality	Contribution to CO ₂ reduction ^{*1}	3 million t	[FY2030]
		Carbon neutrality rate of gas ^{*2}	5% of gas sales volume	[FY2030]
		Amount of use of e-methane, etc.	1% of city gas sales volume	[FY2030]
		Re-energy volume handled	500 MW	[FY2030]
		Hydrogen sales volume	400 t	[FY2027]
		J-Credits generated	2,000 t-CO ₂	[Cumulative period planned] ^{*3}
		Development of CO ₂ separation and the capture technology Cryo Capture®	Social implementation	[FY2030]
2	Provide various kinds of energy and services	Number of energy customer accounts ^{*4}	3.14 million	[FY2027]
		(of which) Number of LPG customer accounts	650,000	[FY2027]
		City gas development volume	100 million m ³	[Cumulative period planned] ^{*3}
		Electricity sales volume	3 billion kWh	[FY2027]
		External sales of proprietary technologies	7 billion yen	[FY2027]
		Sales of products and services in everyday life ^{*5}	20 billion yen	[FY2027]
		Sales of CNxP business	13 billion yen	[FY2027]
		Accumulation of automated business processes	700 cases	[FY2027]
3	Supply energy in a safe, secure, and stable manner	Number of personnel promoting DX	200 people	[FY2026]
		Earthquake resistance rate of main and branch pipes	100%	[FY2030] ^{*6}
4	Contribute to the community by resolving social issues	Number of blocks in supply area ^{*7}	109 blocks	[FY2027] ^{*6}
		Number of community activities	600 cases	[Cumulative period planned] ^{*3}
5	Enhance work satisfaction and ease of work, and promote diversity	Engagement	Continuous improvement ^{*8}	
		Number of female managers	50 people or more	[FY2027] ^{*9}
		Rate of female general employees hired	40% or more	[Cumulative period planned] ^{*3,*10}
		Rate of employees with disabilities	2.7% or more	[FY2027] ^{*11}
		Rate of rehired employees	80% or more	[Cumulative period planned] ^{*3,*12}
		Health and Productivity Management Certification	Continue obtaining White 500 certification ^{*8}	
		Rate of taking parental leave	100%	[FY2027] ^{*10}
6	Strengthen compliance and governance	Number of human rights violations	Zero	[Period planned]
		Number of environmental conservation activities	50 cases	[Cumulative period planned] ^{*3}
		Compliance	Share and spread compliance awareness and risk recognition throughout the organization.	



P31-P34
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P25-P38



P25-P30



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^{*1} Contribution to CO₂ emissions reductions through business activities (cumulative value from FY2021; FY2020 = base year for reductions in each fiscal year)
^{*2} Carbon neutrality rate to be achieved through various means
^{*3} Plan period: 2025–2027
^{*4} Total number of contracts for city gas, LPG, and electricity
^{*5} Total sales of gas appliances, renovations, etc.
^{*6} Within Toho Gas Network Co., Ltd. supply area
^{*7} Unit for suspending city gas supply in the event of a natural disaster or other emergency
^{*8} Applies to Toho Gas Co., Ltd. and Group companies that conduct engagement surveys
^{*9} Figures are based on new personnel system (scheduled to be revised in April 2026) and apply to employees of Toho Gas Co., Ltd.
^{*10} Applies to Toho Gas Co., Ltd.
^{*11} Applies to the entire Toho Gas Group
^{*12} Eligible employees are those who were employed by Toho Gas Co., Ltd. at the time of retirement.

FY2024 Progress Toward Targets Linked to Medium-Term Management Plan 2022–2025
For details, please refer to our website.

 https://www.tohogas.co.jp/lang/en/approach/eco/sus/pdf/2025toho_web_en_materiality2024.pdf

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Web Site

Review of the Previous Medium-Term Management Plan

Under Medium-Term Management Plan 2022–2025 (previous plan), positioned as a first step toward realizing the Toho Gas Group Vision for the mid-2030s, we promoted initiatives focused on four key themes. With an awareness of the previous plan's achievements and remaining challenges, we formulated Medium-Term Management Plan 2025–2027 (new plan).

Initiatives Focused on Four Key Themes

1

Promote carbon neutrality

- In collaboration with Chita City, launched an e-methane production demonstration project using CO₂ derived from biogas (first in Japan to use as city gas raw material)
- Commenced operation of hydrogen production plant at Chita-Midorihamma Works
- Promoted technological developments such as CO₂ separation and capture using unused cold energy from LNG
- Expanded the development and procurement of renewable energy sources

2

Evolve as an energy operator

- Number of energy customer accounts* exceeded 3 million
- Even amid growing uncertainties, determined to continue to ensure stable supply and procurement, while strengthening our disaster prevention capabilities in preparation for increasingly severe and frequent natural disasters
- Inherited gas and power generation businesses from Kanazawa City (jointly with other companies)
- Participated in multiple overseas energy projects, mainly in Southeast Asia

3

Create diverse value

- Established the Toho Gas Kurashi brand, offering a wide range of products and services
- Launched CNxP business to support customers in their low-carbon and decarbonization efforts
- Realized commercialization in new fields such as land-based salmon farming and next-generation agriculture through collaborations with other industries and start-ups
- Promoted real estate development that will lead to the profitability of owned assets

4

Contribute to the SDGs

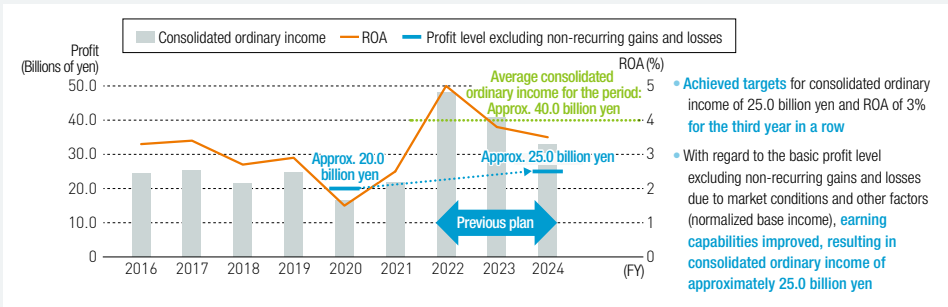
- Signed partnership agreements with 19 local governments in the three Tokai prefectures to promote initiatives to enhance regional sustainability, including decarbonization and disaster prevention
- Minato AQUUS signed an agreement with the city of Nagoya and Nagoya University regarding the promotion of a decarbonized society and other efforts
- Enhanced support systems for balancing work with childcare and nursing care, and expanded the telework system

Result Steadily implemented initiatives in line with plans for each theme

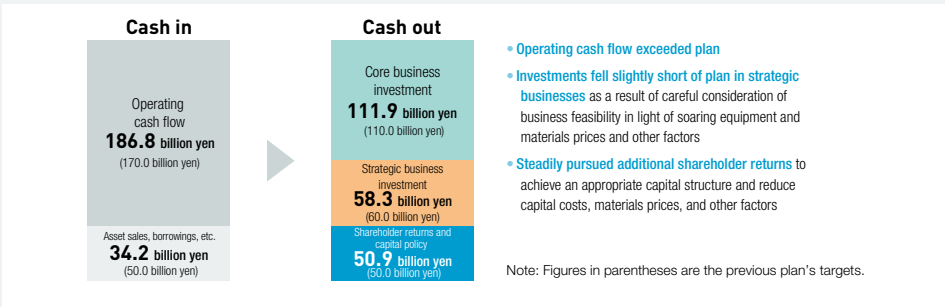
Issue Still in the process of creating new earning pillars to drive profit growth

* Total number of city gas, LPG, and electricity contracts at end-FY2024

Performance Highlights



Cash Allocation [Cumulative total from FY2022–FY2024]



Business Environment and Medium-Term Management Plan 2025–2027 Policy

Under Medium-Term Management Plan 2025–2027 (new plan), we will promote integrated financial, business, and human resource strategies to sustainably enhance corporate value and realize our vision. Furthermore, we will focus efforts on growing our strategic businesses to match the scale of our core businesses to realize our vision.

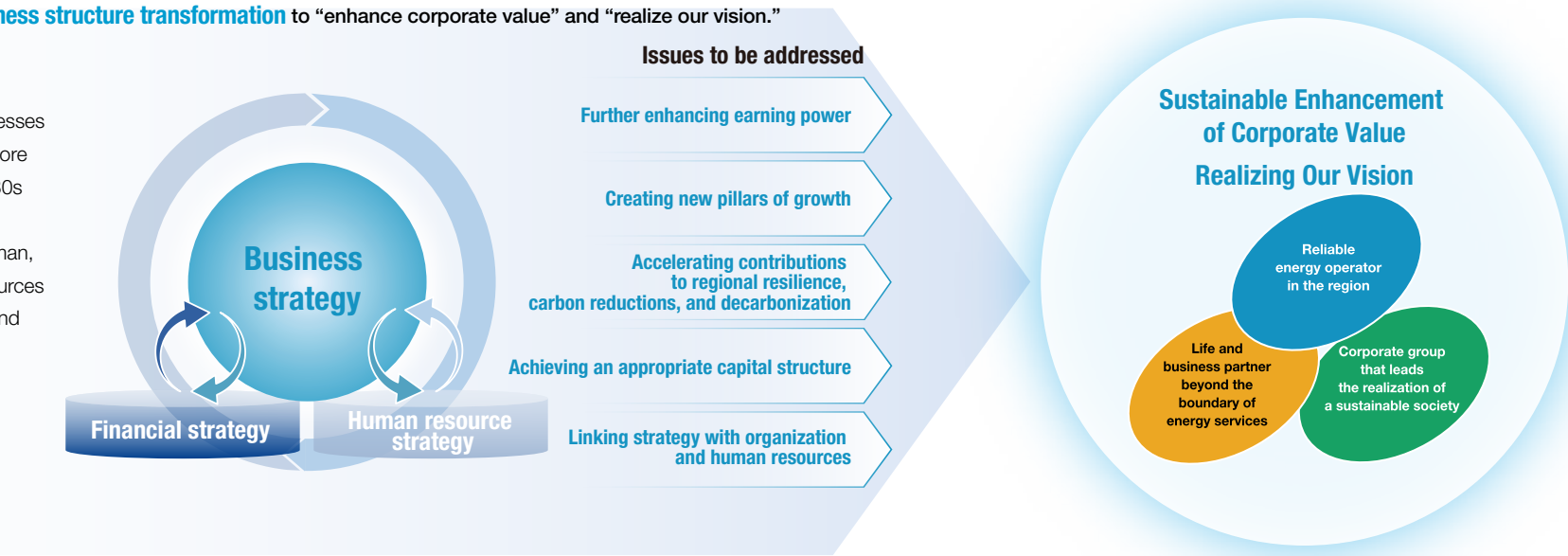
Business Environment



Medium-Term Management Plan 2025–2027 Policy

We will advance business, financial, and human resource strategies in an integrated manner to increase our earning power, while accelerating **the business structure transformation** to “enhance corporate value” and “realize our vision.”

- Business structure transformation details:
- Growing our strategic businesses to match the scale of our core businesses by the mid-2030s and realizing our vision
 - To this end, we will shift human, material, and financial resources and increase their quality and quantity.



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Financial Strategy: Quantitative Targets

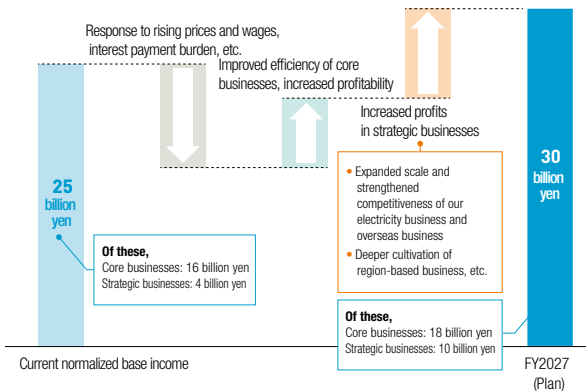
Profit and Profitability

Profit target

Consolidated ordinary income **30 billion yen**

Current normalized base income +5 billion yen

Fluctuations in Consolidated Ordinary Income



Regarding ROE level

- Based on the profit level, including gains on sales of cross-shareholdings (extraordinary gains), and the equity level, ROE for the final year of the new plan is expected to be 6% or higher.
- Aiming to further improve ROE after the new plan period through sustainable profit growth centered on strategic businesses

ROE forecast for the final year of the new plan

6% + α

Cost of equity

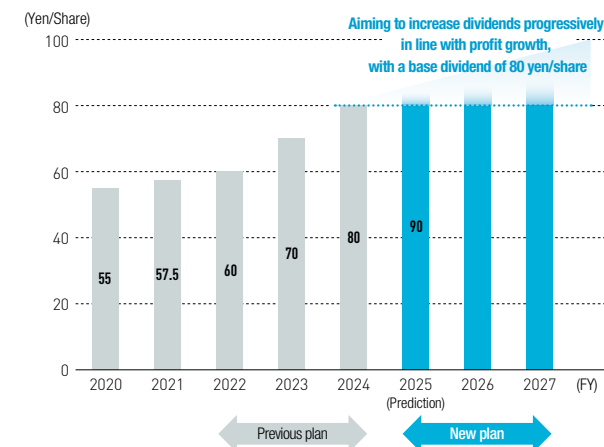
Approx. 5%

Shareholder Returns

Dividend policy during the new plan

We aim to **increase dividends progressively** in line with profit growth.

Dividend Trend



Capital Policy

Capital optimization

We will continue to repurchase shares as treasury stock and strive for optimization, aiming for

equity capital of **400 billion yen** by the end of FY2027.

Sales of cross-shareholdings

We plan to complete the sale of approximately

one-third of our holdings^{*1}

by the end of FY2027.

[Reference] Details of the Company's disclosure in April 2024:

“Action to Implement Management that is Conscious of Cost of Capital and Stock Price”

The target level for equity capital set at approx. **350 billion yen to 400 billion yen**^{*2}

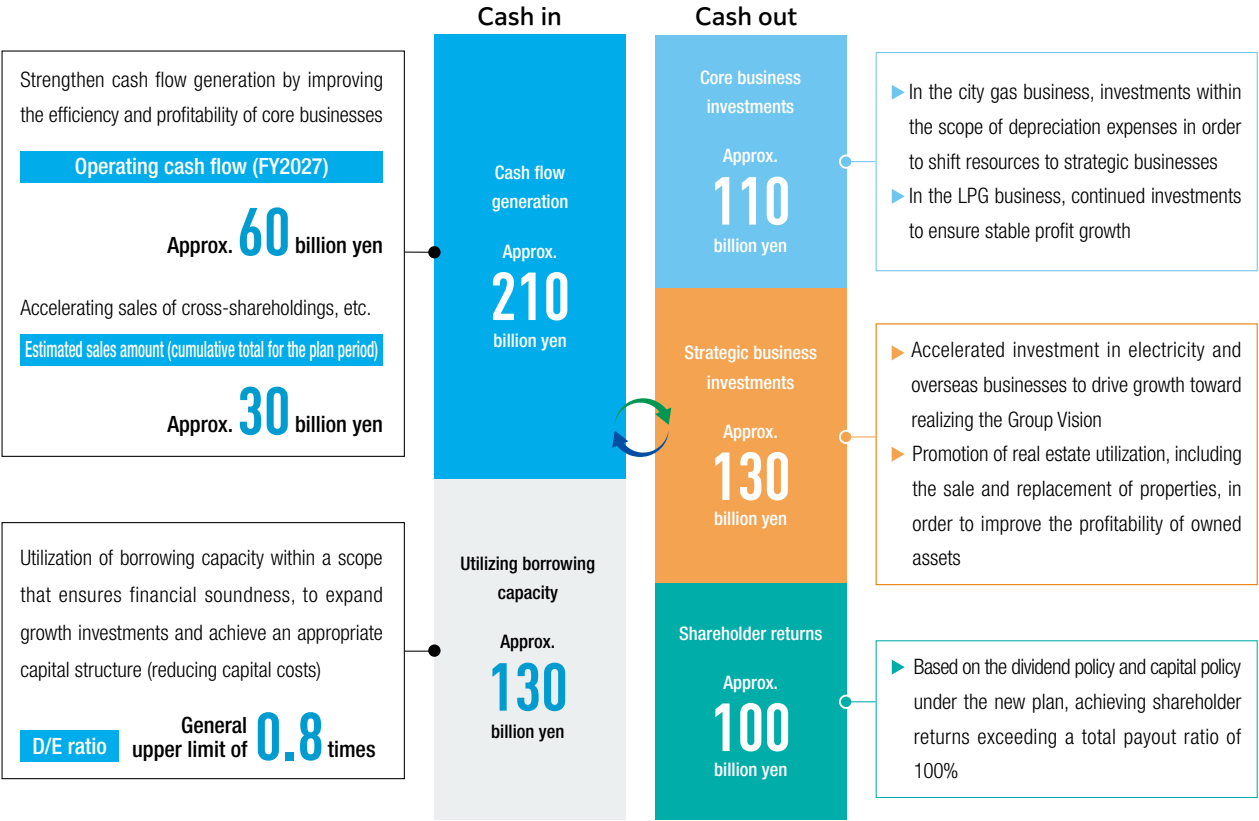
Approximately one-third of cross-shareholdings will be sold,^{*1} focusing on those with diminished significance

^{*1} One-third of balance as of the end of FY2023. The balance is expected to be less than 20% of equity capital by the end of FY2027.

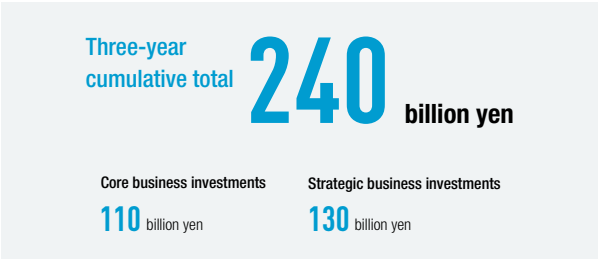
^{*2} This level was determined based on the necessity of ensuring safety, security, and a stable supply, which is the mission of gas operators, and by taking into consideration risks of natural disasters such as large-scale earthquakes and geopolitical risks related to LNG procurement. There is a possibility the level may change depending on changes in the external environment and the quantity and nature of risks.

Financial Strategy: Quantitative Targets

Cash Allocation (Three-Year Cumulative Total Under the New Plan)



Investment and Financing Plan



Breakdown of Investments and Loans

New Plan Three-year cumulative total		FY2025 (Single-year plan)
Core businesses	Subtotal	110 billion yen
		38 billion yen
Strategic businesses	Subtotal	130 billion yen
	Electricity business and renewable energy development	50 billion yen
	Overseas business	40 billion yen
	Community-based value creation businesses, etc.	40 billion yen
Total		240 billion yen

Financial Strategy: Message from the Executive in Charge of Finance



We will strive to maximize corporate value through profit growth driven by business restructuring and increased capital efficiency through the optimization of equity capital.

Takeo Haigo

Director,
Senior Managing Executive Officer

Formulation of Medium-Term Management Plan 2025–2027

Medium-Term Management Plan 2025–2027 (hereinafter, the “new plan”) is positioned as the first half of the second step in the process of realizing our vision for the mid-2030s, as outlined in the Toho Gas Group Vision.

We will accelerate revisions to management resource allocation and expand investments in electricity, overseas, and other strategic businesses to further the transformation from a structure centered on city gas and LPG as core businesses.

In terms of profit targets, we aim to achieve consolidated ordinary income of 30.0 billion yen by the end of FY2027, the final year of the new plan. This represents

a 5.0 billion yen improvement in normalized base income, from 25.0 billion yen in FY2024. Although we assume rising prices and wages, as well as increased interest payment burdens going forward, we will raise the profit levels of core businesses by improving efficiency and strengthening profitability; and in strategic businesses, we will expand business scale and enhance competitiveness, primarily in the electricity and overseas businesses, thereby increasing profit levels.

In addition, the new plan includes the Company's first-ever ROE forecast of 6%+ α . In addition to profit expansion, we will promote a capital policy that includes optimizing equity capital, as we continue to achieve improvements in capital efficiency during the new plan and beyond.

Shareholder Returns and Capital Policy

With regard to dividends, we have always maintained stable dividends as a basic policy and increased dividends in line with profit growth. The new plan clarifies this policy and expresses our intention to avoid dividend reductions, achieve both profit and dividend growth, and increase dividends progressively in line with profit growth.

Additionally, while our guideline for equity capital was previously set in the range of 350.0–400.0 billion yen, we have now clarified the time frame for achieving this target and aim to optimize equity capital at 400.0 billion yen by the end of FY2027. Furthermore, with regard to cross-shareholdings, we clarified our target for the sale of approximately one-third of assets held at the end of FY2023 with diminished significance, which we aim to complete by the end of FY2027.

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Financial Strategy: Message from the Executive in Charge of Finance

Cash Allocation for Business
Structure Transformation

As we move forward with the expansion of strategic business investments and the optimization of our capital structure, we will also change how we have been allocating cash until now.

Regarding cash outflows, we will continue to invest in the city gas business within the scope of depreciation expenses, while strategic business investments will be significantly larger than in the past and shareholder returns are assumed at a total payout ratio exceeding 100%.

At the same time, with regard to cash inflows, in addition to operating cash flow, we factor in proceeds from the sale of cross-shareholdings and other items, with any shortfall in cash outflows covered by our borrowing capacity.

Some may be concerned about issuing corporate bonds or borrowing at a time when interest rates are expected to rise. We recognize that we have significant financial headroom, and with an awareness of maintaining our credit rating, we will continue to raise funds in a planned manner, while being mindful of the debt to equity ratio upper limit (0.8 times).

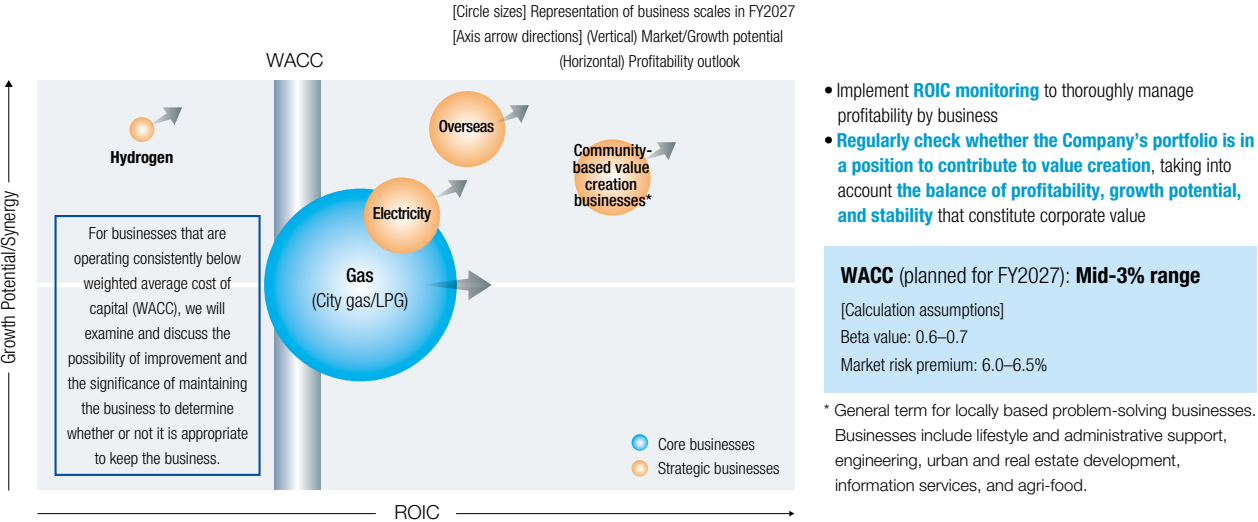
Ensuring Strategic Business Profitability
and ROIC Monitoring

We will ensure that strategic business investments are profitable and gain the understanding of all stakeholders.

For example, at the investment decision stage, we set hurdle rates for each project, taking into account business, country, and other risks, and then decide whether or not to invest.

Additionally, after an investment is made, we monitor profitability using return on invested capital (ROIC) and implement improvement measures as appropriate. If improvement is deemed difficult, we will consider withdrawal through sales or other means.

Ideal Business Portfolio in the Final Year of the New Plan



To Our Shareholders and Investors

As we proceed with the transformation of our business structure, it is important that we carefully explain to our shareholders and investors how our future direction and strategic businesses will contribute to earnings, and that we appropriately reflect their opinions in management. The new plan was created based on our shareholders' feedback and expectations through our discussions with them, with an emphasis on both business initiatives and our commitment to increasing capital efficiency.

As FY2025 is the first year of our new plan, we will steadily execute investment and capital policies to ensure that this year serves as a springboard for achieving our goals. At the same time, we will continue to place greater emphasis on dialogues with stakeholders to further raise expectations for our company.

Business Strategy: Stable Cash Flow Generation from Core Businesses

To generate stable cash flows in our core businesses (city gas, LPG, and other businesses that generate cash flows as a long-term stable earnings base), which form the starting point of our “business structure transformation,” we will promote initiatives at each stage of the supply chain.

Basic Policy: Business sophistication and efficiency

● Advancement of operations that contribute to safety, security, and stable supply

● Promoting proposal-based sales integrated with various services

● Increasing fixed cost efficiency

Action Plan

Expanding Use of City Gas

The 7th Strategic Energy Plan formulated by the Agency for Natural Resources and Energy clearly states that natural gas has the lowest greenhouse gas emissions among hydrocarbon fuels, and the shift to natural gas through fuel conversion and other measures will contribute to reducing adverse environmental impacts. The plan positions natural gas as a critical energy source, even after carbon neutrality is achieved.

Through the conversion of fuel, from coal and heavy oil, to environmentally friendly natural gas, and the introduction of cogeneration and ENE FARM initiatives, we will promote the efficient use of energy and contribute to the realization of a low-carbon society. We will also continue to prioritize the safety, security, and stable supply of gas to ensure that customers can use gas with peace of mind, as we promote efforts to further expand city gas.



² Plan period: FY2025–FY2027

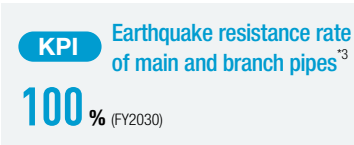


Regular safety inspection

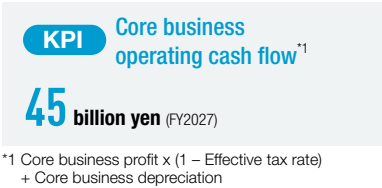
Unwavering Safety and Security, Stable Supply, and Efficiency

To achieve the safety advancement target set by the government, we will further expand the use of safety-type gas equipment, develop educational activities, steadily implement measures for highly aged equipment, and further improve the earthquake resistance rate of main branch pipes.

We will also promote the advancement of security and operational efficiency by using advanced technologies, such as AI-based predictive detection of abnormalities in manufacturing facilities and prediction of conduit deterioration. We will steadily introduce smart meters to improve efficiency through remote meter reading and ensure prompt safety through remote operation.



³ Within Toho Gas Network Co., Ltd. supply area



Strengthening Regional Resilience Further Strengthen Disaster Response Capabilities

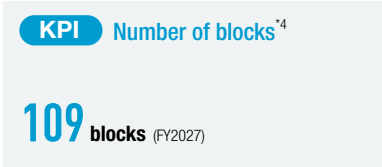
To ensure safety, security, and stable supply, we will steadily and systematically promote various physical and procedural measures while further strengthening our disaster risk response capabilities.

We will enhance preventive measures such as earthquake and tsunami countermeasures for gas manufacturing and supply facilities, emergency measures to prevent secondary disasters in areas with severe damage, and recovery measures aimed at quickly resuming gas manufacturing and supply. We will also work to improve recovery support systems and receiving systems and promote cooperation with other gas companies in the event of an emergency. Leveraging the advantages of disaster-resistant city gas and LPG, we will also promote the introduction of gas heat pump air-conditioning in school gymnasiums that serve as evacuation shelters, thereby contributing to the creation of safe evacuation environments.

Furthermore, the entire Group will strive to improve regional resilience through the establishment of disaster prevention systems, the formulation of business continuity plans (BCPs), and regular disaster drills conducted in conjunction with local governments, infrastructure operators, construction companies, and other entities.



Toho Gas Group comprehensive disaster prevention training



^{*4} Unit for suspending gas supply that aims to minimize areas subject to supply interruptions in the event of damage from earthquakes, etc., by subdividing supply areas and increasing the number of blocks
Subject: Toho Gas Network Co., Ltd. service area

Further Measures Against Cyberattacks

Even as the threat of cyberattacks increases, we will advance security measures for the control and monitoring systems of our manufacturing and supply facilities to prevent significant impacts on our supply.

Promoting the Heat Supply Business

In supplying heat to “The Landmark Nagoya Sakae,” which is under construction by MITSUBISHI ESTATE CO., LTD. and others, energy will be saved by utilizing unused energy from waste hot water. We will continue to promote our heat supply business by proposing optimal heat supply systems that are tailored to the scale and plans of redevelopment projects.

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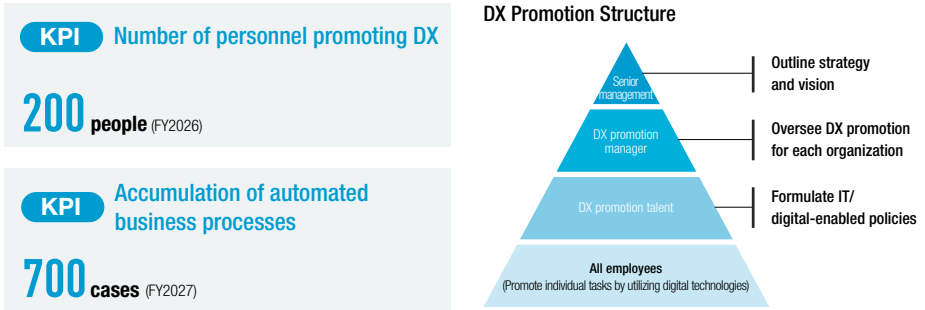
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Business Strategy: Stable Cash Flow Generation from Core Businesses

Creating an Environment for Promoting Digital Transformation

Human Resource Development and Education

We will enhance DX education so that all employees can proactively utilize IT and digital technologies in their work. We will also establish a system for developing and supporting DX human resources serving as the core of voluntary DX promotion in each department within the Company.



Acquired DX Business Operator Certification

In June 2025, the Group was certified as a DX Business Operator based on the DX Certification System established by the Ministry of Economy, Trade and Industry. To continue providing various types of energy and services going forward, we will promote digitalization utilizing the latest digital technologies and human resources well-versed in DX, thereby promoting a DX strategy that facilitates the enhancement and streamlining of business, the development and expansion of customer services, and the achievement of other DX targets.



Basic Policy: Strengthening LNG procurement capabilities

● Sourcing from newly established long-term contracts

FY2025 onward: LNG Canada Project

● Promoting diversification of LNG trading

January 2025: Singapore subsidiary established

● Considering procurement portfolios with a view to the future

Action Plan

Building a Procurement Portfolio

In FY2025, we will commence procurement under the LNG Canada Project, expanding our LNG procurement sources to five countries. To prepare for geopolitical risks and sharp fluctuations in market conditions, we will diversify procurement regions and contracts and build a procurement portfolio centered on long-term contracts.



LNG Canada Project

Promoting LNG Trading

Amid increasing liquidity in the energy market, in addition to coordinating the allocation of LNG vessels, we will strengthen our supply and demand adjustment function by developing an LNG trading system centered on the Singapore subsidiary.*1 To further promote LNG trading, we will also incorporate expertise in LNG vessel operations management and revenue management, and examine LNG and charter vessel ownership.

*1 TOHO GAS SINGAPORE PTE. LTD. (established January 2025)

Basic Policy: Sustainable growth of the LPG business

● Promoting new developments and wide-area expansions

● Strengthening the business foundation

Expanded installation of LPWA,*2 etc.

● Compliance with legal revisions

Full enforcement in FY2025/Ministry order for partial revision of the Liquefied Petroleum Gas Act

*2 Wireless communications technology featuring low-power consumption and wide-area communications

Action Plan

Expanding and Strengthening the LPG Business

Expanding Business Scale

We seek to boost our market share through new developments in the core area centering on the three Tokai region prefectures. We will also implement wide-area development in Shizuoka and Nagano prefectures and the surrounding areas.

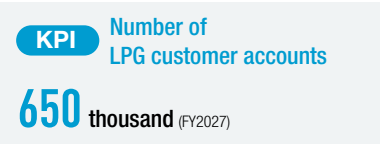
Strengthening Business Foundations and Supply Chains

We will improve the efficiency of delivery operations through the expanded use of wireless communications technologies and AI to optimize delivery routes and realize other improvements.

We will also promote efficiency and increase supply safety through distribution alliances with other companies in the industry and increased flexibility with regard to terminals receiving raw materials.

Contributing to Enhanced Resilience

LPG, which has excellent on-site stockpiling properties, is positioned as an important energy source under the 7th Strategic Energy Plan approved by the Cabinet of Japan in February 2025. We will continue to expand the use of LPG and introduce equipment for responding to disasters.



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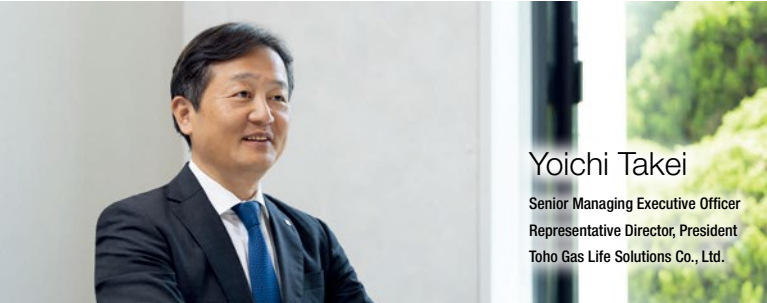
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Energy x Lifestyle (Residential Sector)



Overview and Role

To support the safety, security, and prosperity of local customers, we focus efforts on supplying energy while also offering home renovations and other lifestyle-related products and services. Through these initiatives, we will strive to expand our energy share while leveraging city gas and other customer bases to enhance services that are useful in various aspects of daily life, thereby deepening relationships with customers and contributing to Group growth.

Main Activities in FY2024

- Promoted comfort and convenience of gas appliances, while working daily to ensure safety and security
- Proposed sets combining electricity gas services to city gas customers, increasing the number of city gas and electricity contracts
- Developed products and services in housing, food, health, and other areas to expand Toho Gas Kurashi
- Focused efforts on promotion, developing television commercials aimed at increasing brand awareness
- Enhanced incentives for My Shop members when purchasing gas appliances

Main Targets Under Medium-Term Management Plan 2025–2027

- Number of energy customer accounts^{*1}: 3.14 million (FY2027)
- Sales of products and services in everyday life^{*2}: 20 billion yen (FY2027)

^{*1} Total number of city gas, LPG, and electricity contracts
^{*2} Sales total for gas appliances, renovations, etc.

Looking Back on FY2024

In FY2024, we positioned expansion of the Toho Gas Kurashi brand as a key initiative. To contribute to the realization of prosperous lifestyles in areas such as energy, housing, food, and health, we used lifestyle shops to strengthen connections with customers, as well as to develop and promote various products and services, in an effort to raise brand awareness.

As a result of these measures, the number of customers in the energy business rapidly reached 3.08 million, exceeding the target of 3.0 million customers set in Medium-Term Management Plan 2022–2025. We are also seeing progress in terms of Toho Gas Kurashi brand penetration.

How I Envision the Company's Ideal Positioning

To remain the customers' choice amid intensifying competition in the energy sector, we must build on our strengths, such as our ability to build trust and facilitate opportunities for real connections, cultivated over more than 100 years of business operations, to enhance our presence as a lifestyle partner that transcends the boundaries of energy.

To this end, under the Toho Gas Kurashi brand, we are expanding product and service lineups centered on the residential sector, such as renovations and energy conservation, and introduced the Toho Gas Kurashi My Shop program, which offers incentives to customers who register with My Shop as a preferred service provider. Furthermore, to respond to customer needs in a more precise and timely manner, we are consolidating sales functions into a subsidiary and promoting initiatives aimed at creating new value as a lifestyle partner closely connected to each and every customer.

Growth Strategy Aimed at Realizing Our Vision and Achieving the Medium-Term Management Plan

To ensure we are able to respond to diverse customer lifestyle needs, we will work to expand gas rate options and provide new products and services in areas such as housing, food, and health. By analyzing and utilizing website browsing and purchase information collected through digital contact points, we can make proposals tailored to the needs of each individual customer.

Additionally, we will contribute to the promotion of ZEH^{*3} in the housing sector through the expansion of ENE FARM and the introduction of initial-cost-free schemes for solar power generation. We will also focus on promoting underfloor heating and clothes dryers, which are popular for their comfort and convenience, and contribute to improving the lives of our customers.

Through these efforts, we aim to enhance our presence as a lifestyle partner that transcends the boundaries of energy, achieve the goals of Medium-Term Management Plan 2025–2027, and realize even further sustainable growth going forward.

^{*3} ZEH: Net Zero Energy House that aims for net-zero primary energy consumption annually by enhancing thermal insulation and energy efficiency while generating necessary energy through ENE FARM, solar power, and other means

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Energy x Engineering (Commercial Sector)



Overview and Role

In April 2024, Toho Gas sales functions, including gas and electricity sales to commercial customers, were consolidated into a new subsidiary, Toho Gas Energy Engineering Co., Ltd. We are developing business based on two pillars—the CNxP business,^{*1} which provides integrated services, from energy sales to engineering, and helps customers achieve carbon neutrality (hereinafter, “CN”), and the plant business, which handles the design, construction, and maintenance of energy supply facilities.

^{*1} One-stop consulting, engineering, and other services to help customers become carbon neutral, and to support their low-carbon and decarbonization efforts

Main Activities in FY2024

- Promoted city gas development and electricity sales through fuel conversion, from heavy oil, coal, and other hydrocarbons to natural gas, which has a lower environmental impact
- Launched carbon offset city gas supply utilizing J-Credits
- Promoted consulting enhancements, product lineup expansion, and strengthened engineering capabilities to expand CNxP business
- Added gas and electricity bill-related documents to the TOHOBIZNEX commercial membership website, disseminating information on the CNxP business

Main Targets Under Medium-Term Management Plan 2025–2027

- City gas development volume: 100 million m³ (cumulative period planned^{*2})
- Sales of CNxP business: 13 billion yen (FY2027)

^{*2} Plan period: FY2025–FY2027

Looking Back on FY2024

In energy sales, we promoted the advanced use of energy through fuel conversion to city gas and the introduction of cogeneration and optimal equipment, as well as electricity sales tailored to customer needs.

In the CNxP business, we installed air-conditioning systems in public elementary and junior high school gymnasiums, hospitals, commercial facilities, and other locations, thereby achieving high energy efficiency and BCP compliance while also expanding sales.

In addition, to meet customer CN needs, we strengthened equipment proposal capabilities by developing CO₂ emissions reduction roadmap support services and registering as a ZEB^{*3} planner.

In terms of utilizing diverse energy sources, we expanded our lineup of hydrogen burners, conducted hydrogen demonstration tests, constructed hydrogen stations that utilize solar power, and developed energy service businesses offering an optimal mix of city gas and electricity.

^{*3} ZEB: Net Zero Energy Building that aims for net-zero primary energy consumption annually by energy conservation and energy creation

How I Envision the Company's Ideal Positioning

We are promoting the integration of our strengths in energy sales, including customer understanding, sales capabilities, and knowledge of energy use, with our engineering design and construction capabilities and operations and maintenance (O&M) expertise in city gas manufacturing plants, heat supply businesses, and energy services. In addition, we aim to be a company that contributes to improving regional industrial competitiveness and creating attractive cities by providing value to customers and working to resolve social issues.

The promotion of these initiatives will lead to the realization of the Toho Gas Group's ideal positioning as a reliable energy operator in the region, a life and business partner that transcends the boundary of an energy service provider, and a corporate group that leads efforts to realize a sustainable society.

Growth Strategy Aimed at Realizing Our Vision and Achieving the Medium-Term Management Plan

We will invest in technology and human resources, which we consider to be the most important factors in realizing the energy sales and engineering services our customers require.

We will strengthen efforts to develop products and services that meet customer needs, including the demand for CN, and to enhance consulting and technical capabilities leading to the creation of value through the integration of existing technologies and know-how with new technologies. To this end, we will promote communication across business divisions, from energy solutions to consulting, design, construction, operation, and maintenance.

By retaining and nurturing people who will execute business, and creating a comfortable working environment, we strive to develop skilled human resources who will contribute to improved organizational competitiveness.

We aim to be a company that contributes to resolving the problems of customers and society by strengthening our foundation, creating new value, and providing diverse energy sources and advanced, high-quality technologies and services.

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Gas Pipeline Business



Overview and Role

Toho Gas Network Co., Ltd. has taken over the gas pipeline business of Toho Gas, which delivers city gas to approximately 2.6 million customers in Aichi, Gifu, and Mie prefectures through a pipeline network spanning approximately 30,000 km. Going forward, as a gas pipeline operator rooted in local communities, we will strive to expand our city gas supply area and ensure stable supplies, safety, and peace of mind while maintaining neutrality and transparency, thereby contributing to the sustainable development of local communities and society as a whole.

Main Activities in FY2024

- Developed supply infrastructure through the construction of trunk lines and expansion of pipeline networks
- Promoted security measures for supply facilities using AI and new technologies
- Promoted physical and procedural disaster prevention measures
- Engaged in full-scale introduction of residential smart meters

Main Targets Under Medium-Term Management Plan 2025–2027

- Expand city gas supply area
- Ensure stable supplies, safety, and peace of mind to increase regional resilience
 - Earthquake resistance rate of main and branch pipes: 100% (FY2030)
 - Number of blocks in supply area*: 109 blocks (FY2027)
- Enhance and streamline operations utilizing advanced technologies and DX

* Unit for suspending gas supply that aims to minimize areas subject to supply interruptions in the event of damage from earthquakes, etc., by subdividing supply areas and increasing the number of blocks

Looking Back on FY2024

With regard to supply base development, we proceeded with construction of the high-pressure Ichinomiya to Bisai Line and Nanbu Trunk Line Phase II as planned, which will lead to improved supply stability, and we also expanded our pipeline network, mainly in the Gifu and Mie areas, to expand our supply area.

In terms of supply facility safety, we promoted effective and efficient measures, including the completion of gas pipe upgrades without the need for road excavation. In promoting disaster prevention initiatives, we have conducted gas pipe seismic retrofitting as a physical measure, raising the seismic retrofitting rate to 98%, while working to enhance recovery response capabilities through disaster drills with local governments and infrastructure operators as a procedural measure.

In June 2025, we also commenced full-scale introduction of smart meters for residential use. Going forward, we will accelerate efforts to improve operational efficiency and ensure prompt security through the use of wireless communications for remote meter reading and other applications.

How I Envision the Company's Ideal Positioning

To realize the Toho Gas Group Vision of becoming a reliable energy operator in the region, we aim to achieve further growth in the gas pipeline business. The 7th Strategic Energy Plan positions natural gas as a critical energy source, even after carbon neutrality is achieved, and we view growing expectations for natural gas as an opportunity. While working to expand the use of city gas, we will also establish a system for maintaining and operating supply facilities in a sound manner and continue to uphold our responsibility as a gas pipeline operator, which is to ensure unwavering stable supplies with safety and peace of mind.

Growth Strategy Aimed at Realizing Our Vision and Achieving the Medium-Term Management Plan

We will accurately assess the demand for fuel conversion to city gas, which contributes to the decarbonization of local communities; construct trunk lines; and sequentially commence operations. We also aim to continue expanding our supply areas.

To ensure stable supplies, safety, and peace of mind, human resources play a critical role in supporting the construction and maintenance of supply facilities, emergency safety measures, disaster prevention, and other on-site operations, as well as in enhancing operational sophistication and efficiency. With regard to human resources, we will work closely with partner companies to create attractive workplaces, focusing on retaining and developing human resources while passing on advanced skills to the next generation. To enhance operational sophistication and efficiency, we will proactively utilize advanced technologies and develop and introduce new construction methods and systems, as we take on the challenge of deploying smart technologies on-site.

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LPG Business



Overview and Role

Toho Liquefied Gas Co., Ltd. is engaged in the LPG business, which is a core business alongside city gas, and has a high market share in the LPG sector and one of the most extensive business scales in Japan. Through our business activities, we contribute to the Toho Gas Group, generating stable cash flows, contributing to improved lifestyles and economic activity in areas where city gas is not yet available, and strengthening resilience to disasters.

Main Activities in FY2024

- Expanded share in core areas (Aichi, Gifu, and Mie prefectures) and promoted development in a wide area (Shizuoka and Nagano prefectures, Hokuriku region)
- Strengthened logistics networks for shipping, loading, and distribution, and improved delivery efficiency through the installation of LPWA^{*1}
- Complied with revisions to the LPG Act
 - Published self-declaration of compliance, three-part rate display
- Took over residential and consumer LPG businesses from Toyotsu Energy Corporation and other companies

^{*1} Wireless communications technology featuring low-power consumption and wide-area communications

Main Targets Under Medium-Term Management Plan 2025–2027

- Targeting sustainable growth of the LPG business to generate stable cash flows**
(Contributing to core business profit target of 18 billion yen)
- Promote new developments and wide-area expansion
 - Achieve target of 650,000 customers (FY2027)
 - Enhance business foundation
 - Ensure stable feedstock procurement at a reasonable price
 - Create loading and transport infrastructure
 - Enhance operational efficiency through the use of digital technologies

Looking Back on FY2024

FY2024 was a year of great change in the company’s business environment, with the revision and enforcement of ministerial ordinances under the LPG Act, as well as a decline in LPG transport capacity due to the “2024 problem”^{*2} in Japan’s logistics industry, among other factors. Given these conditions, we promoted appropriate business activities in accordance with revised ministerial ordinances, revamped our wholesale business structure, and reorganized sales bases in Shizuoka Prefecture, while deepening efforts in core areas, developing demand over a wide region, and steadily promoting M&As, which resulted in our customer base increasing by approximately 30,000 people and our sales volume expanding by about 9,000 t compared with FY2023. Furthermore, in response to declining LPG transport capacity, we have been steadily strengthening our foundations by improving shipping facilities and operations, expanding loading and distribution networks, and streamlining distribution operations through the utilization of LPWA.

^{*2} The “2024 problem” refers to Japan’s logistics industry in which disruptions to supply chains and delivery services were anticipated to occur due to new regulations limiting truck driver working hours.

How I Envision the Company's Ideal Positioning

Medium-Term Management Plan 2025–2027 aims to steadily increase the number of stock items constituting the source of stable cash flows to expand sales, while improving profitability by strengthening our operational foundation. In other words, our aim is to position Toho Liquefied Gas as a driving force for Group growth.

Unfortunately, we do not expect the LPG market to expand significantly due to the declining population and fewer households. However, we are confident in our ability to grow despite these circumstances. Based on our sense of mission to ensure safety, peace of mind, and stable supplies, our greatest strengths are a robust sales force, which enables us to demonstrate our overwhelming presence in the region and increase market share, and our aspiration to boldly take on the challenge of developing demand in the wider region.

Growth Strategy Aimed at Realizing Our Vision and Achieving the Medium-Term Management Plan

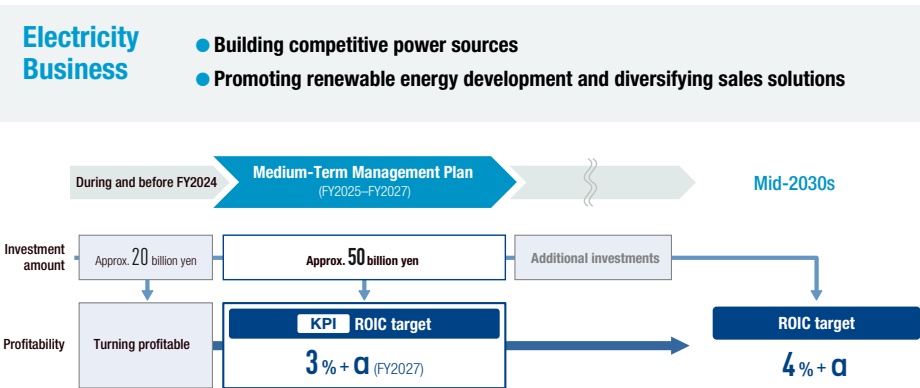
There is no particular secret to our growth strategy. I believe that if we stick to the basics and steadily carry out what needs to be done, the results will come naturally. Based on this understanding, we will conduct appropriate business activities in accordance with the law and fulfill our responsibilities as a supplier of LPG, which has been designated as the “last stronghold” in the 7th Strategic Energy Plan. In addition, we will promote the low cost and stable procurement of raw materials utilizing the Meiko LPG Terminal; strengthen our loading and distribution infrastructure, including alliances with other companies; and improve operational efficiency through the use of digital technologies. Investment in the human resources supporting these business activities is the key to growth. We will proactively implement training to enhance core capabilities while increasing employee engagement through various measures. We will strive to foster an open and vibrant corporate culture enabling employees to fully leverage their abilities and continue proactively taking on new challenges.

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Business Strategy: Cultivating Drivers of Growth (Electricity Business)

We will leverage strengths (infrastructure, technologies, knowledge) developed in our gas businesses to make the electricity business the next driver of profit growth by diversifying electricity procurement, responding to a wide range of needs for low-carbon and decarbonized energy, and creating new solutions.

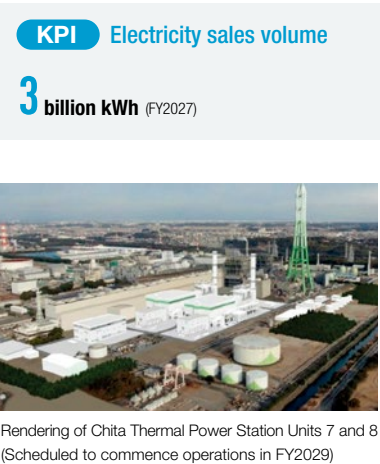


Action Plan

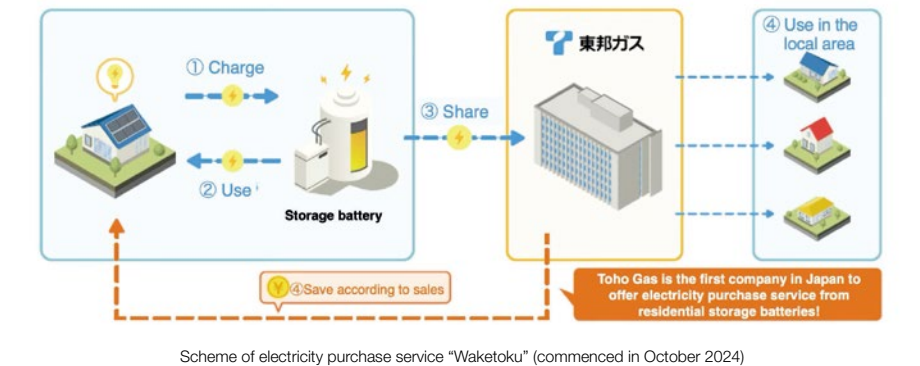
Stabilization and Strengthening of the Electricity Business

Optimization of Procurement Portfolios
We will secure the necessary volume and stabilize procurement prices through an appropriate combination of short-term and long-term contracts from power producers and procurement from wholesale exchanges. Additionally, we will always monitor the risk of income and expenditure fluctuations and promote the use of transactions that lead to reducing such risk.

Joint Development of Thermal Power Stations
Jointly with JERA Co., Inc., we will establish Chita Energy Solutions LLC and begin construction of an LNG-fired power plant boasting world-leading power generation efficiency. In the future, we intend to convert to hydrogen as a fuel.



Creation of Power Services
We will promote the development of new power services based on the results of electricity purchase services currently being provided.



Expanding Renewable Energy Sources Availability of Various Renewable Energy Sources and Regulating Power
We will promote the development of various renewable energy sources such as solar, biomass, and wind power. We will also strive to secure stable and inexpensive renewable energy by utilizing cooperative initiatives with other companies, such as TT Brothers LLC, which we established together with Tokyo Century Corporation. Parallel to this, we will develop regulating power sources such as storage batteries to make the most effective use of renewable energy with fluctuating output.

Biomass Power Plant Commenced Operations
In addition to Yatsushiro (Kumamoto Prefecture), where commercial operations are underway, Karatsu (Saga Prefecture) and Tahara (Aichi Prefecture) are scheduled to commence operations.



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Electricity Business



Overview and Role

As a reliable energy operator in the region, we are expanding electricity sales and electric power services to customers with the aim of generating stable profits. To realize a sustainable society, we are also making efforts to develop power sources, including thermal power generation focused on renewable energy and decarbonization.

Main Activities in FY2024

- In collaboration with JERA Co., Inc., made the decision to develop Chita Thermal Power Station Units 7 and 8, which will boast world-leading power generation efficiency
- Commenced operation of the Yatsushiro Biomass Power Plant, developed jointly with other companies
- Established power plant operating company TT Brothers LLC through joint investment with Tokyo Century Corporation, with the aim of developing renewable energy sources
- Commenced operation of the Waketoku service using residential storage batteries
- Invested in storage battery and electric vehicle (EV)-related start-ups

Main Targets Under Medium-Term Management Plan 2025–2027

- Reduce and stabilize procurement prices through the appropriate combination of procurement from power plant operators and wholesale exchanges
- Ascertain income and expenditure risks, and hedge risks
- Proactively develop renewable energy sources to facilitate the handling of 500 MW of renewable energy by FY2030, and develop storage batteries to utilize renewable energy effectively
- Construct large-scale, high-efficiency thermal power plants focused on the future conversion to hydrogen fuel
- Provide new value-added electric power services

Looking Back on FY2024

Since FY2022, procurement costs have increased due to the significant impact of rising energy prices caused by the Russia–Ukraine conflict and other factors, resulting in the electricity business posting losses for two consecutive fiscal years. In response, we diversified procurement and promoted other improvement efforts that returned the business to profitability in FY2024. We also started construction on Chita Thermal Power Station Units 7 and 8, which will become a pillar of our portfolio in the future. When this power station commences operations in FY2029, we expect it will contribute to stabilizing procurement and maintaining competitiveness.

With regard to the development of renewable energy sources, we established a highly efficient system based on our clear understanding that a certain amount of time is required before renewable energy sources can contribute to revenue. Accordingly, we are engaged in the development of a wide range of energy sources, and jointly established a company to promote the development of renewable energy in collaboration with other companies.

How I Envision the Company's Ideal Positioning

We will leverage strengths (infrastructure, technologies, knowledge) developed in gas businesses while steadily expanding the electricity business in pursuit of growth, as outlined in our growth strategy. We will expand market share by leveraging our strengths in diverse energy sources, including city gas and LPG, and contribute to our ongoing evolution as a reliable energy operator in the region. In addition, with an awareness of the need to promote carbon neutrality, we are proactively working to develop renewable energy sources and decarbonize power generation to realize a sustainable society.

Growth Strategy Aimed at Realizing Our Vision and Achieving the Medium-Term Management Plan

To provide a stable supply of electricity to customers in the region, it is essential we maintain stable, highly competitive power sources. To this end, we will work to optimize our power procurement portfolio, including developing our own power sources, and addressing income and expenditure fluctuation risks from short-, medium-, and long-term perspectives.

Customer needs are becoming more diverse, including the need to achieve carbon neutrality. We will strive to further expand business by providing environmental value through the combination of various renewable energy sources and added value through new electric power services, thereby earning the trust of both individual customers and entire communities.

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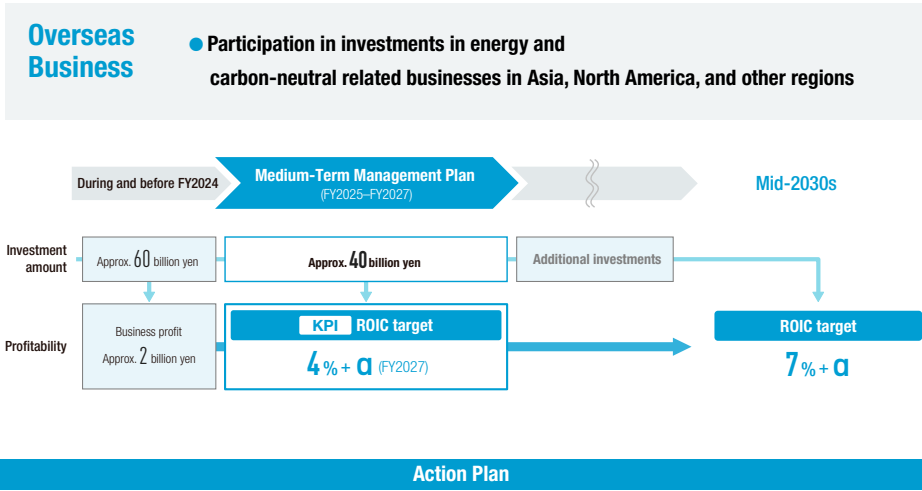
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Business Strategy: Cultivating Drivers of Growth (Overseas Business)

We will leverage the strengths (infrastructure, technologies, knowledge) we have developed in our gas businesses and position our overseas business as a driver of profit growth going forward, promoting efforts to expand our gas focused the energy business and contributing to regional decarbonization through the widespread adoption of natural gas and renewable energy.



Overseas Energy Business Development

Promoting Deeper Cultivation of Energy Business in Asia, North America, and Other Regions

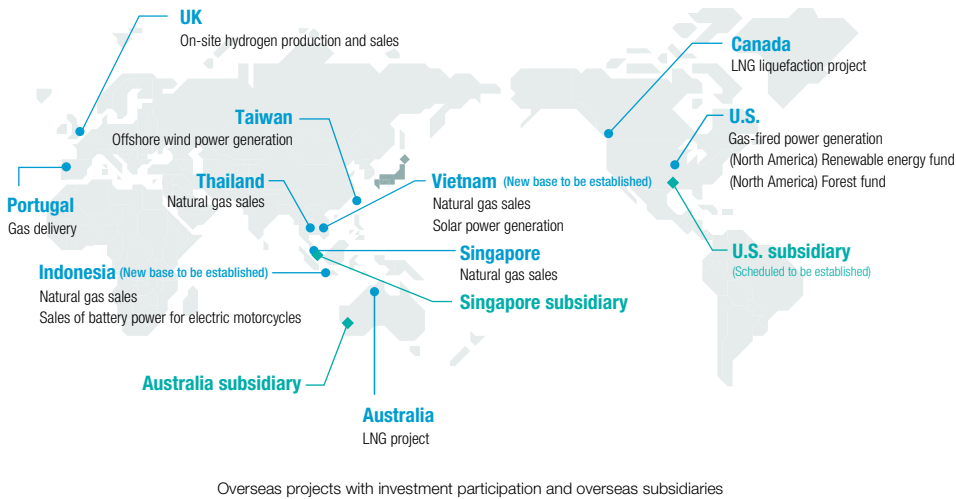
We will leverage experience and expertise accumulated in our domestic business to promote the spread and advanced use of natural gas to contribute to low carbonization in Asia, where energy demand is expected to increase. We are actively evaluating the commercial feasibility of developing renewable energy such as biogas and hydrogen, while pursuing opportunities to create synergies across our energy business in Asia as we advance toward carbon neutrality. In North America and other regions, we will promote project development utilizing renewable energy funds already invested in FY2024 and new business development to strengthen our portfolio.

International Energy-Related Business

In Southeast Asia, where demand for renewable and other types of energy is increasing, we are leveraging our knowledge and expertise in natural gas utilization to contribute to local economic growth as well as a low-carbon and decarbonized society.

In Singapore and Australia, we are establishing networks to gather market intelligence and identify new opportunities, while providing sales and technical support to investee companies.

In Europe, North America, and other regions, we are strengthening our involvement in the management of natural gas-related businesses and promoting business research into carbon neutrality.



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Overseas Business



Overview and Role

To make our overseas business a key driver of profit growth as we work toward the achievement of the Toho Gas Group Vision, we will leverage our strengths accumulated in our gas business to enhance competitiveness and create synergies in countries and regions with high growth potential. We will also proactively invest in renewable energy businesses with high environmental value, while expanding our business across the value chain and enhance profitability.

Main Activities in FY2024

- Participated as an investor in a pipeline gas sales business supplying industrial users and, separately, in a electricity sales business through a battery swap-subscription service for electric scooters in Indonesia, the fourth country in Southeast Asia, where we operate.
- Invested in North American and European funds supporting renewable energy and forestry projects that contribute to decarbonization, and, separately, in a company with technologies to supply hydrogen to factories and other facilities.
- Continued to examine the business potential of supplying biogas in addition to natural gas to support decarbonization of investee business operations.

Main Targets Under Medium-Term Management Plan 2025–2027

- Promote industrial gas sales in Asia, and develop and promote renewable energy, biogas, hydrogen, and other decarbonization businesses.
- Expand investments in energy-related businesses in North America and other regions, and develop and promote decarbonization businesses through renewable energy and forestry funds.
- In addition to Australia and Singapore, establish offices in Vietnam and Indonesia to strengthen involvement in local activities, and establish a new U.S. subsidiary.

Looking Back on FY2024

In our overseas business, our aim has been to achieve expansion by leveraging knowledge and expertise across the entire value chain, from upstream natural gas operations to mid- and downstream operations such as gas distribution and gas sales, while assessing the risks specific to each business.

In FY2024, we invested in a pipeline gas sales business supplying industrial users in Indonesia, in a region where energy demand is expected to rise. By utilizing our expertise in proposing fuel conversion and other solutions, we promoted demand creation, which contributed to the growth of the business we invested in.

Additionally, in the countries and regions where we have invested, as in Japan, momentum for decarbonization is growing, and we are working with investees and partners to explore the potential for locally produced and consumed energy businesses, such as biogas, with a focus on the creation of synergies.

How I Envision the Company's Ideal Positioning

In the field of business development, we aim to expand our business domain to capitalize on decarbonization efforts both in Japan and abroad, respond to the diversifying needs of customers, while also creating new value and continuing to contribute to local communities.

Under the Medium-Term Management Plan 2025–2027, our overseas business is positioned as one of our key strategies, and our mission is to nurture it as a driving force for future growth. Given the changing state of the global economy and shifts in the energy policies of various countries, identifying market growth opportunities will not be easy. However, our experience and know-how in energy usage, cultivated over many years, will be a major advantage in executing our overseas business strategies. As we expand our natural gas business and transition to decarbonization, we will promote the growth of our overseas business through collaborations and cooperation with reliable partners.

Growth Strategy Aimed at Realizing Our Vision and Achieving the Medium-Term Management Plan

To expand our overseas business, we will first deepen relationships built through collaborations with investees and partners, and then enhance business value by promoting low-carbon and decarbonization initiatives incorporating local needs, including the use of hydrogen and the diversification of gas procurement. We will step up efforts in Asia, a key region with high growth potential for renewable energy and gas businesses. We also plan to leverage our strengths and knowledge to expand in North America and Australia, which offer abundant investment opportunities and large scale markets.

To forcefully drive overseas business strategy and transform our business structure, we will cultivate an organizational culture of taking on challenges and develop global human resources, as the Group works as one to achieve the targets under the Medium-Term Management Plan.

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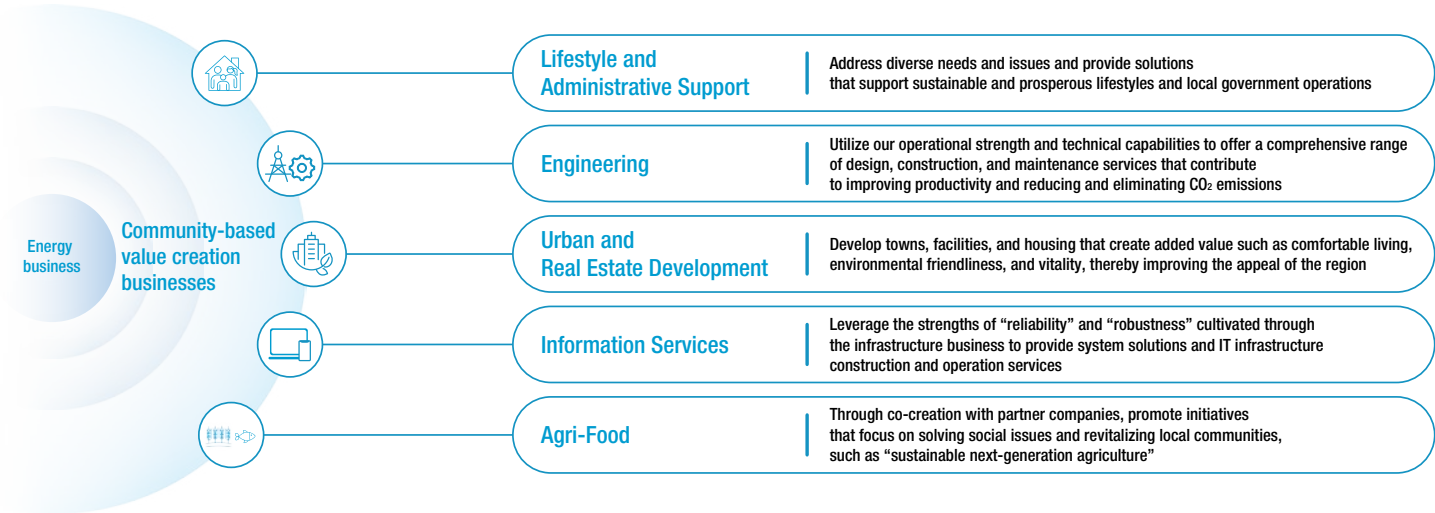
Business Strategy: Deeper Cultivation of Region-Based Businesses

We will strive for deeper cultivation of problem-solving businesses that lead to the creation of win-win relationships and harmonious coexistence with local communities, businesses, and local governments, focusing on areas related to energy. We also aim to expand our business domain through collaboration between companies across fields and industries.

KPI

Business profits of community-based value creation businesses

5 billion yen (FY2027)



Action Plan

Lifestyle and Administrative Support

Residential Proposals Leading to a Sustainable Society

We will strengthen sales of storage batteries and promote initial-cost-free proposals for solar power generation and ENE-FARM, supporting ZEH^{*1} compliance for new homes and improving the energy-saving performance of existing homes.

Additionally, to contribute to the formation of a circular society, we will promote studies to expand our business areas, for example, the utilization and value enhancement of local stock housing, including vacant houses, etc.

KPI

Number of energy customer accounts^{*2}

3.14 million (FY2027)

KPI

Sales of products and services in everyday life^{*3}

20 billion yen (FY2027)

^{*1} ZEH: Net Zero Energy House that aims for net-zero primary energy consumption annually by enhancing thermal insulation and energy efficiency while generating necessary energy through ENE-FARM, solar power, and other means

^{*2} Total number of customer accounts of city gas, LPG, and electricity

^{*3} Total sales of gas appliances, renovation, etc.

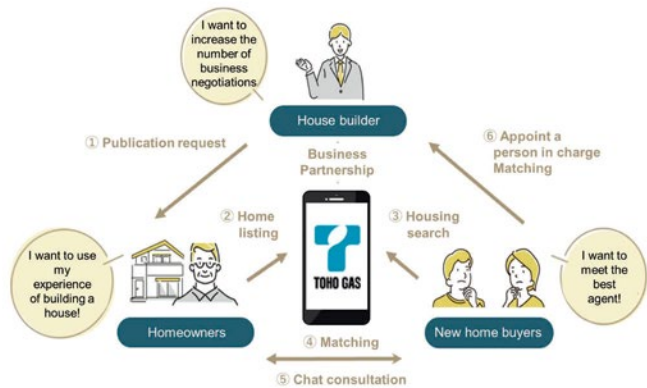
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Business Strategy: Deeper Cultivation of Region-Based Businesses

Building a Business Model That Leverages Digital Technology

We launched “IELABO,” a platform service that provides new options for home building. We will continue to take on the challenge of co-creating solutions that weave together customer “needs” and “solutions” by staying close to local lifestyles.



IELABO correlation diagram (services commenced in March 2025)

Accelerating Open Innovation

We have formed the CVC^{*1} “Shin Infrastructure Fund by TOHO GAS” with the aim of creating businesses through collaboration with start-ups that possess innovative technologies and ideas. We will develop new businesses that contribute to the development of local communities by drawing on co-creation centers such as STATION Ai.^{*2}

^{*1} Corporate venture capital
^{*2} One of Japan's largest open innovation hubs, located in Showa Ward, Nagoya City

Invigorating Communities with Franomista Beverage Subscriptions

For a monthly fee of 550 yen (tax included), subscribers to the Franomista service can enjoy a free daily beverage at participating restaurants and one free beverage at each restaurant from the second visit onwards. As an energy provider, we aim to bring more smiles to people and the community by helping raise a glass and bringing more cheers to Japan.

Commercialization of Netsumori® Thermal Protection Covers

We have commercialized Netsumori®,^{*3} a thermal protection cover that protects wearable sensors installed in smartwatches and other devices from high temperatures. Our latent heat storage technologies have enabled the use of smartwatches in saunas. Netsumori® supports a safe and secure sauna experience tailored to each individual's physical condition.

^{*3} Netsumori® is a registered trademark of Toho Gas Co., Ltd.

Initiatives related to lifestyle and administrative support
For details, please visit our website.
https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_living.pdf



Netsumori® thermal protection cover

Engineering
Strengthening Consulting and Engineering

We provide one-stop services, from consulting focused on the formulation of CO₂ emissions reduction roadmaps through to engineering, aimed at contributing to low-carbon and decarbonized operations at customer sites.

- Consulting: We understand actual and potential client needs and provide support through the formulation of roadmaps toward low-carbon and decarbonized operations.
- Engineering: We provide high-quality construction of everything, from gas, electricity, hydrogen, solar power, and other energy equipment to production plant facilities.

KPI Sales of CNxP business^{*4}
13 billion yen (FY2027)

^{*4} One-stop consulting, engineering, and other services to help customers become carbon neutral, and to support their low-carbon and decarbonization efforts

External Sales of Proprietary Technologies

We will promote external sales of technologies, as well as trenchless pipe installation methods^{*5} that are highly effective in reducing costs and environmental impact. In addition to the city gas business in Japan, we will contribute to solving social issues such as aging regional infrastructure by expanding into the water supply business and other areas.

KPI External sales of proprietary technologies
7 billion yen (FY2027)

^{*5} A method for installing gas pipes underground by excavating pits at both ends of the construction zone

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Urban and Real Estate Development

Contributing to Society Through Minato AQULS

Minato AQULS (Minato Ward, Nagoya) is promoting urban development based on the concept of creating a town that fosters connections among people, the environment, and the community. COMTEC PORTBASE, a live music hall that opened in March 2025, contributes to the creation of a vibrant area offering more diverse experiences and opportunities for interaction. Additionally, by centrally managing energy supply and demand through our community energy management system (CEMS), we continue to maintain a CO₂ emissions reduction rate of 60% or higher compared with 1990 levels. Furthermore, we installed ENE-FARM Type S residential fuel cells in a total of 503 ZEH-M Oriented^{*1} condominium units. By sharing surplus electricity, we contribute to providing approximately 10% of local electricity supplies, facilitating local production for local consumption. We will also continue promoting development in the Minato AQULS Phase II area.

Additionally, Toho Gas Real Estate Development Co., Ltd. operates sports facilities at Minato AQULS, including Howa Minato Sports & Culture, which is equipped with a skating rink and pool; Howa Seminar Plaza, a lodging-style training facility; and Cherry, a bakery and cafe. We strive to improve these services so they can be used by as many people in the local community as possible.

^{*1} ZEH-M Oriented: Condominium buildings that reduce primary energy consumption more than 20% site-wide, including common areas

Leveraging Proprietary Know-How

We will also contribute to the creation of an attractive community by utilizing the know-how accumulated by the Toho Gas Group, with a view to participating in PFI projects.^{*2} We will expand the facility business to provide comprehensive maintenance of facilities and buildings, leveraging the expertise we have accumulated through our real estate management.

^{*2} A business method whereby public facilities are constructed and operated using private-sector funds and know-how

Effective Use of Company-Owned Land

We will promote the development of real estate that creates added value for communities, such as ease of living and environmental friendliness, and the monetization of land owned by the Toho Gas Group. As part of this, Toho Gas Real Estate Development Co., Ltd. is considering the implementation of a condominium business jointly with partners on the site of a former employee dormitory in Meito Ward, Nagoya.



COMTEC PORTBASE (opened earlier in the Phase II area of Minato AQULS)

Additionally, in Imaisecho Ichinomiya, Aichi Prefecture, we planned a residential land and detached house development (16 lots in total) that commenced sales in July 2024.

Information Services

Scaling Up Existing External Sales Efforts

We will steadily promote the expansion of businesses with growth potential, such as packaged products (Smaraku Kenshin^{*3}), SAP,^{*4} and data centers, as we examine the potential for increasing scale and revenue expansion strategies that leverage our strengths.

^{*3} A smartphone meter reading app developed by Toho Gas Information System Co., Ltd.

^{*4} Enterprise resource planning (ERP) products provided by SAP, a major software company based in Germany



Smaraku Kenshin logo

Agri-Food

Recycling-Based Low-Carbon Agriculture

In collaboration with investee TOWING Co., Ltd.,^{*5} we are engaged in various initiatives aimed at realizing recycling-based low-carbon agriculture, including support for the design and construction of a Soratan^{*6} manufacturing plant, joint research and development of plant equipment, and the production of agricultural products utilizing Soratan (Shine Muscat grapes).

^{*5} TOWING Co., Ltd. is a start-up company spun off from Nagoya University that uses technology to upcycle unused biomass into a superior agricultural biochar called Soratan.

^{*6} Soratan is a high-performance biochar produced by TOWING Co., Ltd., which utilizes its soil microbial culture technologies to convert unused biomass from agriculture, livestock, and food industries into biochar (a porous material) and then adds cultivating microorganisms.



Planned cultivation of Shine Muscat
(Photo provided by Nihon Agri, Inc.)

Land-Based Farming of Chita Cool Salmon

At the Chita-Midorihamma Works, we commenced the full-scale land-based farming of Chita Cool Salmon utilizing LNG cold energy in November 2024, with the first shipments launched between mid-May and mid-June 2025. This product is sold mainly through local supermarkets and is enjoyed by many people in the local community.

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Real Estate Business



Overview and Role

In addition to the Gas Building, we operate and manage commercial facilities, office buildings, and rental housing, as well as skating rinks, accommodation and training facilities, restaurants and bakeries, green space management, and design businesses. As a core company responsible for the real estate, lifestyle and services, and housing-related businesses positioned as strategic businesses as part of the Group Vision, we will play our part in realizing the Toho Gas Group's sustainable growth.

Main Activities in FY2024

- Launched sales of residential land and detached housing in Ichinomiya, Aichi Prefecture
- Acquired student dormitory Soleil Yagoto
- Received large facility management order from outside the Group
- Installed new equipment and renovated golf driving ranges
- Opened an esports facility

Main Targets Under Medium-Term Management Plan 2025–2027

- Real estate business**
- Develop and utilize Group-owned real estate
 - Utilize regional housing stock, including vacant homes
 - Participate in urban development through involvement in PFI and PPP projects
- Facility business**
- Expand business utilizing know-how cultivated through in-house facility management
- Lifestyle content business (sports, seminars, food and beverages, green activities)**
- Create new content and services to increase user and visitor numbers

Looking Back on FY2024

In FY2024, our company name was changed to Toho Gas Real Estate Development Co., Ltd., with the aim of further expanding our business domain. In the real estate business, we launched sales of residential land and detached housing in Ichinomiya, Aichi Prefecture, with the aim of utilizing our real estate holdings. We also acquired the student dormitory Soleil Yagoto to ensure stable profits.

In the facility business, we launched initiatives aimed at expanding orders from outside the Group.

In the sports, seminar, and food and beverage businesses, we installed new equipment at each facility to improve customer satisfaction, including Trackman Range golf ball flight measurement devices at our golf driving ranges, and also opened an esports facility.

How I Envision the Company's Ideal Positioning

Toho Gas Real Estate Development comprehensively handles all aspects of the real estate business, from upstream to downstream, including development, facility management, and the creation of vibrant environments. All of these businesses have a strong affinity with the energy business and are closely linked to daily life and the activities of society.

Leveraging these unique characteristics, we aim to become a company that contributes broadly to urban development and regional revitalization by enthusiastically engaging in 1) real estate development and facility maintenance and management in collaboration with Group companies; 2) sports, seminar, and restaurant businesses that facilitate abundant lifestyles and lead to symbiosis with local communities; 3) area management, in which we are accumulating knowledge through the Minato AQUUS project currently under development; and 4) PFI projects in collaboration with other companies, and also in efforts to address vacant housing, which has become a social issue.

As a member of the Toho Gas Group, which is more than a century old, we will continue to enhance our value as a company that supports and serves local communities.

Growth Strategy Aimed at Realizing Our Vision and Achieving the Medium-Term Management Plan

We are targeting stable and sustainable growth based on the three business pillars of real estate, facilities, and lifestyle content.

In the real estate business, we will focus on utilizing real estate assets transferred in January 2025, while considering the acquisition of income-generating properties and asset replacement in light of real estate market conditions. We will also work to improve the profitability of company-owned buildings and rental housing.

In the facility business, we will work to increase new orders and improve the quality and competitiveness of our operations, thereby increasing the proportion of external orders within sales.

In the lifestyle content business, we will operate facilities that enable people to enjoy a variety of activities in one location while also promoting health, as we strive to provide products and services that meet customer needs.

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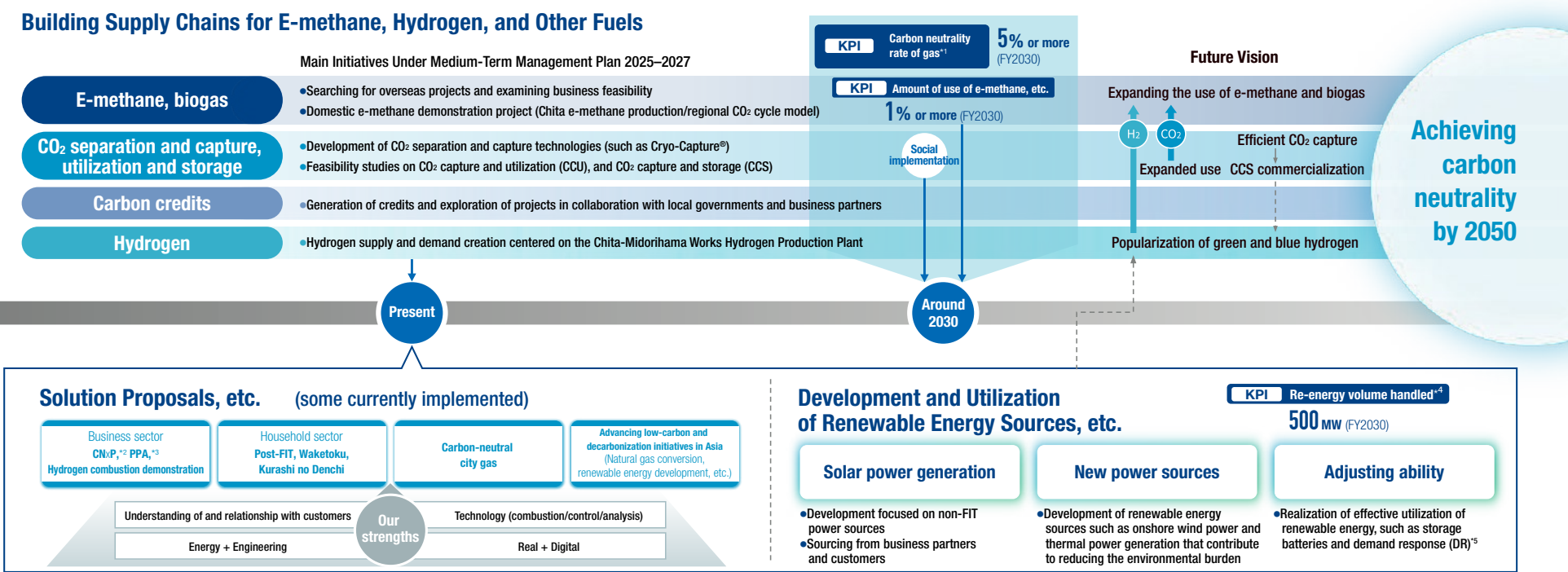
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Business Strategy: Mission and Responsibility Toward Carbon Neutrality

To reduce cumulative CO₂ emissions during the transition period, we will focus on promoting the use of natural gas and proposing solutions that contribute to low carbonization in the heating sector both domestically and overseas, while accelerating our efforts to achieve carbon neutrality by 2050.

Carbon Neutral Strategy Overview



Business Strategy: Mission and Responsibility Toward Carbon Neutrality

Action Plan

Gas Decarbonization Efforts

Methanation

Methanation is a technology that generates methane, the main component of city gas, through a chemical reaction between hydrogen and CO₂. The raw material used to produce synthetic methane (e-methane) is CO₂ captured from exhaust gases, and even when burned, there is no substantial increase in atmospheric CO₂ levels. Accordingly, methanation is expected to become a technology for decarbonizing gas itself going forward.

We will promote the use of e-methane as the main method for decarbonizing gas, and in Japan, we will promote demonstration projects aimed at resolving issues related to increasing efficiency and lowering costs.

In addition, we aim to implement these initiatives in society by 2030 through efforts overseas in collaboration with partner companies.

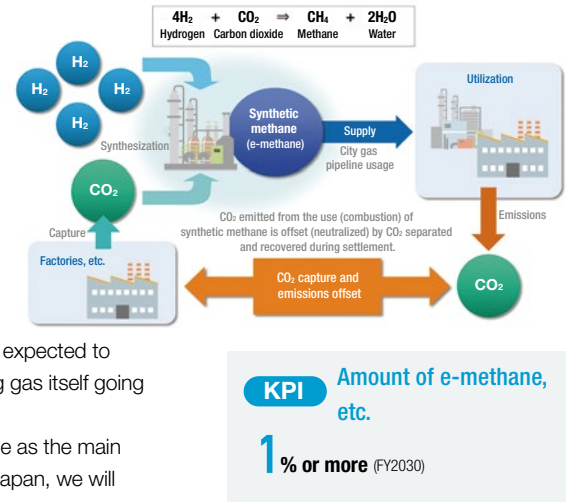
E-methane Production in Japan

At the Chita City Nambu Purification Center, methane is produced by methanation using CO₂ derived from biogas generated during sewage sludge treatment, and hydrogen produced using power generated by cogeneration, with the resulting methane used as a raw material for city gas. This is the first initiative in Japan using e-methane as a raw material for city gas. These efforts will enable us to increase the scale of manufacturing facilities while reducing costs.

Creating a CO₂ Regional Circulation Model

We are examining a CO₂ regional circulation model together with Aisin Corporation and Denso Corporation.

To quickly secure a means of realizing carbon-neutral heat demand, we are considering a model case in which CO₂ emitted by inland factories is captured, transported by land to a city gas production plant, and methanated, thereby circulating CO₂ within the country and region.



Procuring E-methane from Overseas

To expand the introduction of e-methane, it is important to establish overseas supply chains to ensure a stable supply of hydrogen and CO₂, which are the raw materials for producing e-methane. Going forward, we will continue to work with business partners to leverage existing infrastructure and accelerate efforts in the United States and Australia.

Business Feasibility Study for CCUS

Development of CO₂ Separation and Recovery Technology

We will promote the development of Cryo-Capture® and Cryo-DAC®, technologies for low-cost separation of CO₂ using unused LNG cold energy, through industry-academia collaboration, utilizing government subsidies. We will expand the scale of testing and work to resolve issues such as larger-scale and optimal operation, with a view to social implementation in FY2030.

KPI

Cryo-Capture®
technology development

Social
implementation

(FY2030)

Promotion of CO₂ Utilization and Storage Projects

With support for business development from the Aichi Carbon Neutral Strategy Council, we are working with Aisin Corporation and Taisei Corporation to advance a project that fixes CO₂ as a raw material for concrete, among other efforts, to promote the practical application of CO₂ capture and utilization (CCU).

We will deepen our involvement in domestic and international projects for the social implementation of CO₂ capture and storage (CCS), identify issues, and materialize solutions.

Stable Supply of Hydrogen

Starting from the Chita-Midorihamma Works Hydrogen Production Plant, we will establish our position as a hydrogen supplier in the Chubu region by providing a stable supply of hydrogen.



Chita-Midorihamma Works Hydrogen Production Plant
(Commenced operations in June 2024)

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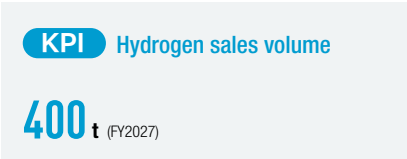
Business Strategy: Mission and Responsibility Toward Carbon Neutrality

Creating Demand for Hydrogen

In collaboration with local governments and business partners, we will create demand in the mobility and heat sectors by promoting demonstrations, development, and other activities related to the utilization of hydrogen.

Utilization in Mobility

In the Chubu region of Japan, the use of hydrogen for mobility purposes continues, and we are developing hydrogen stations and cultivating demand to support the adoption of fuel cell vehicles. Together with Toyota Tsusho Corporation and Taiyo Nippon Sanso Corporation, we applied and have been accepted to participate in a New Energy and Industrial Technology Development Organization (NEDO) project to study the hydrogenation of port equipment and logistics trucks at the Port of Nagoya.



Utilizing Heat

We are promoting the development of hydrogen combustion-related technologies and aim to achieve rapid commercialization after conducting demonstrations at customer locations.

In terms of the practical application of burners that can use both hydrogen and city gas, we are using multiple industrial burners^{*1} that can switch between city gas and hydrogen combustion, which minimizes the replacement of parts.

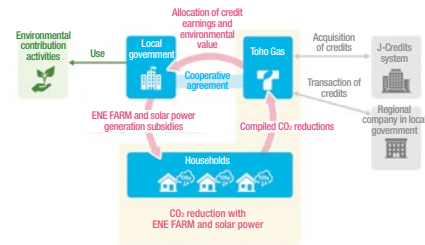
Additionally, in collaboration with Mitsubishi Heavy Industries Engine & Turbocharger, Ltd., we conducted a city gas and hydrogen combustion demonstration using a gas engine for commercial cogeneration systems, and commercialized a hydrogen-mixed cogeneration system that allows for spontaneous switching between city gas-only operation and hydrogen-mixed operation during load operations.

^{*1} One type for direct heating and two types for indirect heating

Expanding the Use of Carbon Credits

Environmental Value Creation and Procurement

In addition to creating J-Credits in collaboration with local governments, we are also working to create and procure credits both domestically and internationally in partnership with other organizations to promote low-carbon and



Collaboration scheme with local governments to create and utilize J-Credits

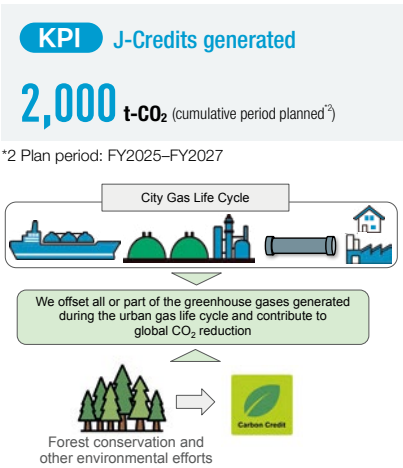
decarbonization initiatives on a regional and global scale. We will continue to create and procure environmental value through the promotion of energy conservation, the use of renewable energy, the conservation of forests and agricultural land, and the pursuit of other management activities.

J-Credits and Other Offsets

We supply carbon-offset city gas, where CO₂ emissions from combustion and other sources are offset using J-Credits as well as CO₂ credits verified by a highly reliable certification organization.

We are expanding our handling volume in response to demand from local governments and a wide range of industries for measures that contribute to CO₂ reduction.

Going forward, we will contribute to CO₂ reduction on a global scale through the supply of carbon-offset city gas.



Collaborations with Business Partners Aimed at Carbon Neutrality

Collaborations with Government Agencies

To promote carbon neutrality in the Chubu region, we will participate in the Hydrogen Utilization Study Group in Chubu and the Nagoya Port Decarbonization Promotion Council to deepen cooperation.

New Regional Electric Power Company Initiatives

We will establish new regional electric power companies in collaboration with local governments and other entities, and promote carbon neutrality in the region by supplying electricity generated from local power sources including waste-to-energy. We have established and are operating new regional electric power companies in collaboration with seven local governments and other agencies, and six companies in the three Tokai prefectures of Aichi, Gifu, and Mie.

Researching and Developing Carbon-Neutral Technologies and Services

External partnerships with start-ups and other organizations are essential for establishing, developing, and differentiating our proprietary technologies and services related to carbon neutrality. To achieve this, we are deepening partnerships with multiple investment and financing companies, including fund participation in September 2024, and are considering ways to discover and partner with start-ups.

Initiatives related to carbon neutrality
For details, please visit our website.
https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_carbon.pdf

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Carbon Neutrality



Overview and Role

The most important measures to be taken during the transition to carbon neutrality (CN) are the further expansion of natural gas, which has a low environmental impact, and the promotion of thorough energy conservation at customer sites. Our role is particularly important in the Tokai region, which is a manufacturing hub.

We also feel it is our mission to disseminate the know-how cultivated at customer sites in the Tokai region to the rest of Japan, as well as to markets overseas, mainly in Asia, which is in the midst of remarkable economic growth.

At the same time, to realize carbon neutrality, it is essential we offer a wide range of options that meet customer needs, including new decarbonized energy sources such as e-methane, biogas, and hydrogen, as well as CO₂ capture, utilization, and storage (CCUS), carbon credits, and renewable energy. To develop and maintain these options, we are making every effort to steadily implement measures that can be taken immediately, while also working to resolve various issues, such as further technological developments and cost reductions, and the establishment of environmental value rules in Japan and overseas, with the aim of realizing full-scale introduction as quickly as possible.

Main Activities in FY2024

- In collaboration with Chita City, launched an e-methane production demonstration project using CO₂ derived from biogas (first in Japan to use as city gas raw material)
- Commenced operation of hydrogen production plant at Chita-Midorihama Works
- Expanded the development and procurement of renewable energy sources

Main Targets Under Medium-Term Management Plan 2025–2027

- Measures targeting the achievement of a 5% CN ratio for gas sold in FY2030**
- Acceleration of domestic demonstration projects and overseas procurement studies for the introduction of e-methane and biogas
 - Promotion of development for the social implementation of Cryo-Capture® CO₂ separation and recovery technology
- Achieve hydrogen sales of 400 t in FY2027 and ensure a stable supply system**

Looking Back on FY2024

In April 2024, we established the Carbon Neutral Development Department and secured the necessary funding and personnel, strengthening our ability to gather information on trends within and outside Japan to a greater degree than ever before, and establishing a system enabling us to take concrete actions quickly.

Regarding e-methane, which is expected to become a future raw material for city gas, we launched a production demonstration project in Chita City, Aichi Prefecture, the first use of e-methane for city gas in Japan. At the same time, in light of raw material procurement, costs, and other factors, we are also focusing efforts on overseas project development activities in cooperation with partner companies.

Furthermore, as for hydrogen, we are working to establish a hydrogen supply chain in the region, starting from the Chita-Midorihama Works Hydrogen Production Plant, which commenced operations in June 2024. We have begun collaborating with various alliance partners in Japan and overseas to quickly establish a variety of methods for achieving carbon neutrality, such as developing renewable energy sources, creating carbon credits, developing CO₂ separation and capture technologies, and exploring uses for CO₂.

How I Envision the Company's Ideal Positioning

Although our goal is carbon neutrality, the process of achieving it varies greatly depending on the characteristics and circumstances of each customer's business. Our greatest strength lies in our ability to identify issues faced by customers, and then propose effective and concrete solutions tailored to those issues, based on our long history in the energy business. To realize our vision of becoming a reliable energy operator in the region and a corporate group that leads the realization of a sustainable society, we will continue to pursue diverse measures that ensure safety, supply stability, economic efficiency, and environmental compatibility.

Growth Strategy Aimed at Realizing Our Vision and Achieving the Medium-Term Management Plan

In the initial phase of our CO₂ emissions reduction efforts, it is important to start on-site to gain a realistic understanding of the customer's situation. We then leverage our strengths in measurement and energy-saving technologies to implement optimal carbon-neutral conversion planning tailored to each customer. We call this the CNxP Project, and since its launch in FY2022, we have seen some encouraging results. We are working at full speed to train personnel so that we can respond appropriately to customer inquiries.

To make gas itself carbon neutral in the future, we are proactively promoting the launch and development of specific projects, including e-methane and biogas. E-methane in particular is considered to be the key to gas decarbonization, and the gas industry will unite and work with overseas companies and international organizations to expand the use of e-methane worldwide and establish rules for environmental value that transcend national borders.

We will also contribute to the realization of a carbon-neutral society utilizing multiple options, including CCUS, carbon credits, and expansion of renewable energy sources.

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Disclosure Based on TCFD Recommendations

The Toho Gas Group recognizes addressing climate change as a critical management issue and endorsed the Task Force on Climate-related Financial Disclosures (TCFD) in April 2020. The Group appropriately discloses information about the impact of climate change on the Company's business activities and its efforts to address these in accordance with TCFD recommendations.

Information Disclosure in Line with TCFD Recommendations

The TCFD encourages companies to disclose information about governance, strategies (risks, opportunities, and responses), risk management, and metrics and targets related to climate change.

1 Governance

The Toho Gas Group recognizes addressing environmental issues, including climate change countermeasures, as a critical management issue.

The Carbon Neutral Promotion Committee, chaired by the representative director and president of the Company and composed of executive officers in charge of relevant departments, is held to conduct discussions on and determine the direction of important matters, including the formulation of policies and plans related to carbon neutrality.

Additionally, the Sustainability Committee, chaired by the general manager of the Sustainability Promotion Department and composed of executive officers in charge of relevant departments, directors, and others from Toho Gas and major affiliates, is convened to discuss and review sustainability policies and targets including climate change countermeasures. Furthermore, with regard to important matters related to climate change, including risks and opportunities, strategies, risk management, and metrics, reports are deliberated by the Management Committee and submitted to the Board of Directors, which oversees their implementation.

The achievement status of climate-related metrics, such as contribution to CO₂ reduction, for each fiscal year is reflected in the remuneration of internal directors.

2 Strategies

The Toho Gas Group implemented a cross-sectional scenario analysis for the year 2050 to identify and evaluate future risks and opportunities related to climate change and strategies to address these, in line with TCFD recommendations.

In terms of scenario analyses, from external scenarios, we selected the 1.5°C scenario, in which temperature rise is limited to 1.5°C, and the 4°C scenario, in which low-carbon initiatives are not promoted.

Main External Scenarios Used in Scenario Analysis

International Energy Agency (IEA)

- World Energy Outlook: NZE, APS, STEPS
- Energy Technology Perspectives: B2DS and RTS

Intergovernmental Panel on Climate Change (IPCC)

- Fifth Assessment Report: RCP2.6 and RCP8.5

Based on the envisioned society in 2050 derived from these two selected scenarios, we identified risks and opportunities considering temporal axes such as short- to medium-term (through 2030) and medium- to long-term (through 2050), and assessed their impact. We are working on enhancing resilience to address both business risks and opportunities.

As a strategy for 2050, we announced the Toho Gas Group 2050 Carbon Neutrality Initiative in July 2021, which required deliberation by the Management Committee and submission to the Board of Directors for discussion. Specific measures include promoting initiatives to decarbonize gas itself through the introduction of e-methane and biogas; establishing a hydrogen supply chain starting from the hydrogen production plant located at the Chita-Midorihama Works; expanding renewable energy sources; promoting the development of CO₂ separation and recovery technologies; and creating environmental value in collaboration with local governments and other entities. By combining and implementing these various measures when and where necessary, we are accelerating efforts to achieve carbon neutrality.

3 Risk Management

The Toho Gas Group promotes organizational identification, assessment, and addressing risk occurrence and change based on risk management rules, and we are working to improve the level of risk management and ensure smooth business operations.

Risks associated with climate change are integrated into the company-wide risk management system and processes based on risk management rules. Risk factors, including those related to climate change, are identified each year, countermeasures are examined, and a comprehensive assessment is performed. The results of the comprehensive assessment and other related information are deliberated by the Management Committee and submitted to the Board of Directors at least once a year, and the Board of Directors oversees the status of company-wide risk management and its implementation.

4 Metrics and Targets

The Company has set environmental action goals as metrics and targets, with progress toward these goals reviewed by the Management Committee, and submitted them to the Board of Directors, which supervises the implementation of these efforts.

Main Climate Change-Related Metrics and Targets

Metrics and items	Targets			
	[2025]	[2027]	[2030]	[2050]
Contribution to CO ₂ reduction	1 million t ¹		3 million t ¹	
Greenhouse gas emissions (Scope 1 to 3)				Carbon neutrality
Gas carbon neutrality rate ²			5% or more of gas sold	
Amount of e-methane, etc., introduced			1% or more of city gas sold	
Renewable energy handled	250 thousand kW		500 thousand kW	
Hydrogen sales		400 t		
J-Credits generated	[2025–2027 cumulative total] 2,000 t-CO ₂			
Cryo-Capture® CO ₂ separation and capture technology development				Social implementation
CNxP business sales	13 billion yen			

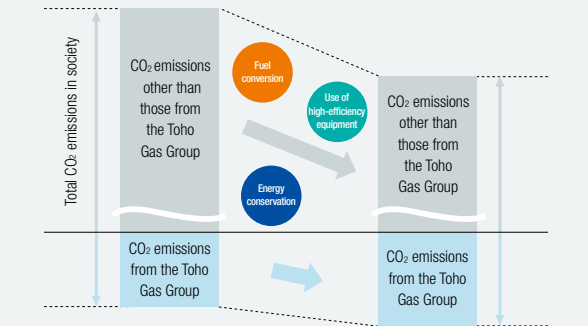
^{*1} Cumulative total since FY2021, annual reduction baseline: FY2020

^{*2} Carbon neutrality rate to be achieved through various means

Contribution to CO₂ Reduction

The contribution to CO₂ reduction volume is the quantified measure of how much Toho Gas products and services have contributed to reducing CO₂ emissions from others. Calculated based on the “Guidelines for Calculating Contributions to Greenhouse Gas reduction in the City Gas Industry” (Japan Gas Association)

How the Toho Gas Group Affects Total CO₂ Emissions in Society



By transitioning from other fossil fuels to low-carbon city gas, CO₂ emissions from the Group increase, but CO₂ emissions from customers decrease.

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Orange box Risks with comparatively large financial impact Light blue box Opportunities with comparatively large financial impact

Scenarios and external environment				Short- to medium-term (through 2030)	Medium- to long-term (through 2050)		
Major climate change-related risks	1.5°C scenario	Transition risks	Technology	Progress of decarbonization innovation	Poor competitiveness due to delay in technological development	Further loss of competitiveness due to delay in technological development	
			Regulation	Carbon pricing	Increased sales prices of gas and electricity	Accelerated overseas relocation of domestic companies	
				Energy shift	Reduce amount of energy usage through energy conservation Shift to electrification starting from the ground up	Reduce amount of energy usage through energy conservation Shift to electrification in the thermal sector	
				Market	Change in customer preferences	Decreased thermal demand in the industrial sector Promote passenger car electrification Shift to electrification due to ZEH and ZEB (mainly new buildings)	Further decreases in thermal demand in the industrial sector Promote electrification of various passenger car models Shift to electrification due to ZEH and ZEB (new and existing buildings)
			Reputation	Assessment by investors	Lower assessment of companies that are unwilling to decarbonize	Even lower assessment of companies that are unwilling to decarbonize	
	4°C scenario	Physical risks	Acute	Increasing weather intensity	Gradual increase in the cost of countermeasures related to production and supply facilities Gradual increase in disaster recovery costs	Further increase in the cost of countermeasures related to production and supply facilities Further increase in disaster recovery costs	
			Chronic	Rising temperatures	Decreased demand for heating and hot water Strain on power transmission capacity at peak periods	Further decreased demand for heating and hot water Further strain on power transmission capacity at peak periods	
	Major climate change-related opportunities	1.5°C scenario	Transition risks	Technology	Progress of decarbonization innovation	Social implementation of decarbonization technology (e-methane, hydrogen, etc.) Expanded use of technology for energy conservation and advanced, high-efficiency energy utilization	Expanded use of decarbonization technology (e-methane, hydrogen, etc.) Further expanded use of technology for energy conservation and advanced, high-efficiency energy utilization
				Regulation	Carbon pricing	Rising demand for gas and electricity (fuel conversion and advanced use)	Expanded use of carbon-neutral energy
					Energy shift	Expanded use of renewable energy and storage batteries Expanded use of cogeneration	Further expanded use of renewable energy and storage batteries Expanded use of decarbonization technology
Market					Change in customer preferences	Growing need for decarbonization support Expanded use of fuel cell vehicles (passenger vehicles and fuel cell commercial vehicles) Growing need for optimal and advanced energy utilization	Further growing need for decarbonization support Expansion of fuel cell vehicle market (vehicle model expansion, port equipment) Expanded use and expansion of energy demand optimization systems
Reputation				Assessment by investors	Higher assessment of companies that are proactive in decarbonization efforts	Even higher assessment of companies that are proactive in decarbonization efforts	
4°C scenario		Physical risks	Acute	Increasing weather intensity	Growing need to introduce a highly resilient supply infrastructure and energy system	Further growing need to introduce a highly resilient supply infrastructure and energy system	
			Chronic	Rising temperatures	Rising demand for air-conditioning and growing need for high-efficiency HVAC systems Rising demand for products and services that reduce peak electricity usage	Further rising demand for air-conditioning and growing need for high-efficiency HVAC systems Further expanded use of products and services that reduce peak electricity usage	



			Main responses
Main responses to climate change	1.5°C scenario	Transition risks	Gas - Explore projects focused on and review feasibility of expanded e-methane and biogas usage - Demonstrate e-methane production at the Chita LNG Terminal - Consider CO₂ regional circulation model via e-methane - Develop CO₂ separation and capture technology - Promote CO₂ utilization and storage projects - Create environmental value in collaboration with local governments and businesses - Promote CNxP business supporting customers' efforts toward reduced carbon and decarbonization - Support efforts toward reduced carbon and decarbonization in Asian countries Hydrogen - Stably supply and create demand for hydrogen starting from the Chita-Midorihama Works Hydrogen Production Plant - Expand hydrogen burner lineup Electricity - Maintain renewable energy sources and procurement capabilities - Expand services for handling and controlling storage batteries and other equipment ➡ We are challenging ourselves to become carbon neutral by 2050 throughout the entire supply chain including customers' sites.  Toho Gas Group 2050 Carbon Neutrality Initiative https://www.tohogas.co.jp/lang/en/corporate/company-vision/pdf/carbon-neutrality-initiative.pdf
	4°C scenario	Physical risks	- Storm surge and flood countermeasures - Supply block subdivision - Expanded use of a highly resilient energy system - Proposals for energy conservation and advanced energy utilization - Peak shaving through aggregation and advanced utilization of city gas

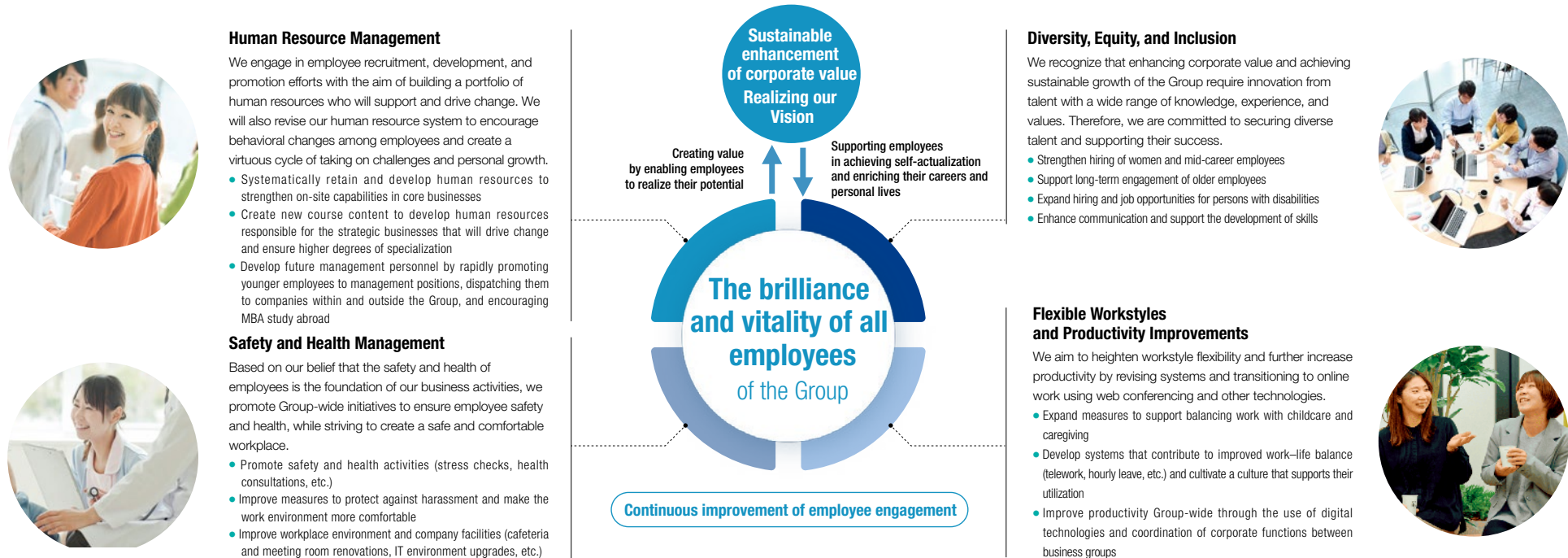
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Human Resource Strategy: Linking Business and Human Resource Strategies

Our Approach to Human Capital

One of the management policies outlined in the Toho Gas Group corporate philosophy is to develop human resources by focusing on motivation and ability. To heighten employee engagement and maximize each individual’s abilities, which will lead to achievements and growth, we are expanding systems and cultivating corporate culture to realize the sustainable enhancement of corporate value from four perspectives: human resource management; diversity, equity, and inclusion; flexible workstyles and productivity improvements; and safety and health management. In promoting these initiatives, we will eliminate discrimination based on race, gender, age, nationality, disability, and other factors, and encourage respect for each and every employee.



Human Resource Development Policy

To realize our vision for the mid-2030s as outlined in the Toho Gas Group Vision, we must challenge ourselves with new initiatives that go beyond what we have done in the past and transform our business structure. The Group must work together as one, and the driving force behind this effort is each and every employee.

To support our employees in taking on new challenges, we are expanding investment in human resources and creating an environment where every employee can perform at their best. To achieve our vision, we will focus on hiring, developing, and promoting the success of talent who support our core businesses as well as talent with management skills and expertise to drive the transformation of business operations through strategic businesses, operational reform, and efficiency improvement.



Employees taking on challenges

For more information, see page 51, Roundtable Discussion: Creating an Environment That Encourages Employees to Take on Challenges.

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Human Resource Strategy: Human Resource Management

Basic Concept
By hiring, developing, and deploying talent and ensuring fair and appropriate evaluation and treatment, we are promoting the success of talent who support our core businesses as well as talent with management skills and expertise to drive the transformation of business operations.

Employment Statistics^{*1}

		Men	Women
Number of employees	Non-consolidated ^{*2}	761	173
	Consolidated	4,520	1,554
Average age		42.0	38.9
Average years of service		15.4	14.3
Number of new graduate hires ^{*3}		66	29
Number of mid-career hires ^{*4}		53	
Number of rehires ^{*5}		66	
Voluntary turnover rate ^{*6}		1.93	

^{*1} As of March 31, 2025. All figures except "Number of employees" are for non-consolidated employees. ^{*2} Full-time employees, not including seconded staff ^{*3} Those joining the Company in April 2025 ^{*4} Actual figure for FY2024 ^{*5} Includes part-time employees ^{*6} Actual figure for FY2024 (including seconded staff)

Human Resource Management Promotion System

Under the direction of the executive officer in charge of personnel, the Personnel Department takes the lead in formulating management policies in line with business strategies, and works with other departments and affiliates in implementing various measures. Key issues are deliberated by the Management Committee and then submitted to the Board of Directors.

Hiring

Our aim is to hire human resources who can think and act for themselves and have qualities to shape the future. We make our hiring information public on our website and in hiring informational sessions, and all hiring is done with a fair and unbiased approach.

Human Resource Development Programs

To respond flexibly to environmental changes, such as carbon neutrality, and digital transformation (DX), and to foster human resources who can promote transformation, we develop the capabilities of our employees based on on-the-job training while effectively combining group training and self-development. We also provide expanded opportunities for challenge and growth through the development of human resources in enhancement areas such as DX exchanges with other industries, such as joint training with other industries and placement at outside companies.

		Younger employees	Mid-level employees	Management level
Group training	Rank- and role-specific training	Rank-specific training for promoted employees, mid-level leader training, etc.		Training for employees promoted to management level, management training, etc.
	Selective training	Problem-solving training, cross-industry training, ⁷ DX training, etc.		Strategy workshops ⁸
	Career development and diversity	Career training for women, seminars prior to maternity and childcare leave		Diversity training, seminars on women's health issues
Self-development		Obtaining official certification (incentive payments)		
		Online training, outside training (expense assistance)		
		Study abroad system, internal certification testing, etc.	—	
On-the-job training		Development while on the job		

^{*7} Training to develop leadership and innovation abilities by interacting with people outside the Company from different industries ^{*8} Training to enhance management abilities by developing company growth strategies and preparing employees for future managerial positions

Opportunities for Transfers and Career Development

Employees are provided opportunities each year to discuss their career plan with their supervisor, and this is used to confirm transfers and as support for career development. Our aim is to place the right person in the right place so that employees can feel motivated and satisfied with their work. We also support

voluntary career development of employees such as through an internal recruitment program and study abroad program.

System	Overview
Internal recruitment	We recruit employees seeking transfers, mainly in strategic business fields such as new business and electricity-related business. Transferees are determined through a selection process that includes interviews.
Studies at graduate schools in Japan and abroad	We offer outside positions so that employees can gain advanced, specialized expertise, such as an MBA or business planning.
Language training	We provide online English-language training and supplementary learning to develop future international employees.
Field work at overseas locations	To develop employees for international positions, we dispatch them to overseas offices and train them in business English as well as cultivate their knowledge and skills required to live and work overseas.



Personnel Treatment System

We have adopted a multi-track role grading system and performance management system to help foster diverse talent, nurture self-driven individuals, and reflect performance and results. By promoting personal growth through work and providing appropriate evaluation and feedback on performance, results, and the process involved, we are aiming to create a sense of satisfaction and motivation.

We are also considering a new human resource system to further strengthen the virtuous cycle of taking on challenges and personal growth.

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Human Resource Strategy: Diversity, Equity, and Inclusion

Basic Concept
We are working to retain and develop diverse human resources and create an organizational culture that promotes mutual understanding to revitalize the organization, strengthen competitiveness, and foster innovation. We also proactively promote women and mid-career hires to managerial positions based on their aptitude and abilities.

Strengthening Internal Systems
Led mainly by dedicated sections established within the Personnel Department (D&I and Career Development Support Group), we will further enhance initiatives emphasizing fairness, including support tailored to employee characteristics and the development of various systems, as well as implement even more effective activities aimed at promoting women, mid-career hires, seniors, and people with disabilities, while providing career training for younger employees.

Creating an Organizational Culture to Deepen Mutual Understanding
For diverse talent to fully demonstrate their individuality and capabilities, it is essential to build an organization based on a foundation that fosters a high level of psychological safety. To this end, we are promoting initiatives that include workshop-style training sessions on the theme of psychological safety.

		FY2024 results
Advancement of women	Ratio of female general employees hired	32.0%
	Number of female managers	26
Advancement of mid-career hires	Number of mid-career hires	53
Opportunities for senior employees	Retiree reemployment rate	Over 70%
Opportunities for people with disabilities	Disabled employee ratio (Toho Gas Group total)	2.53% ^{*1}

^{*1} 2.55% as of June 1, 2025

Advancement of Women
To promote the advancement of women in the workplace, we are improving systems aimed at strengthening hiring practices and workstyles, and we are working to increase awareness of appointing women to managerial positions and promote understanding in workplaces and among managers.
In terms of hiring, we are actively promoting the Company as a place where women can work comfortably and play an active role, such as by holding events for female students that are attended by female managerial staff. In addition to creating systems for childcare leave and reduced working hours that go beyond legal requirements, we permit the use of accrued leave of absence (accumulated expired paid leave) for fertility treatments, health checkups, and other hospital visits.
We provide ongoing career development support for female employees through age-based training in preparation for life events and interactions with role models within and outside the Company, while promoting new initiatives aimed at addressing health issues specific to women.

KPI

Number of female managers

50 people or more^{*2} (FY2027)



A small group exchange of opinions with female executive (left)

^{*2} Estimated value based on the new personnel system, for employees originally employed by Toho Gas Co., Ltd.

Advancement of Mid-Career Hires
With the intention of ensuring the active participation of human resources, we hire mid-career professionals who possess a variety of career experience. We aim to create new value and synergies within the Company by assigning and developing mid-career employees in a way that leverages their experience and expertise. We also conduct facility tours and hold internal social gatherings to help career hires settle in and play active roles.

Opportunities for Senior Employees
We rehire employees even after they have reached retirement age who still want to work and demonstrate the technical capabilities, skills, expertise, and experience accumulated during their careers. To enhance work motivation and performance for senior employees and to foster a gradual development of career awareness, we offer career development training as well as career seminars and one-on-one consultations for employees at age 55.

Opportunities for People with Disabilities
We actively hire people with disabilities to support their independence and social participation. In 2019, we established Toho Flower Co., Ltd. as a special subsidiary with the aim of achieving the legally mandated employment rate for the entire Group and contributing to the local community. These employees are active in a variety of work at numerous workplaces, and we will continue to expand workplace and occupational opportunities.

Expanding the Boiler Recycling Business
This business purchases boilers discarded by the Toho Gas Kurashi Shop and other companies, dismantles and sorts them, and sells the recovered metals and other materials. The initiative was launched in October 2023 with the aim of expanding employment for people with disabilities, recycling resources, and preserving the environment. Transaction volume is steadily increasing, and we have expanded the workspace used for these activities. We also plan to increase the number of employees with disabilities.

New Café Kiosk in the Employee Cafeteria
In May 2025, we opened the Nanairo Café kiosk in the Company's employee cafeteria. About 15 disabled employees work shifts to serve coffee and other beverages. Through Nanairo Café operations, we aim to expand opportunities for employees with disabilities and provide them with even more rewarding work.

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Human Resource Strategy: Flexible Workstyles and Productivity Improvements

Basic Concept

In addition to establishing safe working environments where labor laws are observed and harassment prevention measures (training, consultation desks, etc.) are in place, and in order to maintain a healthy work–life balance, we strive to improve ease of work and productivity.

Promoting Flexible Workstyles

To promote autonomous and efficient work, we introduced work time systems including flextime, a discretionary work system, and reduced working hours. In addition, to further enhance the flexibility of workstyles, we are expanding remote work and other telecommuting systems, working online opportunities using web conferencing, internal business chat applications, and electronic approval capabilities. Furthermore, we introduced a relaxed dress code and side job system to create an environment in which employees can work comfortably and be themselves.

Support for Balancing Work with Childcare, Caregiving, and Medical Care

In addition to establishing various work–life balance systems, such as leave and reduced working hour systems, we set up consultation desks staffed by experts and promote initiatives to foster awareness and understanding of these systems throughout the Company. We also support work–life balance by offering special paid leave for volunteer activities and a system that awards employees for their social contributions to local communities.

Number of Employees Newly Receiving Childcare and Caregiving Leave

(Persons)

	FY2020	FY2021	FY2022	FY2023*	FY2024*
Childcare leave	21 (5)	33 (15)	39 (25)	65 (51)	59 (53)
Reduced working hours for childcare	19 (1)	7	20 (2)	19 (1)	8 (2)
Caregiving leave	1	1	0	1 (1)	1 (1)
Reduced working hours for caregiving	2	1	1	0	2

Note: Totals for Toho Gas and Toho Gas Network. Figures in parentheses indicate the number of male employees.
* Excludes employees temporarily transferred due to organizational restructuring

Percentage of Male Employees Taking Childcare Leave

	FY2024 result	FY2025 target
Percentage of male employees who took childcare leave or leave for childcare purposes	105.1%	100%

Notes: 1. Percentage of male employees with a newborn child who took childcare leave or leave for childcare purposes. The percentage of employees who took childcare leave was 67.1%. (Totals for Toho Gas and Toho Gas Network)
2. Male employees whose spouses gave birth in previous fiscal years may have taken childcare leave during FY2024, resulting in an acquisition rate that exceeds 100%.



Obtained the Platinum Kurumin Certification
Toho Gas received Kurumin Mark certification from the Ministry of Health, Labour and Welfare in 2018 for its efforts to support childcare. In 2023, we received Platinum Kurumin certification as a company that supports childcare at a high standard.

Improved Productivity

We comply with the Notification of Agreement on Overtime and Holiday Work (36-Agreement) to reduce long working hours and promote the use of digital tools (robotic process automation [RPA], chatbots for internal inquiries, etc.) and business process reviews.

Labor–Management Relations Focusing on Communication

We place importance on dialogues with the labor union and hold regular labor–management council meetings and management meetings to maintain healthy and favorable labor–management relations and working environments, and to facilitate mutual understanding.

Main Work–Life Balance Support Systems (As of June 2025)

Area	System	Description
Childcare	Prenatal and Postnatal Leave	As a general rule, six weeks before birth and eight weeks after birth
	Childcare Leave	Available up to two years in total and up to three separate times, from pregnancy until the child reaches three years old
	Postnatal Paternity Leave	Available up to four weeks and up to two separate times until the infant is eight weeks old
	Reduced Working Hours for Childcare	Reduced work hours from pregnancy until the child enters fourth grade (April 30), or until the child finishes sixth grade if the child has a developmental or physical disability. Reduced work hours up to two hours per day until the child finishes first grade, and up to one hour per day thereafter, in 30-minute increments
	Spouse Maternity Leave	Available up to two days within two months after spouse gives birth
	Child Nursing Care Leave	Available until the child enters fourth grade (April 30), or until the child finishes sixth grade if the child has a developmental or physical disability
	Childcare Leave	Available until the child enters fourth grade (April 30), or until the child finishes sixth grade if the child has a developmental or physical disability
Caregiving	Caregiving Leave	Available up to one year and up to three separate times per person requiring caregiving
	Reduced Working Hours for Caregiving	Available up to three years and up to three separate times per person requiring caregiving Reduced work hours up to two hours per day in 30-minute increments
	Caregiving Consultation Service	External caregiving consultation service by phone or email
Other	Flextime	Available without a fixed period (except in certain workplaces)
	Wellness Leave	Available for up to three consecutive paid leave days
	Volunteer Leave	Available as special paid leave for up to five days a year
	Local Community Contribution Award System	Promotes participation in community activities by awarding employees for their long-term contributions

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Human Resource Strategy: Safety and Health Management

Health and Safety Initiatives

Basic Concept

Toho Gas believes that “ensuring the health and safety of employees is a cornerstone of fulfilling our social responsibility as a corporation” and makes every effort to ensure that our employees are able to enjoy a healthy, safe, and comfortable workplace. Specifically, each Group company shares its annual health and safety activity policies and results, and implements activities aimed at mutual improvements. We also strive to prevent work accidents throughout the Group, including organizing the Health and Safety Council that includes partner companies, providing education and awareness of safety and quality, and conducting on-site patrols.

Promoting Occupational Health and Safety

Under the Toho Gas Group Safety and Health Board, we have established safety and health boards at individual business locations and workplace health and safety meetings that promote health and safety activities. Additionally, we have established a Health and Safety Council that includes partner companies in an effort to prevent work accidents. We also engage in health promotion activities in the workplace to support employee health and enhance communication.



System for promoting health and safety activities
For details, please visit our website.
https://www.tohogas.co.jp/lang/en/corporate/eco/pdf/2025toho_web_en_health-safety.pdf

Status of Work-Related Injuries

The lost-time injury frequency rate for FY2024 was below the average for companies with 100 or more workers across all industries. One accident occurred (no lost time) due to a fall while descending stairs that resulted in contusions to the chest.

When a workplace accident occurs, we strive to prevent similar workplace injuries by issuing accident reports to share information with all employees and distributing special email newsletters.

Hands-on Safety Training

To facilitate safety training, we established a training facility at the head office to demonstrate past cases of gas work-related injuries and use dummies and virtual reality for a more immersive experience. Trainees can see firsthand hazardous conditions that can result in falling accidents, fire, electrostatic discharge, and landslides from a safe distance, which heighten their awareness of dangers and contribute to the prevention of workplace accidents.



Training facility

Driver Certification Program

We have an in-house driver's license certification course for employees who drive company vehicles. To obtain a license, employees are required to take a beginner course; and to renew the license every five years, they must pass a ride-along driving test and aptitude test in order to help prevent traffic accidents. In addition, all vehicles are equipped with a drive recorder so that supervisors can review recorded video and provide guidance.



Driver safety instruction

Health Management of Employees Comprehensive Health Exams

In cooperation with the health insurance association, we provide comprehensive health exams that include gastrointestinal and dental examinations and one-on-one visits in addition to the legally required items in regular health checkups, with the aim of encouraging a healthy lifestyle and preventing lifestyle-related illnesses from a young age. Furthermore, we are preparing to introduce gastroscopy, breast cancer, and cervical cancer screenings during health checkups starting in FY2026.

Implementing Stress Checks

The Toho Gas Personnel Department oversees stress checks on its employees for the entire Toho Gas Group, consistently maintaining a high implementation rate that includes affiliates. After implementing stress checks, we conduct workshop training sessions based on the results of group analysis as part of our activities to improve the workplace.

Health Consultations

We have established phone and email contact points with industrial physicians and public health nurses that facilitate rapid responses to employee physical and mental health-related consultations. Employees on leave who are returning to work are supported by industrial health staff, workplace supervisors, and the Personnel Department, establishing a return-to-work system that also incorporates cooperation with external support organizations.

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Human Resource Strategy: Safety and Health Management

Health Management

Basic Concept

Toho Gas believes that “ensuring the health and safety of employees is a cornerstone of fulfilling our social responsibility as a corporation” and is committed to supporting employee health and creating a safe and comfortable workplace. Specifically, through the practice of health management, we aim to create a company where employees are healthy and active over the long term while enhancing corporate value through heightened employee performance and productivity. We will implement various measures using absenteeism, presenteeism, and work engagement* as indicators.

* Engagement rating (results of survey conducted by Link and Motivation Inc.)

KPI

Health & Productivity
Management Certification

Continue obtaining White 500 certification (annually)

Toho Gas Group Health and Safety Declaration

To contribute to a sustainable society, the Group is working to evolve as an energy provider, creating diverse value in the life and business sector while promoting solutions to social issues. Our employees are at the heart of these efforts, and therefore, ensuring their health and safety is the foundation of the Company. We work to prevent occupational accidents, traffic accidents, and diseases to ensure the health and safety of our employees and create a comfortable working environment.

Health Management Strategy Map (Japanese only)
For details, please visit our website.
<https://www.tohogas.co.jp/corporate/eco/social/pdf/health-map.pdf>

Sustainability Factbook 2025
For details, please visit our website.
https://www.tohogas.co.jp/lang/en/approach/eco/eco-10/pdf/2025_en_social_data.pdf

Health Management Promotion System

The Toho Gas Group Safety and Health Board chaired by the president meets twice a year to promote company-wide health management efforts. The board deliberates on health management promotion plans and measures and reports the results of metric analysis and implementation of measures, and also reports the details to the Board of Directors and Management Committee. The board actively manages the health of employees by soliciting their feedback through health and safety promoters assigned to each workplace and reflecting this in health measures, as well as by collaborating with the health insurance association and labor union in jointly implementing measures.

Organizational Chart of Health Management Promotion System

The diagram illustrates the organizational structure for health management promotion. At the top is the **Toho Gas Group Safety and Health Board**, which reports to the **Board of Directors and Management Committee** and provides overall strategic direction. The board's chair is the President, with Vice Chairs being the Vice President and the Officer in Charge of the Personnel Department. Members include department general managers (executive level), department heads, industrial physicians, affiliate company representatives, and the labor union. The Secretariat is the Personnel Department. The board's activities include reporting on health management measures and deliberating on company-wide health management promotion measures. Below the board is the **Safety and Health Group, Personnel Department**, which includes **Industrial health staff, industrial physicians, public health nurses** and **Health management promotion staff**. This group collaborates with the **Toho Gas health insurance association** and the **Toho Gas Labor Union**. It also provides consultation and collaboration with **Managers at each location** and **Health and safety promoters at each location**. The group is responsible for activity reports on health management measures and the deliberation and approval of company-wide health management promotion measures.

Mental Health Measures

As part of primary prevention, we offer rank-specific mental health education to new employees, mid-level staff, and managers. In March 2025, we held a sleep event at our head office, which included sleep consultations with industrial physicians, sleep-related product displays, and the introduction of special cafeteria menu items designed to promote proper sleep. We also take measures to improve sleep that include the trial distribution of wearable devices to monitor sleep patterns.

Preventing Lifestyle-Related Illnesses

Together with the health insurance association, we encourage exercise through walking programs and other activities, provide consultations with public health nurses, and recommend medical exams to prevent the escalation of high blood pressure and diabetes. In June 2025, we conducted physical fitness tests to prevent falls for the departments that requested them, measuring walking fitness, agility, balance, and other abilities. Going forward, we aim to establish a system that can be implemented independently at each workplace.

Recognized as a Certified Health & Productivity Management Outstanding Organization 2025 (White 500)

Toho Gas has been recognized as a Certified Health & Productivity Management Outstanding Organization 2025, White 500 (Large Enterprise Category), for the fifth consecutive year under the Certified Health & Productivity Management Outstanding Organization certification system operated by the Ministry of Economy, Trade and Industry and the Japan Health Council.

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Roundtable Discussion

Creating an Environment That Encourages Employees to Take on Challenges

The Toho Gas Group is creating an environment that encourages employees to take on challenges, including the establishment of systems supporting their growth. Young employees playing active roles in various fields, including those actually taking advantage of these systems, talk with the manager of the DE&I Career Development Support Group in our Personnel Department about their experiences, the challenges they face in the workplace, and what is required to create an environment that encourages the taking on of challenges.

The Appeal of Toho Gas Lies in Its Culture of Taking on Challenges and Respect

Mizuno: What do you find appealing about Toho Gas in your daily work?

Shibuya: What I find appealing is something that is common to both my previous position at Toho Gas Network and my current position in the Carbon Neutral Development Department, and that is a strong sense of ownership with regard to company objectives. Employees view the organizational mission as a personal challenge and work together with those around them to achieve it. I think our corporate culture fosters enthusiasm and a sense of unity, which in turn drives us to strive for higher goals as a team—this is one of the major appeals of the Group.



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Roundtable Discussion

Ueno: I think the most appealing aspect of our company is its atmosphere, which enables us to voice our opinions regardless of supervisor–subordinate relationships. When I first joined the Company, I was unsure about expressing my point of view as a new employee, but my supervisor encouraged me to “just say what you think,” which made it easier for me to voice my opinion. The New Product Development Group I belong to is, as the name suggests, involved in the development of new products, and as members of this group, we proactively exchange

I think a flexible workplace, where relationships of trust can be built, provides me with great peace of mind when taking on challenges.

Akari Mizuno

Manager
DE&I Career Development Support Group



opinions regardless of age or length of service. The opinions of young employees are respected, and their ideas are sometimes turned into products or new projects. My sense is that Toho Gas is an organization that values the success of young employees in achieving their goals.

Ashikaga: I have experience working in fields such as commercial sales and renewable energy development, and throughout my career, I have felt that our corporate culture has consistently encouraged the taking on of challenges. However, rather than blindly taking on new challenges, we also carefully hedge risks, which is characteristic of Toho Gas. I believe this balance between challenges and stability is one of our distinctive features. In the Power Business Promotion Department, I work with many mid-career hires from a variety of backgrounds. The ability to freely voice opinions and engage in frank discussions without regard for seniority makes for extremely pleasant interactions and leads to the rapid promotion of business.

Mizuno: I am a mid-career hire in my seventh year, and my first impression was that Group employees were very kind and helpful. I previously worked as an attorney at a law firm, and this was my first experience working in the corporate world. I was very anxious at first, but my colleagues took the time to explain the organizational structure and operations to me in great detail. After joining the Company, I consulted with my supervisor regarding my desire to expand my experience as an in-house lawyer by serving as a standing member of the Japan Federation of Bar Associations. My supervisor went to the Personnel Department on my behalf, and my request was approved. I was impressed that the Company was willing to listen to and support employees who are serious about their career goals. I feel that this flexibility, and the ability to build trusting relationships in the workplace, provide tremendous peace of mind when taking on new challenges.



Utilizing the internal recruitment program has greatly expanded my career opportunities.

Ryota Ashikaga

Power Business Promotion Dept.
Renewable Energy Group No. 2

Enhancing Systems to Expand Employee Career Options

Mizuno: It appears that the keyword “challenge” is the common denominator in everyone’s comments. In terms of a framework for taking on career challenges, the Company established systems that support employees in taking on challenges, including our internal recruitment program and field work programs at overseas locations. What were your impressions after actually using these systems? Are there any systems you would like to use in the future?

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Ashikaga: I joined the Company with the intention of pursuing a career in the Commercial Sales Department, but after learning about other departments, I became interested in trying a wider range of work outside of commercial sales. As my interest in the power business grew, I took a chance and applied for an internal job posting. This resulted in a transfer, leading to the work in which I am currently engaged. I am also able to leverage the colleague network and knowledge acquired during my sales career, and it is extremely useful to engage in work while maintaining connections across departments.

Mizuno: After joining the Company, as employees learn about the various types of work we engage in, they may discover a type of work they want to try, and this system provides very good opportunities to make that happen.

Ashikaga: I agree. In taking advantage of the internal recruitment program, I feel my opportunities for career development have greatly expanded.

Shibuya: In 2024, I took advantage of a three-month overseas field work program. Since joining the Company, I have been involved in gas-related on-site work, and my motivation had me wondering if Toho Gas's unique know-how could be expanded overseas. My on-site work involved formulating and verifying hypotheses, which yielded positive results, filling me with a great sense of confidence. The process of forging my own path was the most valuable lesson I learned, and it has also given me an opportunity to think about how I can apply this experience to my work. Going forward, I hope to use my overseas field work experience to achieve further growth in overseas business.

Ashikaga: A senior colleague in the same department who recently participated in overseas field work noted, "It was a tough but very meaningful experience." How was it for you, Mr. Shibuya?

Shibuya: The toughest part was facing situations in which I didn't know what to do. There were no established procedures, no name recognition for Toho Gas, and no connections in the local area. Despite arriving with an enthusiastic attitude, I initially struggled knowing where to begin, feeling overwhelmed by the gap between my aspirations and reality. However, through trial and error—hypothesizing, testing, and refining approaches to identify who to approach and how to gain their attention—I gradually began to see results. While each day was challenging,

I also want to utilize this system and think more deeply about my career while being inspired by people outside the Company.

Moyu Ueno

Sales Planning
New Product Development Group



looking back, I believe those three months were truly a rewarding experience, providing me with a significant sense of accomplishment.

Since returning to Japan, I have been offered an appointment overseas and am currently preparing for the new position. The experience I gained through overseas field work has been invaluable.

Ueno: Although I have yet to use these systems, I am interested in systems that support learning outside the Company, including studies at graduate schools in Japan and abroad, as I hope to obtain an MBA and develop skills in business planning and other areas.

My department comprises a diverse group of people of various ages, genders, and backgrounds, and I feel that every day this diversity creates new value. I believe that the more diverse one's background, the better the output produced, and I want to take advantage of these systems and think more deeply about my career while being inspired by people from outside the Company.

Promoting Further Utilization of Systems

Ashikaga: The internal recruitment program is a good system, but one that requires understanding on the part of the person leaving the department, as well as the person joining the department. I feel that sharing the best solutions for the Company as a whole among all relevant parties, including managers and executives, will lead to smooth system operations.

Also, rather than suddenly transferring to an entirely new position, my sense is that it would be beneficial, for example, to provide opportunities to experience work in other departments once a week. If there were a system in place enabling people to easily try other jobs of interest, more people would be encouraged to take the first step.

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Roundtable Discussion

Ueno: While the Career Challenge and other systems are in place, there are issues with providing information to employees. There are still not enough opportunities for young employees to learn about these systems. If we increase opportunities for employees to actually experience the atmosphere and work in other departments, and maintain a system that enabled young employees to easily participate, they would develop an awareness of the type of work performed by other departments. This would likely encourage more people to make use of the internal recruitment program and other measures. I think the key is to create an environment where young people can easily access the system.

Mizuno: Apart from systems, it is important to provide opportunities to learn and places to gain experience. For example, holding roundtable discussions and other events where employees are able to share their experiences of using the Career Challenge system will help make the program feel more familiar and personal.

Ueno: I agree, that is exactly how I feel.

Shibuya: I also think it is extremely important to follow up after these systems are used. I myself have experienced some of the difficulties mentioned earlier. After transferring to the overseas business division, for instance, there were moments when I felt anxious about whether I was really contributing to the Company in the new environment. I think such concerns are inevitable when taking on challenges, but I felt that having support and consultation services available after utilizing the system enabled me to use it with peace of mind, which led to better results.

Ashikaga: Regarding overseas field work, if there were an option with a slightly lower hurdle, it would be easier for people who are interested in going abroad, but for whom participation is difficult at the moment due to family situations and other circumstances. This would give more employees opportunities to take on challenges.

Making Challenges the Norm

Mizuno: The system is still in its infancy, and this is precisely why we believe there is room for flexible development. What I heard from everyone was that you feel you need more opportunities to learn about the Company and the work in which we are engaged in order to take on new challenges. In addition to the various systems, we want to increase the number of people who think positively about these systems through the provision of opportunities to learn about the work conducted in each department and at each Group company, as well as hearing directly from people who have experienced career challenges.

As we have only just launched these systems, there are still few users, placing significant pressure on initial participants such as Mr. Shibuya. If more people were able to easily utilize these systems, the responsibility would be better shared and we would see significant results.

Ashikaga: By sharing positive feedback, those who have utilized the systems will encourage others to consider trying them as well. I also would like to share my experiences with those around me and encourage newer employees.

Ueno: In terms of internal recruitment, I think it would be good for the workplace to send out a message saying, “We really want you to come work here.” I feel that if messages are sent from

both those creating the systems and those on-site who benefit from them, a culture of taking on challenges will take root more firmly throughout the Company.

Shibuya: It's very encouraging to have the opportunity through today's roundtable discussion to exchange opinions with all of you who are working so diligently in your respective fields. I hope we can continue to support each other in taking on challenges and move the entire organization in a better direction.

Providing support and consultation after using the system makes it easy to use with peace of mind, which I think leads to better results.

Keiichiro Shibuya

Carbon Neutral Development Dept.
Carbon Neutral Development Group No. 1



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CHAPTER 03

Foundation Supporting the Realization of Our Vision

This section introduces sustainability initiatives forming the foundation of Toho Gas Group sustainable growth from the perspectives of the environment, society, and governance.



Toho Gas Group Sustainability Policy

The Toho Gas Group Sustainability Policy defines our approach to achieving Group sustainability. Through business activities, including the stable supply of environmentally friendly energy, the Group will contribute to the realization of a sustainable society alongside our stakeholders.

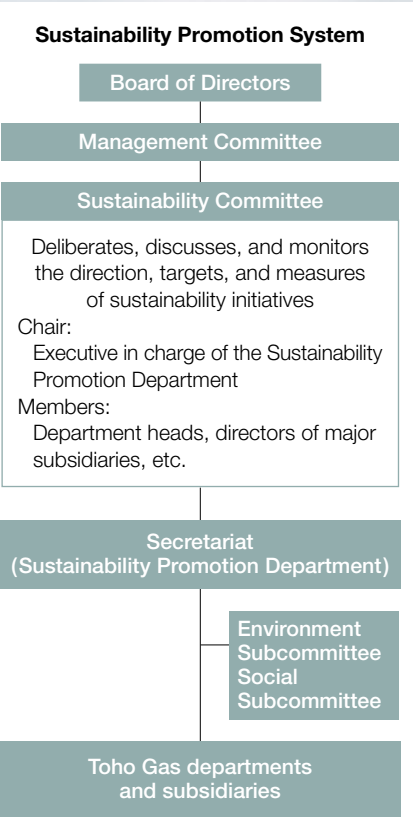
We contribute to a better future through the optimal provision of diverse kinds of energy and the creation of new value for lives and businesses, thus promoting development alongside the region.

We contribute to the reduction of environmental impact, including the reduction of greenhouse gas emissions.

We promote business activities with respect for human rights and strive to prevent and mitigate adverse human rights impacts.

By enhancing a comfortable working environment that respects health and safety, and by fostering challenges and actions, we stimulate the growth of our organization and human resources.

We strive to enhance systems for conducting our business properly and efficiently and promote business activities with integrity, in compliance with laws and the spirit of the law.



Materiality and related SDGs

1	Promote carbon neutrality	7 9 11 13	P.31–P.34 P.39–P.44 P.57–P.59
2	Provide various kinds of energy and services	7 9 11	P.25–P.38
3	Supply energy in a safe, secure, and stable manner	7 9 11 13	P.25–P.30
4	Contribute to the community by resolving social issues	4 6 7 9 11 12 13 14 15 17	P.35–P.38 P.57–P.66
5	Enhance work satisfaction and ease of work, and promote diversity	3 4 5 8 10	P.45–P.54
6	Strengthen compliance and governance	16	P.57–P.76

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Environmental Management

Basic Concept

We set **Environmental Action Principles** and **Environmental Action Guidelines** to help the realization of a sustainable society, including carbon neutrality. Having set environmental action goals, we are engaging in a wide range of environmental actions, including global warming countermeasures, resource recycling, and making environmental and social contributions in cooperation with the region. Furthermore, in addition to engaging in compliance with environmental laws and environmental education by constructing **Environmental Management Systems**, we are managing the progress of initiatives through a PDCA cycle.

Environmental Action Principles

The Environmental Action Principles (established in1993; latest revision in 2022) are regarded as Toho Gas's business policy.

Environmental Action Principles

Basic Policy

Toho Gas and its Group companies recognize the importance of preserving the environment on a regional and global basis. The Group contributes to the realization of a sustainable society through the resolution of social issues relating to the environment.

Principles

Principle 1

The Group will contribute to reducing the environmental impacts of its business on customers and society as a whole.

Principle 2

The Group will reduce the impacts of its business activities on the overall environment.

Principle 3

The Group will contribute to environmental preservation in collaboration with local communities and the global community.

Principle 4

The Group will promote technological development related to the environment.

Environmental Action Guidelines

Our Environmental Action Guidelines, established in 2011 and most recently updated in 2022, outline the concept and action details of the environmental activities implemented by the Group.

Environmental Action Guidelines

Global Warming Countermeasures

The Group aims to achieve carbon neutrality in the entire supply chain through the expansion, highly efficient use, and high-degree application of environmentally friendly energy, including natural gas, and the utilization of renewable energy and the decarbonization of gas itself.

Resource Recycling

The Group will promote the effective use of resources in each stage of business activities and reduce, reuse, and recycle waste to minimize external emissions.

Biodiversity Conservation

The Group recognizes the importance of biodiversity, which is the foundation of society and the economy, and will work to grasp and analyze the impact of business activities on biodiversity as well as promoting biodiversity-friendly activities.

Environmental and Social Contributions

The Group will contribute to the resolution of social issues by participating in environmental activities/projects in collaboration with local communities and society at large.

Technology Development

The Group will promote technology development toward realizing carbon neutrality, such as the highly efficient and high-degree application of energy, the use of hydrogen and renewable energy, the capture and separation of CO₂, and methanation.

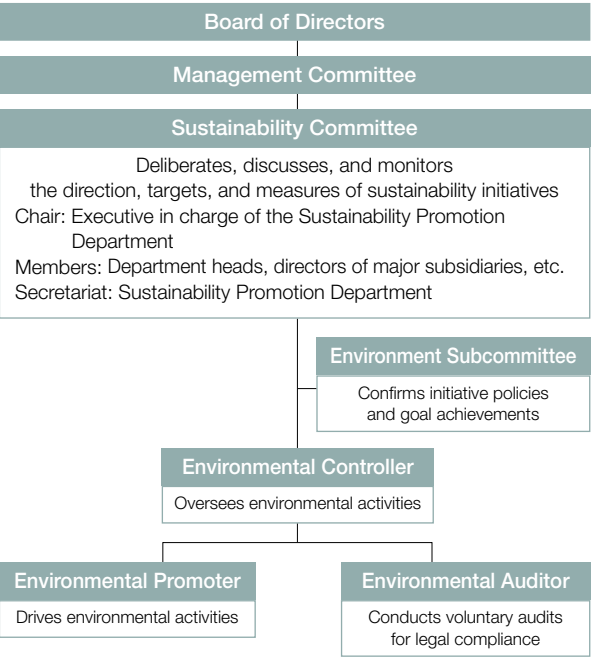
Environmental Management

Recognizing the impact of its business activities on the overall environment, the Group will rigorously enforce environmental management and develop human resources who are environmentally conscious and can act on their own initiative. We comply with the demands of laws, ordinances, and agreements relating to the environment.

Environmental Management System

The Sustainability Committee, comprising Toho Gas and major affiliates, deliberates, discusses, and monitors the direction, targets, and various measures of key environmental activities to reduce the Group's environmental impact and comply with environmental laws and regulations. The Environment Subcommittee confirms the policies of initiatives for environmental action goals and the achievements of each department. In addition, each department and affiliate has specific roles to promote environmental activities, including an “environmental promoter” responsible for driving specific activities, an “environmental auditor” responsible for voluntary audits for compliance with environmental laws and regulations, and an “environmental controller” responsible for overseeing these roles.

Environmental Management Organizational Structure



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Environmental Management

● Environmental Action Goals (FY2022–FY2025)

We set environmental action goals for FY2022–FY2025 as shown in the table below, and are promoting initiatives to achieve them. Our performance in FY2024 is also shown in the table.

Regarding our targeted reductions of CO₂ emissions intensity in business activities, reductions improved 2.2% year on year although the target was not achieved during the target period due to the impact of worsening emissions intensity in FY2022. We will continue to improve emissions intensity through comprehensive energy conservation measures. Progress remains steady on all other target items.

Type		Goal	FY2025 target value	FY2024 results
Environmental impact reduction	Global warming countermeasures	Contribution to CO ₂ reduction volume	1 million t compared with FY2020 levels	550 thousand t
		Volume of renewable energy sources handled	250 thousand kW	146 thousand kW
		Reduction of CO ₂ emissions intensity in business activities	CO ₂ emissions intensity: −2%/year	−2.2% YoY* ¹ (total for FY2022–FY2024: +1.4%/year)
	Resource recycling	Zero emissions of industrial waste at city gas plants	Maintain current level (final disposal rate of 1% or less)	Final disposal rate of 0.73% (total for FY2022–FY2024)
		Recycling rate of waste generated from gas pipeline construction	99% or more	99.4%
		Promotion of the 3Rs in business activities		 Initiatives related to resource recycling For details, please refer to our website. https://www.tohogas.co.jp/lang/en/approach/eco/environment/pdf/2025toho_tougou_en_p60.pdf https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_circular-economy.pdf
Biodiversity conservation	Reduction of use of natural sand and crushed rock in gas pipeline construction	15% or less compared to conventional construction methods	11.8% compared to conventional construction methods	
	Contribution to maintaining and restoring biodiversity through business activities and regional activities, conserving <i>satoyama</i> * ² and forests, and protecting local species		 Initiatives related to biodiversity For details, please refer to our website. https://www.tohogas.co.jp/lang/en/approach/eco/environment/pdf/2025toho_tougou_en_p61-62.pdf https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_biodiversity.pdf	
Environmental and social contributions		Environmental contribution activities in collaboration with local communities, and contribution to resolving regional and social issues		 Initiatives related to environmental and social contributions For details, please refer to our website. https://www.tohogas.co.jp/lang/en/approach/eco/social/pdf/2025toho_tougou_en_p65.pdf https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_coexistence.pdf
Technology development		Promotion of technology development for advanced use of energy and carbon neutrality		 Initiatives related to technology development For details, please refer to our website. https://www.tohogas.co.jp/lang/en/approach/eco/environment/pdf/2025toho_tougou_en_p39-42.pdf https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_carbon.pdf

*1 CO₂ emissions intensity calculation conditions for city gas emissions (temperature and pressure revisions) have been standardized in line with FY2024 conditions to calculate the rate of change from the previous fiscal year.

*2 Traditional agricultural area located near the foothills of mountains and forests



Initiatives related to environmental management
For details, please refer to our website.
https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_e-management.pdf

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Global Warming Countermeasures

Basic Concept

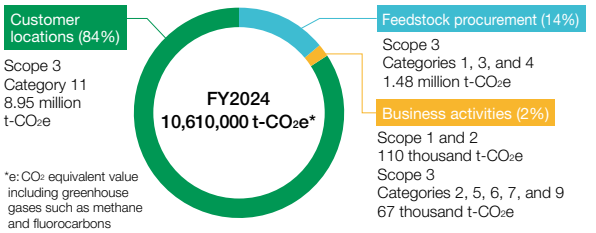
Global warming countermeasures are an important management issue for the Toho Gas Group. As an energy business operator, we are implementing countermeasures against global warming taking into consideration the value chain.

Toho Gas not only aims to reduce its own CO₂ emissions factor but also sets environmental action goals aimed at restraining CO₂ emissions at customer locations. We promote a wide range of initiatives, including supplying environmentally friendly energy, facilitating the switchover from other fuels to natural gas or LPG, and promoting the adoption of advanced and highly efficient devices such as fuel cells. We also foster the utilization of renewable energy and other resources in collaboration with local communities, as well as pursuing technological development and testing such technologies as methanation and CO₂ capture, utilization, and storage, all in the pursuit of achieving carbon neutrality by 2050.

Environmental Impact of Value Chain

Throughout the entire value chain, environmental impacts such as CO₂ and other greenhouse gas emissions occur in business activities, including the production and supply of city gas, LPG,

Greenhouse Gas Emissions in the Value Chain



and electricity, as well as at every level of feedstock procurement and at customer locations.

In the gas business, much of the greenhouse gas emissions are accounted for by customer locations, and the Group is working on reducing these. We are also working to identify the status of greenhouse gas emissions in feedstock procurement and evaluate the impact on the environment. Regarding our business activities, we are reducing greenhouse gas emissions by improving energy use efficiency and energy conservation efforts.

Global Warming Countermeasures at Customer Locations
We are promoting initiatives to contribute to CO₂ reduction through our business activities.

Switching to Natural Gas
Natural gas is an environmentally friendly energy that, compared to other hydrocarbon fuels, produces less CO₂ and NO_x, and zero SO_x, when combusted. By switching the fuel used at customer sites from oil and other fuels to natural gas, we are contributing to the reduced emissions of greenhouse gases and air pollutants.

Expanded Use of High-Efficiency Gas Equipment and Systems
In addition to switching fuels, we are introducing high-performance burners to facilities at customer locations to further reduce CO₂ emissions.



We are also promoting the expanded use of energy-efficient equipment and systems, such as the ENE FARM residential fuel cell system as well as gas cogeneration systems, high-efficiency boilers, and gas heat pump air-conditioning for commercial use.

Reduction of CO₂ Emissions in Business Activities
As an energy operator, we promote energy conservation initiatives in all aspects of our business activities.

We invest in energy-saving equipment and conduct thorough operational management in each business field.

Initiatives at City Gas Plants
At city gas plants, we use a highly energy-efficient method to produce gas by vaporizing liquefied natural gas (LNG) at around -160°C through heat exchange with seawater.

Furthermore, we make efficient use of the cold energy of LNG for cryogenic power generation, manufacturing dry ice and liquid nitrogen at adjacent plants, as well as equipment used to reliquefy boil-off gas (BOG) produced in LNG tanks.

We are also working to further reduce energy consumption, such as by utilizing pipelines and other equipment built for mutual backup and inventory adjustment between plants to adjust the amount of gas sent between plants. Through these efforts, we are reviewing operational methods to optimize the overall operational efficiency at all LNG plants.

Initiatives related to global warming countermeasures
For details, please refer to our website.
https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_global-warming.pdf

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Resource Recycling

Basic Concept

Based on the Environmental Action Principles and Environmental Action Guidelines, Toho Gas Group has set Environmental Action Goals in the area of resource recycling, and is promoting the 3Rs (reduce, reuse, and recycle) toward the reduced consumption of natural resources and the effective use of recycled resources through efforts that include zero emissions from industrial waste at city gas plants, recycling the waste generated from gas pipeline work, and the promotion of paperless business.

Initiatives to Reduce Waste and Resource Consumption in Our Business Activities

Working to Achieve Zero Emissions of Industrial Waste at City Gas Plants

Since FY2008, we have been working to achieve zero emissions of industrial waste at city gas plants and reduce the final disposal rate of industrial waste. Our environmental action goal is to achieve a final disposal rate of 1% or less, and we are continuing to work toward that goal.

Regarding waste from plants, the recycling of sludge and mixed waste has been a concern, and these account for 80% of our final disposal volume. To handle sludge generated at seawater intake ports, we turned to graded recycling, which separates the sludge into slurry, sand, silt, and clay depending on the grain size, and remixes them to create a stable fluidization treatment soil. In this way, we have improved the recycling rate of sludge. In terms of mixed waste, we carefully sort and separate materials, thereby enhancing the recycling rate.

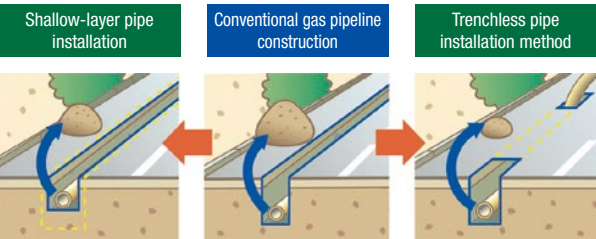
Through these initiatives, we have reduced the final disposal rate of industrial waste, aiming to achieve zero emissions for the entire period of the environmental action goal.

Recycling Industrial Waste and Reducing Natural Sand in Gas Pipeline Construction

Gas pipeline construction generates industrial waste such as asphalt and concrete blocks classified as rubble and used polyethylene pipes classified as waste plastic. Asphalt and concrete blocks are recycled into an asphalt mixture (paving material) and crushed stone, while used polyethylene pipes are recycled into raw materials for components that protect gas pipes. Through this resource recycling process, we have achieved a 99.4% resource recovery rate for industrial waste generated from gas pipeline construction.

Additionally, to reduce the amount of asphalt and concrete blocks and excavated soil generated during pipeline construction, we introduced shallow-layer pipe installation,^{*1} the trenchless pipe installation method,^{*2} and the repair and rehabilitation method,^{*3} and we promoted the use of temporary filling material^{*4} in work requiring re-excavation. As a result, in FY2024, we were able to reduce the amount of excavated soil by 25% compared to conventional construction methods.

We also processed excavated soil at a soil improvement center and reused it as backfill material for gas pipeline construction, resulting in a 72% reduction in external discharge of excavated soil compared to traditional methods. Furthermore, by combining the excavated soil with reused crushed stone as backfill material, we were able to reduce the amount of natural sand and crushed stone used in gas pipeline construction by 11.8% compared to conventional methods.



By reducing the extraction of new sand and crushed stone, we are lowering our impact on the environment.



Trenchless pipe installation method

^{*1} This refers to burying a gas pipeline in a roadway at approximately half the conventional depth.
^{*2} This method involves drilling at both ends of the construction area and pulling the gas pipeline underground.
^{*3} The method of repairing a gas pipe from the inside
^{*4} Polyethylene ball material used as temporary backfill

Initiatives related to resource recycling
For details, please refer to our website.
https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_circular-economy.pdf

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Biodiversity — Responding to TNFD Recommendations

Basic Approach

To conserve biodiversity, we are making efforts to ascertain the impact of our business activities on biodiversity and ameliorate any negative impacts. By promoting biodiversity initiatives across the entire Group, we aim to create a nature-positive society, as outlined in the Kunming-Montreal Global Biodiversity Framework.

To achieve this, we identify and evaluate points of contact with nature, and in promoting initiatives and establishing systems, we utilize the framework provided by the Taskforce on Nature-related Financial Disclosures (TNFD) and organize nature-related initiatives and analysis results in accordance with TNFD disclosure requirements.

In ascertaining our points of contact with nature, determining our dependence and impact on nature, and identifying risks and opportunities related to nature, we conducted analysis based on the LEAP approach*1 provided by the TNFD.

*1 The LEAP approach is an analytical methodology developed by the TNFD to evaluate and implement corporate activities related to nature, including identifying points of contact between corporate activities and nature, as well as nature-related dependencies, impacts, risks, and opportunities, and the setting of targets. LEAP is an acronym for Locate, Evaluate, Assess, and Prepare.

Governance

Biodiversity-related initiatives are managed and monitored in the same way as our disclosure efforts regarding climate change based on TCFD recommendations. The Group has also established a Sustainability Policy, based on which we strive to understand the impact of our business activities on local natural environments and promote activities that take biodiversity into consideration.

Analysis Using the LEAP Approach

To more comprehensively evaluate the relationship between our business and nature—taking into account the scale of our business, and dependency and impact on nature—the LEAP approach scope of analysis covers direct operations and upstream supply chain investments in the Group's mainstay gas business, and direct operations only in other businesses.

In analysis conducted in FY2024, we analyzed items related to “Locate” (discovering points of contact with nature) and “Evaluate” (diagnosing dependencies and impacts) under the LEAP approach.

Locate

Evaluate

Assess

Prepare

In FY2024, our analysis only focused on Locate and Evaluate.

Dependence and Impact on Nature

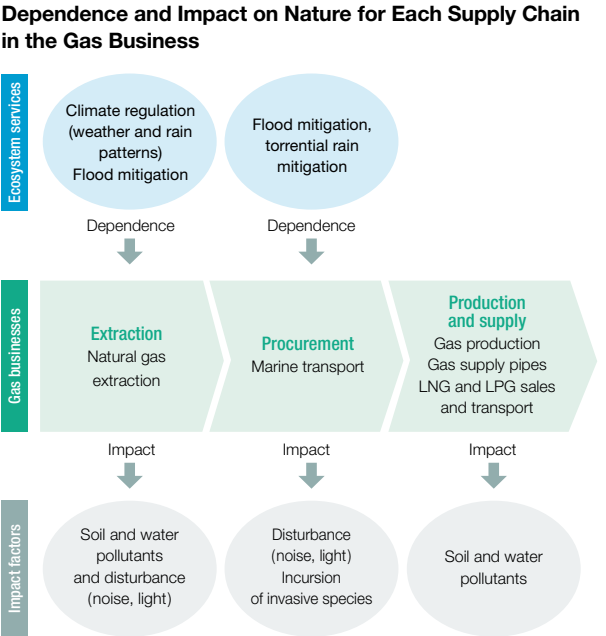
Using ENCORE,*2 one of the analysis tools recommended by the TNFD, we analyzed the relationship between the target business, ecosystem services, and natural capital from the perspectives of potential dependence and impact on nature, obtaining the results shown in the table on the upper right.

Based on the ENCORE analysis results, we published a heat map on our website summarizing the dependencies and impacts between the target business and nature.

*2 ENCORE is a tool supporting the understanding of nature-related dependencies and impacts jointly developed by the United Nations Environment Programme Finance Initiative and other organizations. Based on the International Standard Industrial Classification of All Economic Activities, ENCORE assesses the expected dependence and impact on nature of each economic activity.

 **Heat Map Showing the Interdependence and Impact of Our Business on Nature**
For details, please visit our website.
https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_heat-map.pdf

Business	Dependence and impact on nature
Gas Businesses (including LPG)	There is a strong possibility of soil and water pollution during the natural gas extraction and urban gas manufacturing processes, as well as of impacts on native species from ballast water during the transport of natural gas. See the figure below for details on each supply chain.
Electricity Businesses	There is a strong possibility that greenhouse gas emissions from gas-fired, wind, and solar power generation will have an impact on climate regulation functions.
Heat Supply Business	There is a strong possibility of significant impact from greenhouse gas emissions from the manufacturing processes for steam, cold and hot water, etc.



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Biodiversity — Responding to TNFD Recommendations

Identifying Areas Requiring Caution

To understand the relationship between the Group's operating bases and core business investment destinations and the surrounding natural environment, we identified areas requiring caution within the Group using various tools recommended by the TNFD as evaluation criteria.

Analytical tools used to identify areas of concern included Integrated Biodiversity Assessment Tool (IBAT) and Global Forest Watch for assessing biodiversity importance, Aqueduct for assessing water stress, and GLOBIOWeb for assessing ecosystem integrity.

As a result of the analysis, 32 sites in Japan and overseas were identified as areas of concern due to their proximity to natural parks and wildlife protection areas.

Initiatives Going Forward

We will continue to contribute to biodiversity conservation while initiating the “Assess” and “Prepare” steps of the LEAP approach as we strive to proactively disclose information. In particular, with regard to FY2024 analysis results, we will conduct a more detailed evaluation of our risks and opportunities analyses and consider countermeasures, targets, and indicators.

Initiatives Contributing to Biodiversity Conservation

Creating Biotopes

In 2000, we established a biotope at the Chita-Midorihama Works and have strived to preserve the ecosystem by cultivating rare and endemic species, while also asking specialists to conduct surveys of animal and plant species. Additionally, biotopes were created at the Gas Energy Exhibition Hall in 2010 and at Minato AQULS in 2018, where they are being used for the conservation of local endemic species and environmental education.



Chita-Midorihama Works Biotope

Participation in the Inochi wo Tsunagu Project

The Inochi wo Tsunagu (“Connecting Life”) Project is driven by a student executive committee that brings together multiple companies, government agencies, experts, and NPOs in the Chita Peninsula coastal area to create and preserve ecosystems in corporate green spaces and foster students as future leaders in building a sustainable society.

We actively participate in this project, working with neighboring companies to create green spaces and biotopes, eradicate invasive species, and conduct monitoring surveys of wildlife with local companies.

The Chita Peninsula Greenbelt (a group of corporate green spaces along the coast of the Chita Peninsula), where this project is being implemented, was designated as a Nature Coexistence Site for the first half of 2023 by the Ministry of the Environment. We will continue to collaborate with various companies with the aim of enhancing biodiversity on the Chita Peninsula.



Chita Peninsula Greenbelt

Initiatives related to biodiversity
For details, please refer to our website.
https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_biodiversity.pdf

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Value Provided to Stakeholders

Basic Concept

We conduct business activities that place importance on relationships with our stakeholders.

As stated in our corporate mission, the Toho Gas Group cherishes the bonds of trust it has forged with society, and remains dedicated to the creation of a rich and fulfilling life and the development of attractive and vital communities. We aim to further enhance corporate value by incorporating stakeholder opinions and requests into our corporate activities through ongoing dialogues.

Toho Gas Group Stakeholders



● Efforts to Increase Customer Satisfaction

● Improving Customer Satisfaction

The Customer Satisfaction Promotion Steering Committee, departmental customer satisfaction organizations, affiliates, sales outlets, and gas construction companies work together to improve the quality and services of operations in accordance with the basic policy for customer satisfaction activities determined by the Customer Satisfaction Promotion Meeting, which is comprised of officers and department heads. Customer feedback is shared with relevant divisions as valuable management resources, leading to prompt measures and business improvements. In addition, the results of customer satisfaction surveys are reported to relevant divisions to further improve customer service.

● Improving Our Customer Support Center

Our customer support center not only receives calls but also provides support via our website and automated voice guidance for increased customer convenience.



Stakeholders	Value creation	Communication method (initiative details)	Related information
Customers	Through safe and secure energy supplies, we aim to realize comfortable and prosperous lifestyles for our customers through a variety of services that support their daily lives.	● Daily sales activities ● Improving our customer support center (customer feedback) ● Members websites (Club TOHOGAS and TOHOBIZNEX)	P.25–P.30
Shareholders and Investors	We aim to enhance corporate value over the medium to long term by providing stable dividends and shareholder benefits through sustainable growth and profit expansion. We will build relationships of trust with shareholders and investors through highly transparent information disclosure and proactive IR activities.	● Annual Shareholders Meeting ● Financial results briefings ● Facility tours for individual investors ● Interviews with institutional investors	P.64
Local Community	In addition to contributing to stable energy supplies and decarbonization, we aim to realize a sustainable society through businesses that support regional revitalization and facilitate comfortable, secure lifestyles.	● SDGs-related outreach classes ● Lectures on biodiversity and biotopes (Nagoya Open University of the Environment) ● Environmental education at the Gas Energy Exhibition Hall ● Activities to protect children and seniors	P.61–P.62 P.65
Business Partners	We will build growth-oriented partnerships that aim for mutual growth and development through fair transactions, and create sustainable value alongside business partners through the sharing of technologies and know-how as well as the creation of new business opportunities.	● Business partner CSR questionnaire surveys ● CSR Procurement Guidelines ● Establishment of a consultation desk	P.66 P.74
Employees	We will contribute to a sense of fulfillment in employees' careers and lives through the provision of rewarding work environments, growth opportunities, and comprehensive employee benefits.	● Engagement survey ● Establishment of a consultation desk ● Promotion of safety and health ● Meetings for the exchange of opinions with management (business site visits)	P.45–P.54 P.66 P.74

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Communication with Shareholders and Investors

Basic Concept

We strive to disclose corporate and financial information promptly and appropriately, and to actively engage in communication with shareholders and investors, in order to deepen their understanding of the business and management policy of Toho Gas Group, and to win their long-term support.

Shareholder Returns

Shareholder Return Policy

During the Medium-Term Management Plan period (FY2025–FY2027), we aim to achieve profit growth and progressive increases in dividend distributions. We will also continue to repurchase shares with the aim of optimizing our capital structure, targeting ¥400.0 billion by the end of FY2027.

In April 2024, we disclosed the “Action to Implement Management that is Conscious of Cost of Capital and Stock Price,” and set the goal of providing additional shareholder returns to optimize equity capital over the near term. In the new Medium-Term Management Plan announced in March 2025, we outlined a time frame for optimizing shareholders’ equity, as summarized above, while aiming for progressive dividend increases.

Shareholder Benefit Program

We introduced a shareholder benefit program to show our appreciation for the ongoing support and understanding of our shareholders, and to encourage more people to hold our shares for the long term. Our shareholder benefits are based on a point system according to the number of shares held and the length of time they have been held. Points can be exchanged for catalog products, donated to social contribution programs, or used to pay gas and electricity bills from Toho Gas.



Shareholder benefit program (Japanese only)
For details, please visit our website.
<https://www.tohogas.co.jp/corporate/ir/personal-investor/personal-investor-06/>

Dialogue with Shareholders and Investors

Annual Shareholders Meeting

The Annual Shareholders Meeting is an important opportunity to communicate with our shareholders, and at the 154th Annual Shareholders Meeting, we answered questions from shareholders in attendance as well as those submitted in advance. We make efforts to disclose information from meetings on our website, including informational videos and an overview of answers to questions submitted in advance.

154th Annual Shareholders Meeting

(June 25, 2025)

Shareholders
in attendance

137

Percentage of voting
rights exercised

85.4%



Annual Shareholders Meeting

Communication with Individual Investors

We hope to receive long-term support from as many individual shareholders as possible. In FY2024, we communicated directly with individual shareholders through facility tours and IR briefings, and also held online briefings and made videos of those briefings available for later viewing. In the future, we will continue to provide opportunities to communicate with our shareholders to ensure a better understanding of the Company.

Communication with Institutional Investors

Toho Gas holds quarterly financial results briefings for institutional investors and securities analysts, while also proactively engaging in individual meetings. In addition, to ensure a better understanding of the Company, we provide regular investor relations activities for financial institutions that are our bond investors. We share feedback and requests from investor relations activities within the Company such as through the Management Committee to help enhance corporate value.

FY2024 Results

Financial results briefings

4

(quarterly)

Individual meetings

Approx. 100

in total



Shareholder and investor information (IR)
For details, please visit our website.
<https://www.tohogas.co.jp/lang-n/en/corporate/>

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Contribution to the Local Community

Basic Concept

The Toho Gas Group is advancing efforts to contribute to a sustainable society, addressing diverse regional needs and challenges such as carbon neutrality and enhanced resilience. We are deepening our collaboration with municipalities and other public entities, primarily in the three-prefecture Tokai region (Aichi, Gifu, and Mie), further strengthening our engagement with customers and striving to co-create new value. By addressing the emerging challenges in the region, we aim to contribute to achieving prosperity within the region.

Examples of Efforts to Coexist with Local Communities

Activity	Social issue	Activity overview
Carbon credit creation	Promoting the use of carbon credits to achieve carbon neutrality	Using ENE FARM and solar power generation system residential fuel cells installed in homes with subsidies from local governments, we compile the amount of CO ₂ reduced in the home, convert it to J-Credits, and use them in the local government area to promote local production and local distribution of environmental value and contribute to realizing carbon neutrality in the region.
Regional new power generation	Promoting local production (or sourcing) and consumption of energy, local economic circulation, and decarbonization	We have established new regional power companies with local governments and other organizations in an effort to supply electricity generated from local power sources such as waste-to-energy to public facilities, thereby promoting carbon neutrality in the region and contributing to local production and local distribution of energy. Moving forward, we will also contribute to regional revitalization such as by donating business profits to local governments.
Next-generation education	Creating educational opportunities for children to promote environmentally conscious behavioral changes	In collaboration with local governments with which we have entered into cooperation agreements or registered as SDGs partners, we are working to raise awareness of the SDGs through environmental and energy education, as well as events for children who will lead the next generation.
School club activity reform support	Providing support for retaining instructors and streamlining operations in preparation for the transition of school club activities to local communities	As part of the “Toho Gas Tsunagutech” solution service for local governments, we aim to reduce the administrative burden on local governments through the introduction of more efficient systems, while utilizing corporate personnel as external instructors for school club activities.
Child development support	Creating opportunities to utilize child development support facilities and providing high-quality education for children with developmental challenges	We established Flower Kids Nobiruko child development support facility to nurture children’s emotions and social skills through creative activities and life experiences tailored to their individual traits and personalities.

Collaborating with Local Governments in Promoting Solutions for Social Issues

We are deepening cooperation with local governments in various aspects, such as supporting carbon neutrality efforts and creating initiatives for new regional electric power companies, thereby contributing to creating more attractive communities (commenced collaborative agreements with local governments on 19 projects).

Establishment of Corporate Venture Capital (CVC) Fund

We established the CVC “Shin Infrastructure Fund by TOHO GAS” with the aim of creating businesses through collaborations with start-ups that have innovative technologies and ideas.

Through fund management in four key areas—agriculture and food, wellness and well-being, real estate, and tourism—we will contribute to the creation of new businesses and the development of local communities.

Initiatives related to local community contribution
For details, please visit our website.
https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_coexistence.pdf

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Initiatives Focused on Respect for Human Rights

Basic Concept

We believe that protecting the dignity and respecting the rights of all stakeholders in our business activities is essential both to the development of a sustainable society and to our own parallel development as a sustainable business. Acting on this belief, we have established a Toho Gas Group Human Rights Policy in accordance with internationally accepted criteria, such as the United Nations Guiding Principles on Business and Human Rights. In this way, we show our commitment to contributing to the development of a sustainable society by conducting our business activities while respecting the human rights of our employees, customers, business partners, local communities, and all other stakeholders.

Toho Gas has signed and endorsed the Ten Principles of the United Nations Global Compact in the four areas of human rights, labor, environment, and anti-corruption, and is a member of the UN Global Compact.



● **Human Rights Policy**

We established the Toho Gas Group Human Rights Policy and are committed to preventing and mitigating adverse impacts on human rights by enhancing employee awareness of human rights while promoting efforts to prevent discrimination and harassment.



Toho Gas Group Human Rights Policy

For details, please visit our website.

<https://www.tohogas.co.jp/lang/en/approach/eco/social/hrp/>

● **Promotion Framework**

The Sustainability Committee, comprising Toho Gas and its major affiliates, discusses, reviews, and monitors the progress of human rights policy formulation and revision, human rights due diligence action plans, and their implementation. This status is then reported to the Management Committee, and important matters are brought to the Board of Directors.

● **Human Rights Due Diligence**

Based on the Toho Gas Group Human Rights Policy, we established a human rights due diligence system to identify, prevent, and mitigate adverse human rights impacts (human rights risks) that must be taken into consideration when conducting business, and we are promoting initiatives aimed at fostering respect for human rights.

We identify human rights risks through interviews with internal stakeholders and external experts, and assess their importance based on two criteria—severity and likelihood of occurrence. As a result, we identified occupational health and safety, human rights violations in the supply chain, privacy violations, and discrimination as significant human rights risks.

In FY2024, we selected privacy violations and discrimination from among the identified significant human rights risks, and worked to prevent and mitigate these risks by conducting internal environment inspections, promoting human rights awareness (e-learning), and providing compliance training, among other initiatives, while also pursuing such efforts throughout the supply chain.

● **Human Rights Initiatives in the Supply Chain**

We established the Toho Gas Group CSR Procurement Guidelines based on the Toho Gas Group CSR Procurement Policy to promote efforts to respect human rights together with our business partners. In FY2024, we conducted questionnaire surveys of our major business partners to check the status of initiatives focused on respect for human rights, such as prohibition of forced labor, child labor, and discrimination. No business partners were identified as posing significant human rights risks based on the survey results.



Toho Gas Group CSR Procurement Guidelines

For details, please visit our website.

<https://www.tohogas.co.jp/lang/en/approach/eco/social/sce/>

Overview of Initiatives



Details of Human Rights Due Diligence

- A

Assessment of human rights risk
 - Identify and assess negative human rights impacts of business activities
 - Identify significant human rights risks
- B

Prevention and remediation
 - Inspect human rights risks and implement measures
 - Provide training on business and human rights, LGBTQ, and compliance
- C

Monitoring
 - Conduct employee questionnaire surveys
 - Conduct business partner questionnaire surveys
- D

Public information disclosure
 - Disclose information in Integrated Reports and on our websites

● Consultation Service

We established the Compliance Consultation Service both internally and outside the Company at a lawyer's office to allow direct consultation of issues including human rights in person, by email, or by phone. This service is available not only to Group employees, including dispatched staff, but also to retired employees and business partners as well.

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Messages from the Outside Directors

Expectations for Medium-Term Management Plan 2025–2027

The strengths of the Toho Gas Group are a track record of fulfilling its responsibility to provide stable energy supplies for over 100 years and the trust it has earned from stakeholders. As a gas company, the Group has amassed knowledge and refined technologies with a sense of mission focused on serving local communities. Over the past decade, the Toho Gas Group has implemented structural changes as part of its efforts to transform its business in response to the deregulation of the electricity and gas industries. The number of customers in the electric power business is growing year by year.

In response to this trend, the Company's newly announced Medium-Term Management Plan 2025–2027 conveys its sense of mission and desire to contribute to society as a comprehensive energy company. While promoting gas business advances and higher efficiency, we will continue proactively investing resources in the electric power business and overseas operations with a focus on profitability. In this way, Toho Gas will demonstrate its determination to enhance competitiveness and transform the Company into a driving force for next-generation growth, which I find very encouraging.

Looking back on the past 10 years of transformations, Toho Gas Group employees have taken on new challenges and gained a sense of fulfillment from on-site work, further strengthening their desire to take on social issues. There is an increasing number of young employees who are studying with the aim of working overseas in the future. I hope the Company further strengthens the mechanisms linking human resource strategies leveraging employee aspirations with business strategies during the Medium-Term Management Plan period.

Among business strategies, the achievement of carbon neutrality presents a particularly daunting challenge. Under the Medium-Term Management Plan, this challenge is positioned as the Toho Gas Group's mission, and we are committed to responsibly accelerating efforts toward this end. As an energy company, it is our mission to contribute to the future of humanity, and we hope you will continue to have high expectations for the Toho Gas Group as we move forward and take on these difficult challenges.



We will proactively make proposals enabling employees to continue working with enthusiasm regardless of gender or position.

Michiyo Hamada
Outside Director

The Role of Outside Directors in Enhancing Toho Gas Group Corporate Value

Outside directors join the Board of Directors as trustees appointed by shareholders and are responsible for supervising the execution of duties by the representative director and other members of the senior management team. Having been involved in research and education related to corporate law for many years, I will fulfill my role as an outside director while maintaining an awareness of these principles.

The authority granted to the representative director of a company is enormous, and in practice, its exercise involves a considerable degree of discretion in exercising those powers. Outside directors and Audit & Supervisory Board Members must evaluate, from an independent and objective standpoint, whether the representative director and other senior management team members are exercising this discretion appropriately and legally, and whether they are achieving steady progress toward enhancing the Company's long-term corporate value. Furthermore, without appropriate proposals in response to these issues, we are unlikely to achieve sound corporate development.

As an outside director of an energy company, I intend to closely monitor investment plans for renewable energy and energy-saving technologies, as well as responses to climate change and the formulation and progress of decarbonization roadmaps. As a specialist in corporate law, I will also offer useful opinions on matters such as legal compliance, the implementation of M&As, and alliance strategies for new businesses. Furthermore, my wish is that the Toho Gas Group become an organization where women and men work together to raise healthy children, with each employee able to fully utilize their abilities for the benefit of the Company and society. We will proactively make proposals enabling employees to continue working with enthusiasm regardless of gender or position.

We are very encouraged by the growing number of investors who are making investment decisions based on non-financial information such as ESG. Since its founding, the Toho Gas Group has emphasized that coexistence and mutual prosperity of customers, shareholders, and employees are essential as it strives to contribute to society. As an outside director, I sincerely hope that our long-term shareholders will continue to support these values.

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Messages from the Outside Directors

Expectations for Medium-Term Management Plan 2025–2027

The Toho Gas Group announced its Group Vision in 2022 and formulated Medium-Term Management Plan 2022–2025 (previous plan) as the first step toward realizing that vision. Accordingly, we have steadily promoted efforts focused on the four themes of promoting carbon neutrality, evolving as an energy operator, creating diverse value, and contributing to the SDGs. As the second step toward realizing the Group's vision for the mid-2030s, we launched Medium-Term Management Plan 2025–2027 (new plan).

Under the new plan, in light of experiences gained in the first step, and amid changes in the Toho Gas Group's business environment, to achieve the sustainable enhancement of corporate value, we must accelerate the transformation of our business structure, and the plan sets forth specific numerical plans for management indicators, as well as financial, business, and human resource strategies. Additionally, each individual plan clearly states what to do, how to proceed, and what results to achieve based on specific targets, making each plan extremely easy to understand. Furthermore, action plans associated with business strategies promoted in the first step have been organized into indicators, items, and target values as materiality, resulting in a very comprehensive plan.

I think it is extremely commendable that in the new plan, the Toho Gas Group has formulated an excellent means of helping investors and employees understand the overall vision of what the Company aims to become and how it plans to achieve this vision going forward. The strength of the Toho Gas Group lies in the fact that this management foundation has been passed down from generation to generation. All that remains is for all employees to work together and achieve the targets set out in the plan. I expect each and every employee to be fully aware of their role and fully leverage their capabilities. As an outside director, I will leverage my own experience and knowledge and contribute to Toho Gas Group growth.



We will engage in ongoing discussions to ensure that activities aimed at achieving the Company's targets are carried out efficiently.

Taku Oshima

Outside Director

The Role of Outside Directors in Enhancing Toho Gas Group Corporate Value

The Toho Gas Group's management structure consists of executive officers who execute business operations, a Board of Directors that oversees the execution of business operations, and Audit & Supervisory Board Members who audit the status of management. Our role as outside directors is to utilize our respective expertise and experience to support the Company's sustainable growth based on sound management policies. In my case, I want to contribute in any way I can to promoting technological developments and improvement activities, drawing on the knowledge I have cultivated as an engineer and my management experience as president and chairman of a company.

As mentioned above, the Toho Gas Group has set four themes for realizing the Group Vision in the mid-2030s and has been making efforts to forge a path to new growth by shifting management resources from core businesses to strategic businesses. Now, in the second step—the new plan—specific measures and target values are outlined for each strategy, making for an extremely comprehensive plan.

To ensure their efficacy, it is important that these plans are incorporated into the activities of each employee, and I hope to see everyone in the Company work together to achieve this. In particular, we are focusing on the development of carbon-neutral technologies that will contribute to future energy demand. The 7th Strategic Energy Plan was approved by the Cabinet of Japan in February 2025, and decarbonization efforts in countries throughout the world are evolving year by year. At this stage, we are still in the technical demonstration phase, but my hope is for remaining issues to be overcome one by one to establish technologies that will lead to future applications.

Going forward, at Board of Directors' meetings, we will accurately monitor the progress of these important issues and engage in ongoing discussions to ensure that activities aimed at achieving the Company's targets are carried out efficiently.

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Messages from the Outside Directors

Expectations for Medium-Term Management Plan 2025–2027

The Toho Gas Group Vision is to become a reliable energy operator in the region, and the first step in this direction—Medium-Term Management Plan 2022–2025—shifted management resources from the core city gas and LPG businesses to strategic businesses such as electricity, overseas operations, and energy services, achieving steady growth as an energy provider. The business environment surrounding the Toho Gas Group is changing rapidly and becoming increasingly complex, with conditions remaining uncertain due to protracted conflicts between Russia and Ukraine and in the Middle East, tariff measures, and rising materials prices. Given this environment, we recognize that in the second step—Medium-Term Management Plan 2025–2027—we must further improve current profit levels while also preparing the way for the creation of new pillars of growth. To ensure a safe, secure, stable, and affordable energy supply, we must strengthen LNG procurement capabilities, optimize our power supply portfolio, and reduce risks while further accelerating our participation in the power generation business. Carbon neutrality is also a pressing need for businesses in this area. I look forward to seeing steady progress toward the establishment of domestic and international supply chains for e-methane and hydrogen, the development of renewable energy, and the securing of coordination capabilities, leading to the achievement of carbon neutrality by 2050.

The strengths of the Toho Gas Group are its ability to generate stable cash flows from core businesses, its ability to meet the diverse needs of local communities, its many points of contact with customers through which it can ascertain their concerns, and its ability to create diverse value and expand business domains through proposal-based sales. To leverage these strengths and take on new challenges, the Company must utilize existing assets as well as collaborate with start-ups through open innovation activities and promote new urban development that will benefit future generations, and I am extremely enthusiastic about these activities. Continuing to take on challenges



We will strive to foster an organizational culture that believes in and supports its members and continues to take on challenges in areas outside the scope of existing business.

Isao Nakanishi

Outside Director

and contributing to a sustainable society is what makes the Toho Gas Group great, and I believe this is the value we can provide in this regard. I will continue making every effort to help create a bright and happy future.

The Role of Outside Directors in Enhancing Toho Gas Group Corporate Value

My career began in the technical department of an automobile company, where I was involved in product planning and vehicle testing. I then spent many years working in new business development, promoting projects for a wide range of customers in the energy, agri-bio, marine, aerospace, and healthcare fields. I also have experience in promoting business from a customer-oriented approach.

I have taken on a variety of challenges and experienced many failures, and I want to share the many lessons learned from those experiences. In these uncertain times, when there seems to be no right answers, I will do my utmost to foster an organizational culture where we believe in and support each other, say “thank you” to each other, and continue to challenge ourselves in fields beyond the scope of existing business. The Toho Gas Group will continue to prioritize safety, security, and stable supplies so that customers can use energy with peace of mind. In the core city gas and LPG businesses, we will strive to improve efficiency and profitability, thereby enhancing the stability of our revenue base. Furthermore, to make these businesses the driving force behind profit growth for the next generation, we will work to expand the scale of strategic businesses, including the electricity business, overseas business, and community-based value creation business, and enhance competitiveness to increase profit levels.

I will continue contributing to Toho Gas Group management, leveraging my experience and knowledge to the best of my ability to realize a sustainable and bright future.

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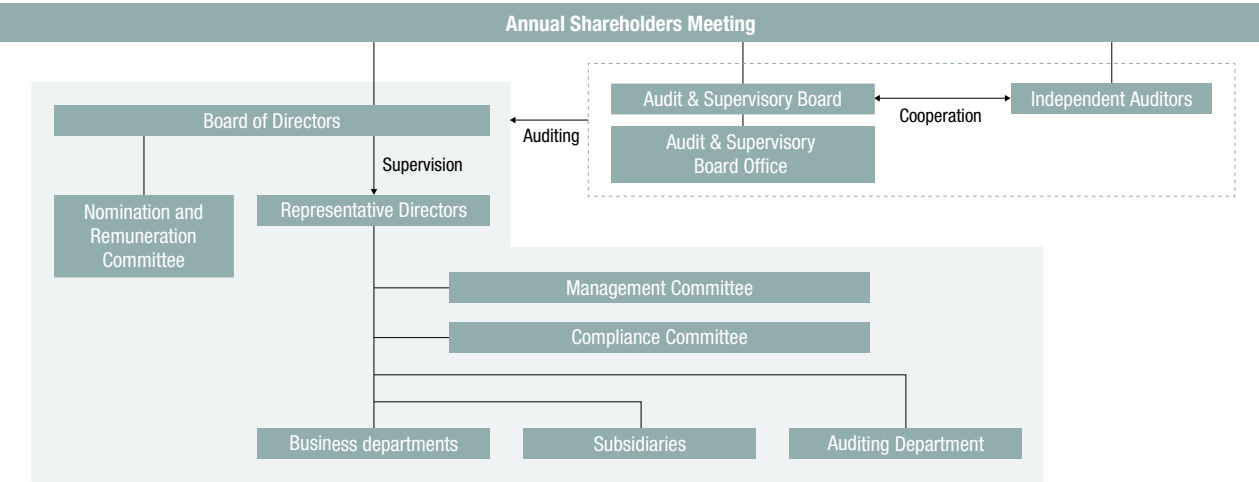
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Corporate Governance

Basic Concept

In accordance with the Toho Gas Group corporate mission, we are committed to the development of a sustainable society by providing a stable supply of environmentally superior energy and the creation of new value even while meeting the demands of a changing society through challenges such as decarbonization, digitalization, value diversification, and other issues. Thus, we continue to strengthen our corporate governance, thereby ensuring that we remain a corporate group that has earned the trust of our stakeholders.

Corporate Governance Organizational Chart



Overview of Corporate Governance Structure

Number of Directors (Outside Directors)	9 (3)
Number of Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	5 (3)
Number of Board of Directors' meetings (FY2024)	12
Number of Audit & Supervisory Board meetings (FY2024)	12
Term of office of Directors	1 year

Board of Directors and Management Committee

The Board of Directors comprises nine Directors, including three Outside Directors. In accordance with Board of Directors regulations, the Board of Directors meets every month to make decisions on important matters concerning the Group while supervising the execution of duties by the Directors and Executive Officers.

Board of Directors

Position	Name	Attendance (FY2024)	
		Board of Directors' meetings	Attendance rate
Representative Director, Chairman	Yoshiro Tominari	12/12	100%
Representative Director, President	Nobuyuki Masuda	12/12	100%
Representative Director, Executive Vice President	Hidetoshi Kimura	12/12	100%
Director, Senior Managing Executive Officer	Hidetaka Takeuchi	2/2 ^{*1}	100%
Director, Senior Managing Executive Officer	Satoshi Yamazaki	12/12	100%
Director, Senior Managing Executive Officer	Shinsuke Kagami	12/12	100%
Director, Managing Executive Officer	Katsuhiko Kozawa	10/10 ^{*2}	100%
Outside Director	Tetsuo Hattori	2/2 ^{*1}	100%
Outside Director	Michiyo Hamada	12/12	100%
Outside Director	Taku Oshima	12/12	100%
Outside Director	Isao Nakanishi	10/10 ^{*2}	100%

^{*1} Retired as Director at the 153rd Annual Shareholders Meeting held on June 25, 2024
^{*2} Appointed as Director at the 153rd Annual Shareholders Meeting held on June 25, 2024

The Company has adopted the Executive Officer System to strengthen the function of executive operations and clarify responsibilities, and has established a Management Committee to deliberate on important management issues such as important policy measures of each department, in accordance with the basic policy set by the Board of Directors, and to regularly manage the progress of these measures. Various committees chaired by the President and executive officers identify cross-departmental issues and manage the progress of various activities, and the results are submitted to the Management Committee.

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Audit & Supervisory Board

The Audit & Supervisory Board comprises five Audit & Supervisory Board Members, including three Outside Audit & Supervisory Board Members. The Audit & Supervisory Board Members audit the execution of duties by Directors by attending important meetings including Board of Directors' meetings, reviewing important reports, and conducting business site audits. The members also attend monthly Audit & Supervisory Board meetings to share information.

An Audit & Supervisory Board Office has been established and is staffed by full-time employees to assist Audit & Supervisory Board Members in the execution of their duties.

Audit & Supervisory Board Members

Position	Name	Attendance (FY2024)			
		Board of Directors' meetings	Attendance rate	Audit & Supervisory Board meetings	Attendance rate
Full-time Audit & Supervisory Board Member	Mitsuhiro Kodama	2/2*1	100%	2/2*1	100%
Full-time Audit & Supervisory Board Member	Hidetaka Takeuchi	10/10*2	100%	10/10*2	100%
Full-time Audit & Supervisory Board Member	Hiroaki Kato	12/12	100%	12/12	100%
Outside Audit & Supervisory Board Member	Norikazu Koyama	12/12	100%	12/12	100%
Outside Audit & Supervisory Board Member	Keiko Ikeda	12/12	100%	12/12	100%
Outside Audit & Supervisory Board Member	Akihiko Nakamura	12/12	100%	12/12	100%

*1 Resigned as Audit & Supervisory Board Member at the 153rd Annual Shareholders Meeting held on June 25, 2024

*2 Appointed as Audit & Supervisory Board Member at the 153rd Annual Shareholders Meeting held on June 25, 2024. Attended Board of Directors' meetings in April and May 2024 as a Director

Outside Directors and Outside Audit & Supervisory Board Members

Outside Directors and Outside Audit & Supervisory Board Members are appointed to strengthen the supervisory and auditing functions of the Company and ensure fair and transparent management. It has been determined that there are no special interests between the Company and the three Outside

Directors and three Outside Audit & Supervisory Board Members and no risk of a conflict of interest with general shareholders. As such, the Company has designated them as independent officers as defined by the securities exchange. We believe that our system ensures objectivity and neutrality in the supervision of management through the supervisory functions of the Outside Directors and the auditing by Audit & Supervisory Board Members including Outside Audit & Supervisory Board Members.

Outside Directors and Outside Audit & Supervisory Board Members (FY2024)

Position	Name	Reason for selection
Outside Director	Michiyo Hamada	She will be able to provide valuable opinions on management in general based upon her deep insight and abundant experience as a corporate legal scholar and member of the Japan Fair Trade Commission.
	Taku Oshima	He will be able to provide valuable opinions on management in general based upon his deep insight and abundant experience as a corporate manager.
	Isao Nakanishi	He will be able to provide valuable opinions on management in general based upon his deep insight and abundant experience as a corporate manager, having held various positions at the Toyota Motor Corporation, including General Manager of the New Business Planning Department. He currently serves as Toyota's Chief Officer of the Business Development Group.
Outside Audit & Supervisory Board Member	Norikazu Koyama	He will be able to provide valuable opinions on management in general based upon his deep insight and abundant experience in police administrative agencies.
	Keiko Ikeda	She will be able to provide valuable opinions on management in general with her deep insight based upon her specialized knowledge as a lawyer and abundant experience in legal affairs.
	Akihiko Nakamura	He will be able to provide valuable opinions on management in general based upon his deep insight and abundant experience as a corporate manager.

Evaluation of the Effectiveness of the Board of Directors

Each year, we evaluate the effectiveness of the Board of Directors by surveying and interviewing all Directors and Audit & Supervisory Board Members based on entity size and composition, meeting management, roles and responsibilities, and information sharing and support systems. Based on the feedback received from the surveys, such as the need to provide opportunities to share information, we are making improvements to strengthen information sharing and on-site inspections to support appropriate discussions and decision-

making. Going forward, we will continue to make improvements to further enhance the effectiveness of the Board of Directors.

Director Remuneration

Director remuneration is based on the roles and responsibilities of the Directors as well as corporate performance, and it is set at an appropriate amount taking into account compensation levels of employees and compensation levels at other companies.

Director remuneration consists of fixed remuneration (monetary remuneration), performance-linked remuneration (monetary remuneration), and transfer-restricted stock-based remuneration (non-monetary remuneration), and the payment ratio is set at 6:3:1, respectively, as a guideline. Outside Directors receive only fixed remuneration. Furthermore, in July 2025, the policy regarding remuneration payment ratios for Directors (excluding Outside Directors) was revised to approximately 60% fixed remuneration, 20–25% performance-linked remuneration, and 15–20% transfer-restricted stock-based remuneration.

Fixed remuneration and performance-linked remuneration are set by resolution of the Board of Directors in consultation with the Nomination and Remuneration Committee, which consists of a majority of Outside Directors, within the range of remuneration determined at the Annual Shareholders Meeting. Performance-linked remuneration is set based on targets from Medium-Term Management Plan 2022–2025 (previous plan) and includes financial metrics such as consolidated ordinary income and consolidated ROA, and non-financial metrics (ESG indicators) such as contributions to CO₂ reduction. The level of achievement for each year is reflected in the remuneration. Additionally, in FY2026, we will change the basis for calculating items (consolidated ordinary income, consolidated ROE, and ESG indicators) targeted under Medium-Term Management Plan 2025–2027 (new plan).

Transfer-restricted stock-based remuneration aims to further promote shared value with stockholders and enhance the motivation of Directors to contribute to the Company's medium-to long-term value growth. Transfer-restricted stock-based remuneration is set by resolution of the Board of Directors in consultation with the Nomination and Remuneration Committee, within the range of compensation amount and number of shares in a framework that is separate from the aforementioned range of remuneration determined at the Annual Shareholders Meeting.

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Director Remuneration Composition

	Fixed remuneration (monetary remuneration)	Performance-linked remuneration (monetary remuneration)	Transfer-restricted stock-based remuneration (non-monetary remuneration)
Internal Director	○	○	○
Outside Director	○	—	—

Amount of Remuneration, etc., for Directors and Audit & Supervisory Board Members in the 154th Term (FY2024)*1

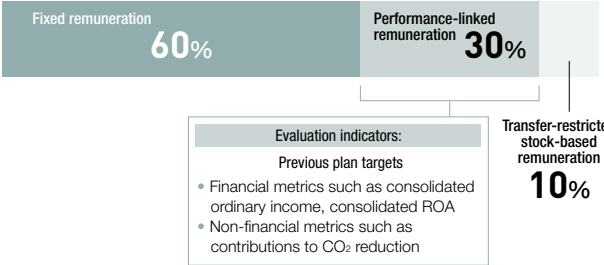
Position	Total remuneration (million yen)	Total remuneration by type (million yen)			Number of applicable officers
		Fixed remuneration	Performance-linked remuneration*2	Transfer-restricted stock-based remuneration*3	
Directors (excluding Outside Directors)	270	146	98	25	7
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	46	46	—	—	3
Outside Directors	29	29	—	—	4
Outside Audit & Supervisory Board Members	29	29	—	—	3

*1 Includes remuneration and other payments for two Directors who retired, and one Audit & Supervisory Board Member who stepped down, at the 153rd Annual Shareholders Meeting held on June 25, 2024

*2 Performance-linked remuneration is provided to Directors (excluding Outside Directors) and calculated on the basis of targets set in the previous plan (consolidated ordinary income, consolidated ROA, and ESG indicators), with the level of achievement in the previous fiscal year reflected in the amount of remuneration. Furthermore, consolidated ordinary income in the previous fiscal year was ¥40.7 billion, ROA was 3.8%, and ESG indicators reflected the status of contributions to CO₂ reductions and other environmental targets. Additionally, from FY2026 onwards, we plan to change the basis for calculating the items targeted in the new plan (consolidated ordinary income, consolidated ROE, and ESG indicators).

*3 To further promote shared value with stockholders and enhance the motivation of Directors to contribute to the medium- to long-term enhancement of corporate value, restricted stock is allocated as non-monetary remuneration to Directors (excluding Outside Directors). Furthermore, the restricted transfer period shall be from the date of issuance of the restricted stock to the date on which the Director or Executive Officer retires from any position at the Company.

Internal Director Remuneration Ratio (FY2024 Reference)



● Selection and Dismissal of Senior Management and Nomination of Directors and Audit & Supervisory Board Members

The selection of senior management and the nomination of Directors and Audit & Supervisory Board Members are determined by resolution of the Board of Directors upon deliberation by the Nomination and Remuneration Committee, which consists of a majority of Outside Directors, comprehensively taking into account experience, insight, and personality as well as the abilities required for the position, such as the ability to view and understand overall management and the ability to identify essential issues and risks.

The dismissal of senior management is determined by resolution of the Board of Directors upon deliberation by the Nomination and Remuneration Committee. Judgments are based on comprehensive consideration of individual performance of duties (violation of laws and regulations, dereliction of duties, and other reasonable grounds for dismissal) and the Company's business status.

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Basic Concept

The Toho Gas Group's Board of Directors resolved to establish a system (internal control system) to ensure the appropriateness and effectiveness of business operations, and based on this resolution, we strive to strengthen risk management and ensure thorough compliance.

We review the internal control system as necessary based on changes in the business environment and other factors and confirm the status of its implementation at a Board of Directors' meeting each fiscal year. Details of the resolution and an outline of the status of its implementation over the past fiscal year are disclosed in our "Business Report."

Resolution of the Board of Directors on the Internal Control System

1 Board of Directors system for execution of duties
(Conformity of Board of Directors' execution of duties with laws and ordinances, and its effectiveness)

2 Risk management system

3 Compliance system

4 Subsidiaries business management system

5 Audit system

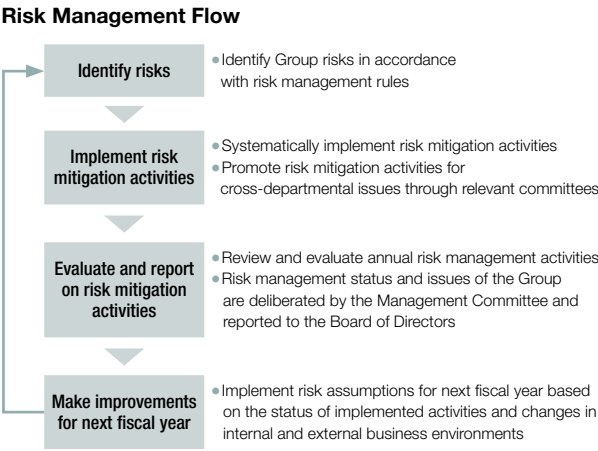
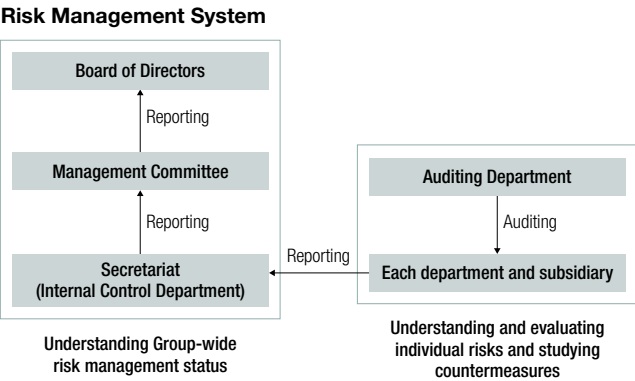
Risk Management

In accordance with our risk management rules, we work to systematically reduce risks by determining responsible departments for each risk, and the risk management status of the Group is deliberated each year by the Management Committee and reported to the Board of Directors. Climate change, human rights, and other ESG-related risks are included in risk management.

Committees promote risk mitigation measures for cross-departmental issues, and the progress and issues are then reported to the Management Committee. In addition, we are strengthening and improving measures for critical management issues, such as reviewing them from the perspective of risk management.



Internal control initiatives
For details, please visit our website.
https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_internal-control.pdf



Major Risks That Could Affect the Group's Business

- Fluctuations in demand
- Fluctuations in feedstock prices
- Fluctuations in electricity procurement prices
- Fluctuations in interest rates, etc.
- Changes in energy policies, laws and regulations, systems, etc.
- Natural disasters
- Disruptions in feedstock procurement
- Disruptions in production and supply
- Disruptions in information systems
- Problems with gas appliances and facilities
- Problems with the quality of products, services, etc.
- Delays in the delivery of goods, materials, equipment, etc.
- Changes in the investment environment
- Noncompliance issues
- Data leaks
- Outbreaks of infectious disease

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Compliance

Basic Concept

For the Toho Gas Group, compliance includes complying with laws and internal regulations, while acting in accordance with social norms and ethics and meeting the expectations of customers and society. By ensuring thorough implementation of the Corporate Code of Ethical Conduct and the Compliance Code of Conduct, each of our employees strives to live up to the trust of customers.

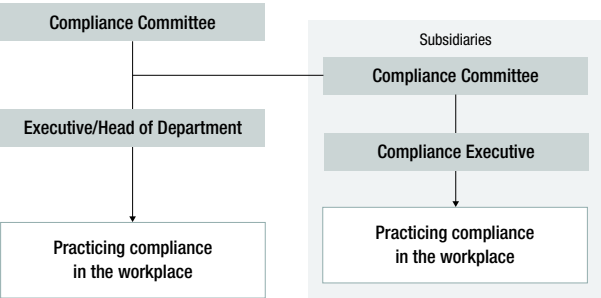
On March 4, 2024, the Company received a warning from the Japan Fair Trade Commission due to violation or potential violation of the Antimonopoly Act in relation to the supply of low voltage power, residential city gas. On July 26, 2024, the Minister of Economy, Trade and Industry issued an order to improve business practices under the Gas Business Act, and the Electricity and Gas Market Surveillance Commission issued guidance for improved business practices along with a warning. In response, we formulated a business improvement plan that was submitted to the Minister of Economy, Trade and Industry on August 23, 2024. We take this matter very seriously and are implementing measures to prevent a recurrence of such activity as part of our business improvement plan.

● Compliance Promotion System

The Compliance Committee, which is chaired by the President and includes executive officers and executive general managers, meets twice a year as a general rule to deliberate on compliance activity plans and results, and submits reports on such information to the Board of Directors. General managers at each workplace are responsible for promoting compliance, and managers and section managers are responsible for promoting compliance activities.

As part of our system to ensure continuous oversight, each subsidiary has an appointed compliance officer and an established compliance committee.

Compliance Promotion System



● Compliance Activities

● **Compliance Consultation Service (Whistleblowing Hotline)**

The Toho Gas Group has established the Compliance Consultation Service both internally and outside the Company at a lawyer's office to allow direct consultation in person, by email, or by phone for various issues such as legal compliance, maintaining a healthy work environment including harassment prevention, and fair business activities. This service is available not only to Group employees, including dispatched staff, but also to retired employees and business partners as well.

In accordance with rules for handling compliance consultation, we will promptly investigate the facts and circumstances regarding consultations we receive. If the investigation reveals a compliance violation, we will take the necessary corrective actions as well as measures to prevent a recurrence immediately. In addition, Compliance Consultation Service staff receive training to protect whistleblowers by ensuring their confidentiality and prevent retaliatory treatment.

All reported information is strictly managed, monitored by Audit & Supervisory Board Members, reported to management, and handled appropriately. In FY2024, there were 47 consultations.

● Protection of Personal Information

To ensure safety management measures and appropriate handling of personal information, we have established a personal information protection policy, personal information protection rules, and other internal regulations and manuals based on the Act on the Protection of Personal Information and various guidelines. As part of our framework to protect personal information, we established the Personal Information Protection Committee, which is chaired by the Personal Information Protection Manager, an executive officer appointed by the President, and includes protection supervisors responsible for customer, shareholder, and employee information. This committee deliberates on action plans, results, and other matters related to the protection of personal information. We conduct regular self-audits on personal information management at all Group workplaces, and we work to ensure the security of our information systems such as by restricting access to personal information and preventing unauthorized access from the internet.

Compliance policies
Compliance initiatives
For details, please visit our website.
https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_compliance.pdf

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Directors and Audit & Supervisory Board Members (As of June 30, 2025)



Nobuyuki Masuda
Representative Director,
Chairman

Apr. 1986 Joined the Company
Jun. 2008 General Manager of Engineering Dept.
Oct. 2009 General Manager of Production Planning Dept.
Jun. 2014 General Manager of Distribution Planning & Management Dept.
Jun. 2015 Executive Officer, General Manager of Distribution Planning & Management Dept.
Jun. 2017 Executive Officer, Executive General Manager of Distribution Division
Jun. 2018 Managing Executive Officer
Jun. 2019 Director, Managing Executive Officer
Jun. 2020 Director, Senior Managing Executive Officer
Jun. 2021 Representative Director, President
Apr. 2025 Representative Director, Chairman (current position)



Satoshi Yamazaki
Representative Director,
President

Apr. 1986 Joined the Company
Jun. 2010 General Manager of West District Headquarters
Jun. 2012 General Manager of Finance Dept.
Jun. 2016 General Manager of Corporate Planning Dept. (Kikaku-bu)
Apr. 2017 General Manager of Corporate Planning Dept. (Keieikikaku-bu)
Jun. 2017 Executive Officer, General Manager of Corporate Planning Dept. (Keieikikaku-bu)
Apr. 2019 Executive Officer, General Manager of Corporate Planning Dept. (Kikaku-bu)
Jun. 2020 Managing Executive Officer
Jun. 2021 Director, Managing Executive Officer
Apr. 2022 Director, Senior Managing Executive Officer
Apr. 2025 Representative Director, President (current position)



Shinsuke Kagami
Representative Director,
Executive Vice President

Apr. 1988 Joined the Company
Oct. 2009 General Manager of Engineering Dept.
Jun. 2014 General Manager of Production Planning Dept.
Jun. 2017 General Manager of Gas Resources Dept.
Jun. 2018 Executive Officer, General Manager of Gas Resources Dept.
Jun. 2020 Executive Officer, Executive General Manager of Product Division
Jun. 2021 Managing Executive Officer
Jun. 2023 Director, Managing Executive Officer
Apr. 2024 Director, Senior Managing Executive Officer
Apr. 2025 Representative Director, Executive Vice President (current position)



Katsuhiko Kozawa
Director,
Senior Managing Executive Officer

Apr. 1989 Joined the Company
Jun. 2016 General Manager of Finance Dept.
Jun. 2020 Executive Officer, General Manager of Finance Dept.
Apr. 2023 Managing Executive Officer
Jun. 2024 Director, Managing Executive Officer
Apr. 2025 Director, Senior Managing Executive Officer (current position)



Takeo Haigo
Director,
Senior Managing Executive Officer

Apr. 1989 Joined the Company
Jun. 2016 General Manager of Mikawa Headquarters
Jun. 2018 General Manager of Personnel Dept.
Jun. 2020 Executive Officer, General Manager of Personnel Dept.
Apr. 2023 Managing Executive Officer, President of TOHO GAS Information System Co., Ltd.
Apr. 2025 Senior Managing Executive Officer
Jun. 2025 Director, Senior Managing Executive Officer (current position)



Tsutomu Maeda
Director,
Senior Managing Executive Officer

Apr. 1991 Joined the Company
Jun. 2016 General Manager of City Energy Sales Dept.
Jun. 2020 Executive Officer, General Manager of Corporate Planning Dept.
Apr. 2023 Managing Executive Officer
Apr. 2025 Senior Managing Executive Officer
Jun. 2025 Director, Senior Managing Executive Officer (current position)



Michiyo Hamada
Outside Director

Apr. 1985 Professor, Nagoya University School of Law
Apr. 1999 Professor, Graduate School of Law at Nagoya University
Apr. 2008 Dean, Nagoya University Law School
Apr. 2009 Professor Emeritus, Nagoya University (current position), Member of the Japan Fair Trade Commission (retired in March 2014)
Jun. 2014 Outside Audit & Supervisory Board Member of Toho Gas
Jun. 2020 Outside Director of Toho Gas (current position)



Taku Oshima
Outside Director

Apr. 1980 Joined NGK Insulators, Ltd.
Jun. 2007 Vice President of NGK Insulators, Ltd.
Jun. 2011 Senior Vice President of NGK Insulators, Ltd.
Jun. 2014 President of NGK Insulators, Ltd.
Apr. 2021 Chairman of NGK Insulators, Ltd. (current position)
Jun. 2021 Outside Director of Toho Gas (current position)



Isao Nakanishi
Outside Director

Apr. 1992 Joined Toyota Motor Corporation
Jan. 2016 General Manager of Planning Dept. of New Business Planning Div. of Toyota Motor Corporation, Representative of F-Grid Miyagi Ohira Limited Liability Partnership (retired in April 2023)
Jan. 2018 General Manager of Energy Business Dept. of New Business Planning Div. of Toyota Motor Corporation
Nov. 2019 Project General Manager belonging to New Business Planning Div. of Toyota Motor Corporation
Jun. 2020 Representative of Toyota Green Energy Limited Liability Partnership (retired in March 2022)
Jan. 2021 General Manager of New Business Planning Div. of Toyota Motor Corporation
Apr. 2022 Chief Officer of Business Development Group and General Manager of New Business Planning Div. of Toyota Motor Corporation (current position)
Jun. 2024 Outside Director of Toho Gas (current position)

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Hidetaka Takeuchi
Audit &
Supervisory Board Member

Apr. 1984 Joined the Company
Jun. 2012 General Manager of East District Headquarters
Jun. 2014 General Manager of Home Systems & Appliance Sales Dept.
Jun. 2016 General Manager of General Affairs Dept.
May 2018 General Manager of General Affairs Dept., Director and President of Toho Gas Living Co., Ltd.
Jun. 2018 Executive Officer, Director and President of Toho Gas Living Co., Ltd.
Jun. 2021 Managing Executive Officer of the Company
Apr. 2023 Senior Managing Executive Officer
Jun. 2023 Director, Senior Managing Executive Officer
Apr. 2024 Director
Jun. 2024 Full-time Audit & Supervisory Board Member (current position)



Takashi Suzuki
Audit &
Supervisory Board Member

Apr. 1990 Joined the Company
Apr. 2018 General Manager of Business Development Dept.
Jun. 2020 General Manager of Internal Control Dept.
Apr. 2022 General Manager of Auditing Dept.
Apr. 2024 Project Leader, Finance Dept.
Jun. 2025 Audit & Supervisory Board Member (current position)

Officer Skills Matrix

The Company's Board of Directors consists of Internal Directors who are familiar with the operations of various departments and multiple Independent Outside Directors who have experience in various business sectors and industries and possess deep insight, and takes into consideration the agility of decision-making. Additionally, to ensure Directors and Audit & Supervisory Board Members have the skills necessary to contribute to the sustainable growth of the Company and medium- to long-term enhancement of corporate value, as well as to appropriately disclose the combination of skills possessed by each Director and Audit & Supervisory Board Member, we created a skills matrix that was disclosed upon resolution by the Board of Directors.

Name	Corporate management / Business strategy	Finance / Accounting	Legal / Risk management	Human resources / Labor / Human resource development	ESG	Sales / Marketing	Technology / Technological development / IT	Security / Disaster prevention / Stable supply	International perspective
Directors									
Nobuyuki Masuda	●				●	●	●	●	
Satoshi Yamazaki	●	●		●		●			●
Shinsuke Kagami	●					●	●	●	●
Katsuhiko Kozawa	●	●			●	●	●		
Takeo Haigo	●		●	●		●	●		
Tsutomu Maeda	●					●	●	●	●
Michiyo Hamada			●		●				●
Taku Oshima	●						●		●
Isao Nakanishi					●		●		●
Audit & Supervisory Board Members									
Hidetaka Takeuchi	●	●	●	●		●			
Takashi Suzuki	●	●	●						●
Norikazu Koyama			●	●	●				
Keiko Ikeda	●		●		●				
Akihiko Nakamura	●	●		●					



Norikazu Koyama
Outside Audit &
Supervisory Board Member

Apr. 1980 Joined National Police Agency
Aug. 2001 Chief, Tottori Prefectural Police Headquarters
Aug. 2003 Director of Salary and Welfare Division, Commissioner General's Secretariat, National Police Agency
Aug. 2005 Director, Community Safety Planning Division, Community Safety Bureau, National Police Agency
Feb. 2007 Secretariat, Japan Police Personnel Mutual Aid Association Headquarters
Aug. 2008 Chief, Aichi Prefectural Police Headquarters
Jan. 2010 Vice President of National Police Academy and Councilor of Commissioner General's Secretariat of National Police Agency (in charge of Criminal Affairs Bureau)
Jan. 2012 Director General of Chubu Regional Police Bureau
Apr. 2013 Director General of Kanto Regional Police Bureau
Sep. 2014 Councilor of Japan Police Personnel Cooperative
Dec. 2014 Senior Director of Japan Police Personnel Cooperative
Jun. 2017 Senior Director of Council for Public Policy, Outside Audit & Supervisory Board Member of Toho Gas (current position)
Jun. 2024 Director, JP Ikigai Shinko Zaidan (current position)



Keiko Ikeda
Outside Audit &
Supervisory Board Member

Apr. 1983 Registered Attorney
Aug. 1986 Established Ikeda Law Office (current Ikeda Law & Patent Office)
Jul. 2000 Registered Patent Attorney
Apr. 2017 Chairperson of Aichi Bar Association (retired in March 2018)
Apr. 2018 Chairperson of Chubu Federation of Bar Associations (retired in March 2019)
Jun. 2020 Outside Audit & Supervisory Board Member of Toho Gas (current position)



Akihiko Nakamura
Outside Audit &
Supervisory Board Member

Apr. 1982 Joined Tokai Bank, Ltd.
Jun. 2009 Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd., Executive Officer of Mitsubishi UFJ Financial Group, Inc. (retired in May 2010)
May 2012 Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd.
May 2015 Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc. (retired in May 2018)
May 2016 Senior Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Apr. 2018 Senior Managing Executive Officer of MUFG Bank, Ltd.
May 2018 Deputy President of MUFG Bank, Ltd.
Jun. 2018 Member of the Board of Directors, Deputy President of MUFG Bank, Ltd.
Jun. 2022 Senior Advisor of MUFG Bank, Ltd.
Jun. 2023 Outside Audit & Supervisory Board Member of Toho Gas (current position)
Apr. 2025 Advisor, MUFG Bank, Ltd. (current position)

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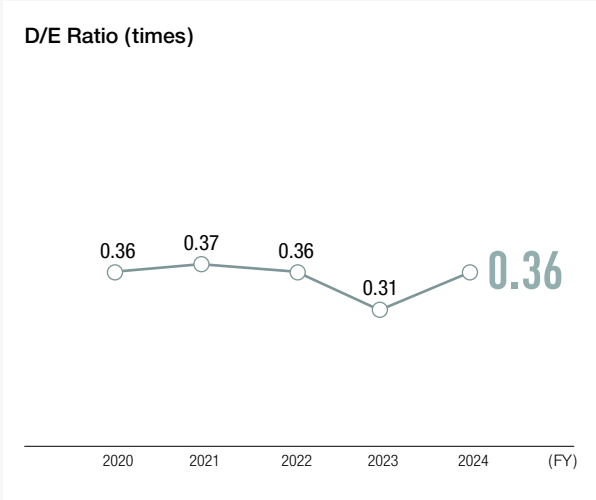
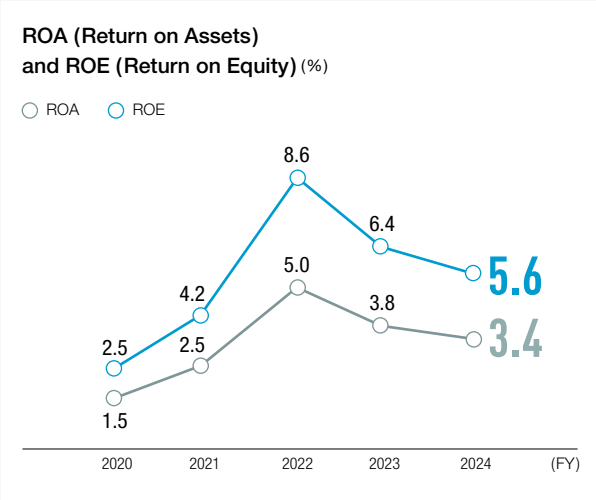
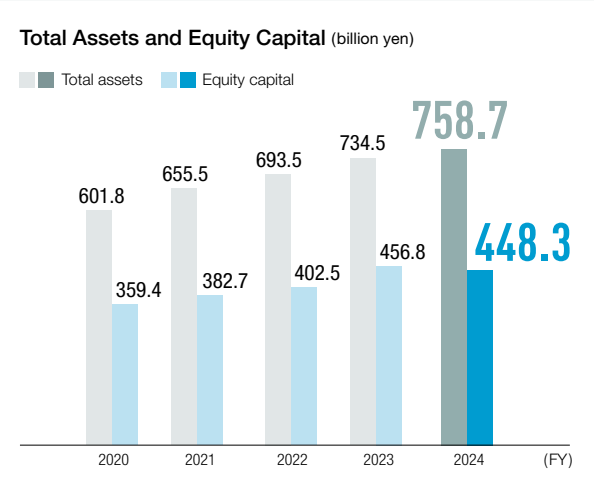
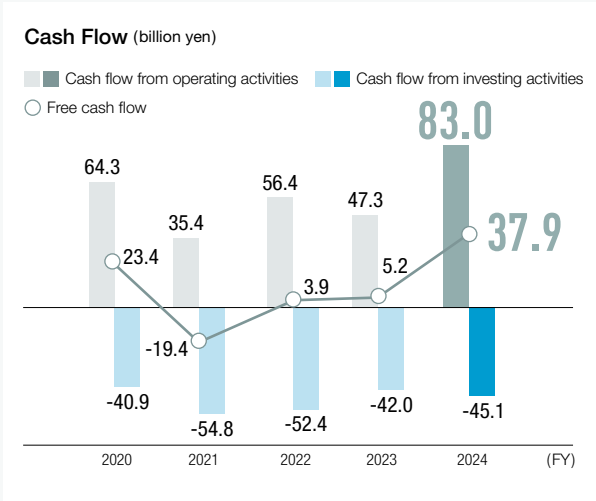
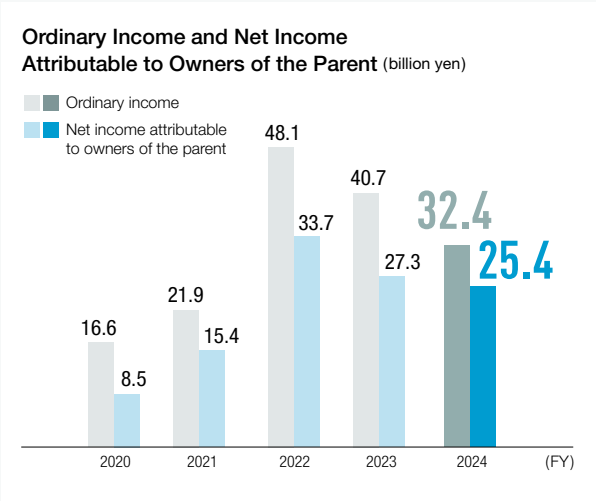
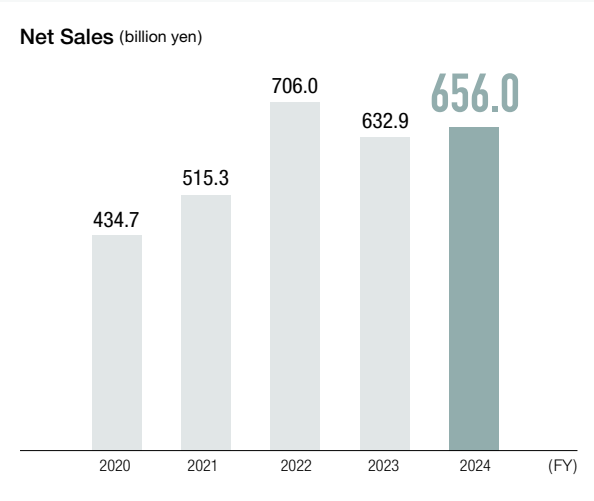
Compliance

Directors and Audit & Supervisory Board Members

Corporate Data

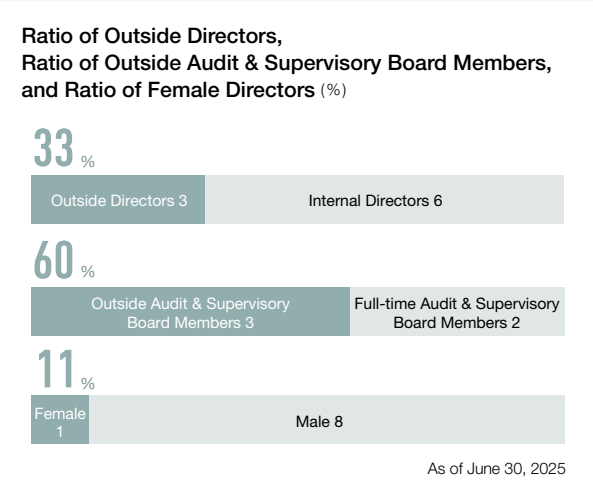
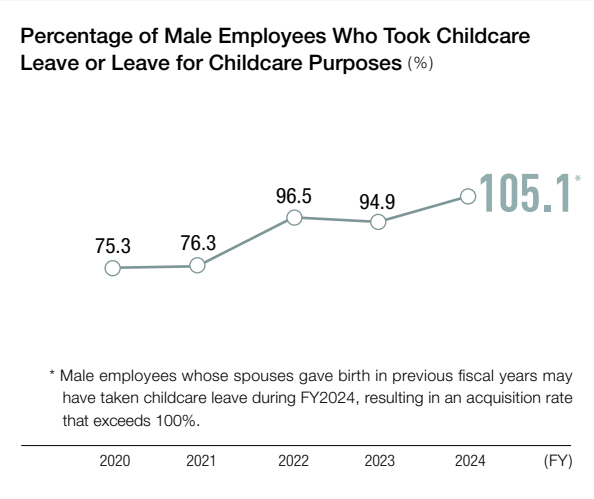
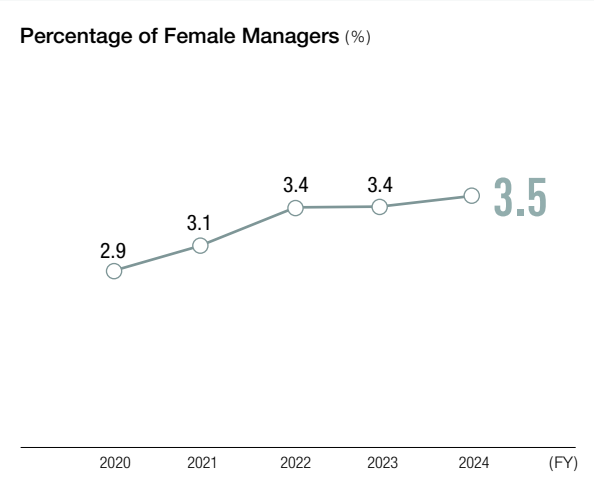
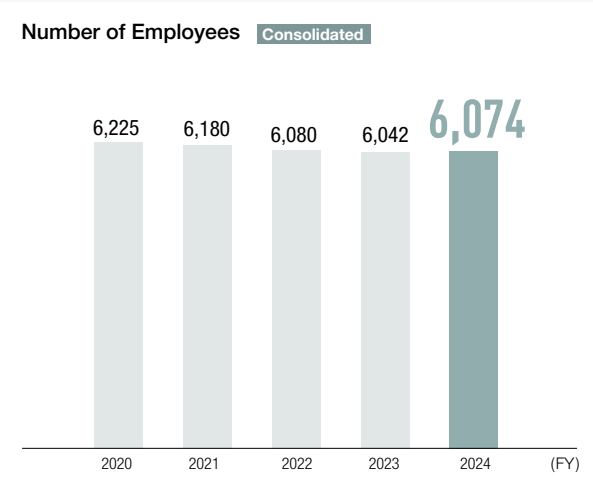
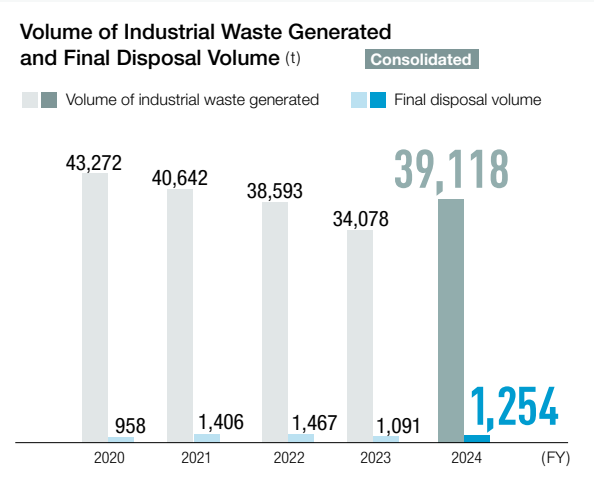
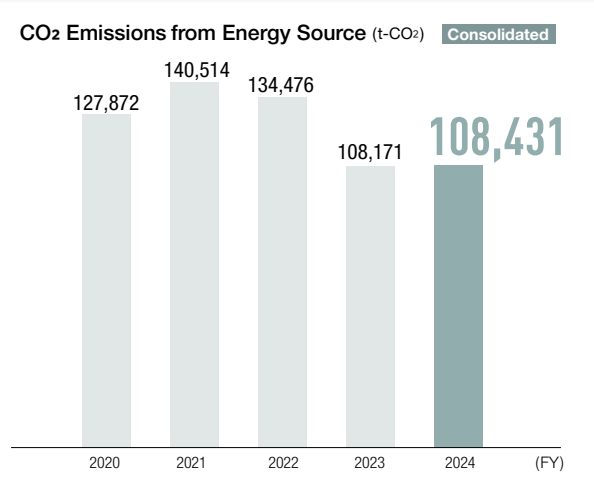
Financial and Non-Financial Highlights

Financial Information (Consolidated)



Financial and Non-Financial Highlights

Non-Financial Information



Main Consolidated Financial Data (10 Years)

	FY2015	FY2016	FY2017	FY2018	FY2019
Net sales (million yen)	479,870	390,433	428,868	461,199	485,623
Operating income (million yen)	60,725	23,188	23,984	17,831	21,351
Ordinary income (million yen)	61,132	24,490	25,208	21,485	24,763
Net income attributable to owners of the parent (million yen)	43,008	17,749	18,022	14,820	16,266
Net cash provided by operating activities (million yen)	114,923	37,264	57,047	32,615	68,376
Free cash flow (million yen)	72,727	(20,703)	13,702	(7,396)	25,426
Total assets (million yen)	555,217	532,931	541,087	550,599	564,756
Equity capital (million yen)	285,186	306,801	326,279	327,339	322,768
ROA (%)	7.8	3.3	3.4	2.7	2.9
ROE (%)	15.1	6.0	5.7	4.5	5.0
Total asset turnover (times)	0.86	0.73	0.79	0.84	0.86
Equity ratio (%)	51.4	57.6	60.3	59.5	57.2
Interest-bearing debt (million yen)	127,163	114,954	112,199	127,298	128,495
D/E ratio (times)	0.45	0.37	0.34	0.39	0.40
EPS (yen)	397.06	164.87	169.28	139.37	153.62
BPS (yen)	2,634.72	2,865.00	3,068.29	3,078.37	3,056.42
PER (times)	10.06	23.87	19.32	35.66	31.9
PBR (times)	1.52	1.37	1.07	1.61	1.60
Number of issued shares at the end of the term (excluding treasury stock) (thousand shares)	108,241	107,086	106,339	106,335	105,603
Dividend per share (yen)	50.0	50.0	52.5	55.0	55.0
Investments and loans (million yen)	40,101	49,298	39,629	34,610	33,566
Depreciation and amortization (million yen)	32,987	35,482	35,973	36,075	37,557

Notes: 1. Figures for the number of issued shares at the end of the term and dividend per share are on an individual basis.

2. Toho Gas consolidated its shares at the ratio of five shares to one share of common stock effective October 1, 2017. Accordingly, the dividend per share and the number of issued shares reflect the impact of said consolidation of shares.

3. The financial figures in this section are based on the securities report but have not been audited by an auditing firm or other auditing bodies.

4. Investments and loans only includes capital investment amounts up to FY2020.

Main Consolidated Financial Data(10 Years)

FY2020	FY2021	FY2022	FY2023	FY2024	
434,776	515,313	706,073	632,985	656,010	Net sales (million yen)
13,515	17,858	43,743	33,597	30,887	Operating income (million yen)
16,622	21,912	48,171	40,797	32,412	Ordinary income (million yen)
8,592	15,459	33,721	27,304	25,454	Net income attributable to owners of the parent (million yen)
64,397	35,436	56,414	47,376	83,096	Net cash provided by operating activities (million yen)
23,424	(19,439)	3,979	5,298	37,931	Free cash flow (million yen)
601,835	655,593	693,519	734,524	758,765	Total assets (million yen)
359,492	382,751	402,502	456,852	448,394	Equity capital (million yen)
1.5	2.5	5.0	3.8	3.4	ROA (%)
2.5	4.2	8.6	6.4	5.6	ROE (%)
0.72	0.79	1.02	0.86	0.86	Total asset turnover (times)
59.7	58.4	58.0	62.2	59.1	Equity ratio (%)
129,922	140,830	146,683	140,522	160,883	Interest-bearing debt (million yen)
0.36	0.37	0.36	0.31	0.36	D/E ratio (times)
81.37	146.66	320.80	259.71	251.78	EPS (yen)
3,404.33	3,641.75	3,828.97	4,345.14	4,594.40	BPS (yen)
83.94	18.58	7.68	13.34	16.43	PER (times)
2.01	0.75	0.64	0.80	0.90	PBR (times)
105,598	105,100	105,120	105,140	97,596	Number of issued shares at the end of the term (excluding treasury stock) (thousand shares)
55.0	57.5	60.0	70.0	80.0	Dividend per share (yen)
34,305	60,381	60,196	49,862	61,006	Investments and loans (million yen)
37,463	36,510	36,268	38,467	38,580	Depreciation and amortization (million yen)

ROA = Net income attributable to owners of the parent/Total assets
(average during the term) × 100

ROE = Net income attributable to owners of the parent/Equity capital
(average during the term) × 100

Total asset turnover = Net sales/Total assets (end of the term)

Equity ratio = Equity capital/Total assets (end of the term) × 100

D/E ratio = Interest-bearing debt outstanding/Equity capital (end of the term)

EPS = Net income attributable to owners of the parent related to common shares/Average
number of common shares during the term

BPS = Total net assets at the end of the term related to common shares/Number of
issued common shares at the end of the term

PER = Stock price at the end of the term/Net income per share

PBR = Stock price at the end of the term/Net assets per share

Evaluation and Commendation by External Organizations

Major ESG Assessments from External Organizations

FTSE4Good Index Series	Has been continuously selected as a constituent since 2022
FTSE Blossom Japan Index	Has been continuously selected as a constituent since 2022
FTSE Blossom Japan Sector Relative Index	Has been continuously selected as a constituent since 2022
MSCI Japan ESG Select Leaders Index ^{*1}	Has been continuously selected as a constituent since 2024
MSCI Japan Empowering Women Index (WIN) ^{*1}	Has been continuously selected as a constituent since 2017
Morningstar Japan ex-REIT Gender Diversity Tilt Index	Has been continuously selected as a constituent since 2023
S&P/JPX Carbon Efficient Index	Has been continuously selected as a constituent since 2018
SOMPO Sustainability Index	Has been continuously selected as a constituent since 2012

^{*1} MSCI ESG Indexes: THE INCLUSION OF TOHO GAS Co., Ltd. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF TOHO GAS Co., Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

CDP Climate Change 2024	Toho Gas received an A– rank evaluation (8 ranks from A to D–).
Ministry of Economy, Trade and Industry Certified Health & Productivity Management Outstanding Organization 2025 (White 500) ^{*2}	Certified in 2025 (5th time in total)
Ministry of Health, Labour and Welfare “Eruboshi” Certification for superior companies that promote women’s advancement	Certified since 2021
Aichi Prefecture’s “Aichi josei kagayaki company”	Certified since 2023
Recognized by the Ministry of Health, Labour and Welfare with Kurumin Mark certification as a company that supports childcare	Certified since 2018
Recognized by the Ministry of Health, Labour and Welfare with Platinum Kurumin Mark certification as a company that supports childcare	Certified since 2023
A Family-Friendly Company certified by Aichi Prefecture	Certified since 2004
Childcare Support Company in Nagoya City	Certified since 2008
Aichi Prefecture’s “Aichi Biodiversity Company Certification”	Certified since 2022
Recognized by the Ministry of Economy, Trade and Industry as a DX-Certified Business Operator	Certified since 2025
Energy Conservation Communication Ranking System city gas retailers FY2024	Received a full five-star rating
Energy Conservation Communication Ranking System electric power retailers FY2024	Received a full five-star rating

^{*2} Continuously certified as a Health & Productivity Management Outstanding Organization since 2020 Note: Toho Gas Co., Ltd. unless otherwise indicated



2025 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX



FTSE Blossom
Japan Index

2025 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



FTSE Blossom
Japan Sector
Relative Index



Major External Awards (FY2024)

Award name	Main sponsor	Awarded for	Recipient
Minister of Economy, Trade and Industry Prize, 8th Infrastructure Maintenance Awards	Co-sponsored by eight government ministries (Ministry of Land, Infrastructure, Transport and Tourism; Ministry of Internal Affairs and Communications; Ministry of Education, Culture, Sports, Science and Technology; Ministry of Health, Labour and Welfare; Ministry of Agriculture, Forestry and Fisheries; Ministry of Economy, Trade and Industry; Ministry of the Environment; Ministry of Defense)	Development of the STREAM method and related technologies, used for the trenchless installation of ductile cast iron gas pipes	Toho Gas Network Co., Ltd. Kubota ChemiX Co., Ltd. Toho Gas Techno Co., Ltd.
New Energy Foundation Chairman's Award in the Distributed New Energy Advanced Model Category at the FY2024 New Energy Awards	New Energy Foundation	Contribution to the local production and consumption of electricity utilizing the “Waketoku” residential storage battery virtual power plant (VPP) service	Toho Gas Co., Ltd.
2024 Cogeneration Award for Excellence	Advanced Cogeneration and Energy Utilization Center	Gas engine cogeneration system (CGS) upgrades at Chubu Centrair International Airport to improve disaster prevention and energy-saving performance	Centrair Energy Supply Co., Ltd. Central Japan International Airport Co., Ltd. Toho Gas Energy Engineering Co., Ltd.
FY2024 Operations Research Society of Japan's Implementation Award	The Operations Research Society of Japan	Verification of CO ₂ reduction and energy conservation efficacy of a smart energy system at Minato AQUUS, and efforts to improve the system's operation and efficiency through data analysis	Toho Gas Co., Ltd.

Major Subsidiary Information / Stock Information

Major Subsidiary Information (As of March 31, 2025)

Company name	Location	Business activities
Toho Gas Network Co., Ltd.	Atsuta-ku, Nagoya	General gas pipeline business, gas construction, etc.
Toho Gas Real Estate Development Co., Ltd.	Atsuta-ku, Nagoya	Leasing and management of real estate, management of sports facilities, etc.
Toho Liquefied Gas Co., Ltd.	Atsuta-ku, Nagoya	LPG business, sale of coke and petroleum products
Mizushima Gas Co., Ltd.	Kurashiki, Okayama Prefecture	Gas and LPG business for Kurashiki, Okayama
Toho Gas Energy Engineering Co., Ltd.	Showa-ku, Nagoya	Gas and electricity sales to commercial customers; design, construction, and maintenance of various plants and facilities; CNxP business
Toho Gas Life Solutions Co., Ltd.	Atsuta-ku, Nagoya	Sales of gas and electricity for residential customers; sales of gas and housing equipment; renovations; and sales of lifestyle-related products and services
Toho Gas Information System Co., Ltd.	Atsuta-ku, Nagoya	System development and management, data processing services
Toho Gas Customer Service Co., Ltd.	Tokai, Aichi Prefecture	Trustee business of reading gas meters and collecting charges in gas business
Toho Service Co., Ltd.	Atsuta-ku, Nagoya	Car sales, lease and maintenance, leasing of equipment, insurance agency, and travel agency
Toho Gas Techno Co., Ltd.	Naka-ku, Nagoya	Construction of gas pipes, paving and road repair Sales and installation of gas equipment, etc.
Toho Gas Safety Life Co., Ltd.	Showa-ku, Nagoya	Trustee business of gas equipment safety management, management of Toho Gas designated outlets and Toho Gas Kurashi Shop
Toho Gas Communications Co., Ltd.	Atsuta-ku, Nagoya	Call center operations; gas, electricity, and services billing; opening and closing of taps; repairs; and safety promotion
Toho Gas Australia Pty Ltd	Australia	Natural gas-related development and investment in Australia

Note: Toho Gas Group comprises 25 consolidated subsidiaries, including the 13 major subsidiaries mentioned above.

Stock Information (As of March 31, 2025)

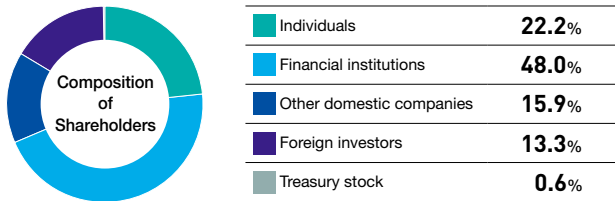
Basic Information

Securities code	9533
Fiscal year	April 1 to March 31 of the following year
Annual Shareholders Meeting	June every year
Stock exchange listing	Tokyo Stock Exchange Prime Market, Nagoya Stock Exchange Premier Market
Administrator of shareholders' register and special account management information	Mitsubishi UFJ Trust and Banking Corporation
Contact information	Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation; 1-1 Nikko-cho, Fuchu-shi, Tokyo, Japan
Number of shares per unit	100 shares
Total number of shares authorized to be issued	160,000,000
Total number of shares issued	98,220,085 shares (including 624,242 treasury shares)
Number of shareholders	26,197 shareholders

Major Shareholders

Name of shareholder	Number of shares held (thousand)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust a/c)	11,997	12.29
Nippon Life Insurance Company	5,506	5.64
Custody Bank of Japan, Ltd. (Trust a/c)	3,409	3.49
Sumitomo Mitsui Banking Corporation	3,304	3.38
MUFG Bank, Ltd.	2,872	2.94
Toho Gas Group Employees Shareholding Association	2,108	2.16
Meiji Yasuda Life Insurance Company	1,841	1.88
The Dai-ichi Life Insurance Company, Limited	1,697	1.73
Toho Gas Kyoei Shareholding Association	1,610	1.65
Kubota Corporation	1,439	1.47

Note: The shareholding ratio is calculated after deducting treasury stock (624,242 shares).



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2025–2027

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Business Strategy

Human Resource Strategy

Foundation Supporting
the Realization of Our Vision

Environment

Social

Governance

Corporate Data



TOHO GAS CO.,LTD.

19-18, Sakurada-cho, Atsuta-ku, Nagoya, Aichi 456-8511, Japan
<https://www.tohogas.co.jp/lang/en/>



Easy-to-read
universal design fonts
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