

Philosophical Framework



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

Life and
business partner
beyond the
boundary of
energy services

Corporate group
that leads
the realization of
a sustainable society

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.



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.



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.



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.

CONTENTS

Introduction

Toho Gas Group's Ideal Positioning

- 01 Philosophical Framework
- 02 Toho Gas Group Vision
- 03 Our Belief and Corporate Slogan
- 04 Contents and Editorial Policy
- 05 Top Message



CHAPTER 01

About Toho Gas Group

- 10 History of Toho Gas Group
—A History of Challenges and Creation
- 11 At a Glance: Numbers, Regional Presence, and Businesses
- 14 Company Overview

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.

CHAPTER 02

Toward the Realization of Our Ideal Positioning

- 16 Value Creation Process
- 17 Materiality

Medium-Term Management Plan 2025–2027

- 19 Review of the Previous Medium-Term Management Plan
- 20 Business Environment and Medium-Term Management Plan 2025–2027 Policy

Financial Strategy

- 21 Quantitative Targets
- 23 Message from the Executive in Charge of Finance

Business Strategy

- 25 Stable Cash Flow Generation from Core Businesses
- 31 Cultivating Drivers of Growth
- 35 Deeper Cultivation of Region-Based Businesses
- 39 Mission and Responsibility Toward Carbon Neutrality
- 43 Disclosure Based on TCFD Recommendations

Human Resource Strategy

- 45 Linking Business and Human Resource Strategies
- 51 Roundtable Discussion: Creating an Environment That Encourages Employees to Take on Challenges

Forward-Looking Statements

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

CHAPTER 03

Foundation Supporting the Realization of Our Vision

- 56 Toho Gas Group Sustainability Policy
- 57 Environment
- 63 Social
- 67 Governance

Data Section

Corporate Data

- 77 Financial and Non-Financial Highlights
- 79 Main Consolidated Financial Data
- 81 Evaluation and Commendation by External Organizations
- 82 Major Subsidiary Information / Stock Information

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Website for More Information

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

Sustainability Initiatives

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



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



TOP MESSAGE

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

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.