

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

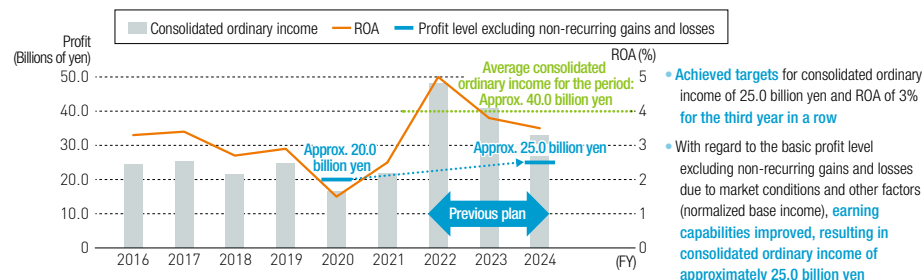
- **Signed partnership agreements with 19 local governments in the three Tokai prefectures to promote initiatives to enhance regional sustainability**, including decarbonization and disaster prevention
- **Minato AQUUS signed an agreement with the city of Nagoya and Nagoya University regarding the promotion 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

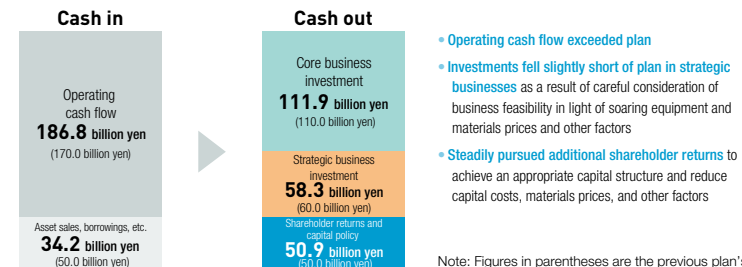
Issue Still in the process of creating new earning pillars to drive profit growth

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

Performance Highlights



Cash Allocation [Cumulative total from FY2022–FY2024]



Note: Figures in parentheses are the previous plan's targets.

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.”

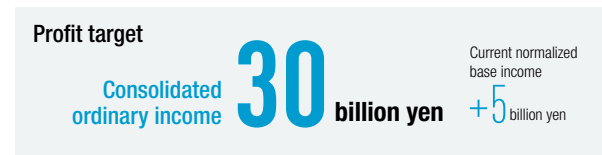
Business structure transformation details:

- 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.

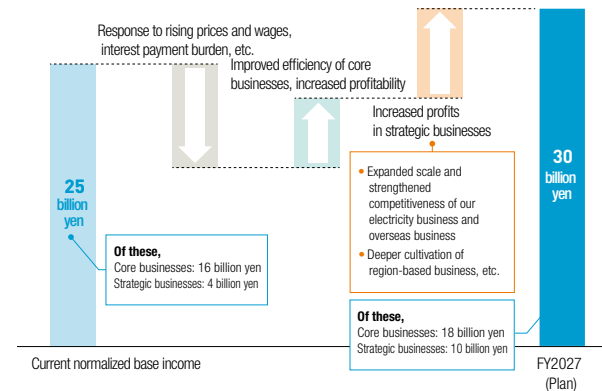


Financial Strategy: Quantitative Targets

Profit and Profitability



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

Cost of equity

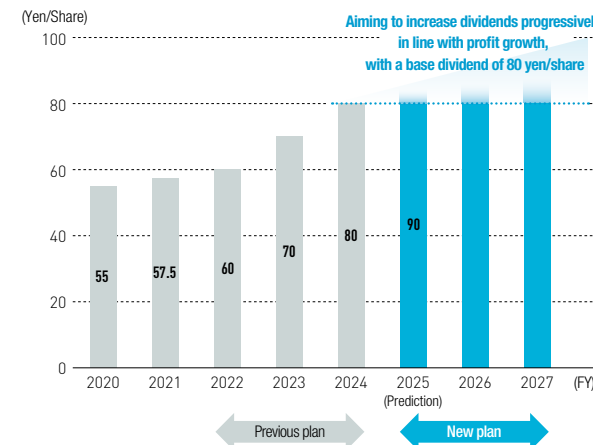
6% + a > Approx. 5%

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
	Subtotal	130 billion yen	38 billion yen
Strategic businesses	Electricity business and renewable energy development	50 billion yen	11 billion yen
	Overseas business	40 billion yen	14 billion yen
	Community-based value creation businesses, etc.	40 billion yen	13 billion yen
Total		240 billion yen	76 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 $6\%+\alpha$. 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.

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).

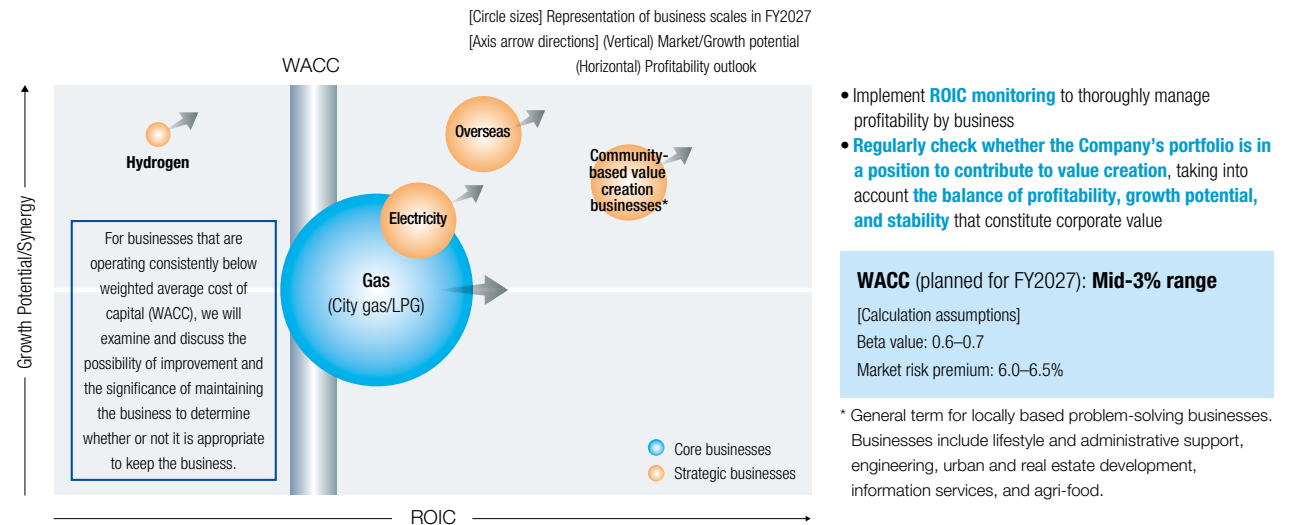
Ensuring Strategic Business Profitability and ROIC Monitoring

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.

KPI City gas development volume
100 million m³ (cumulative period planned^{*2})

^{*2} Plan period: FY2025–FY2027



Regular safety inspection

KPI Earthquake resistance rate of main and branch pipes^{*3}
100 % (FY2030)

^{*3} Within Toho Gas Network Co., Ltd. supply area

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.

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

KPI Number of blocks^{*4}

109 blocks (FY2027)

^{*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.

KPI Core business operating cash flow^{*1}

45 billion yen (FY2027)

^{*1} Core business profit x (1 – Effective tax rate)
+ Core business depreciation

Medium-Term Management Plan 2025–2027

Review of the Previous Medium-Term Management Plan

New Medium-Term Management Plan

Financial Strategy

Business Strategy

Human Resource Strategy

1

2

Provide various kinds of energy and services

3

Supply energy in a safe, secure, and stable manner

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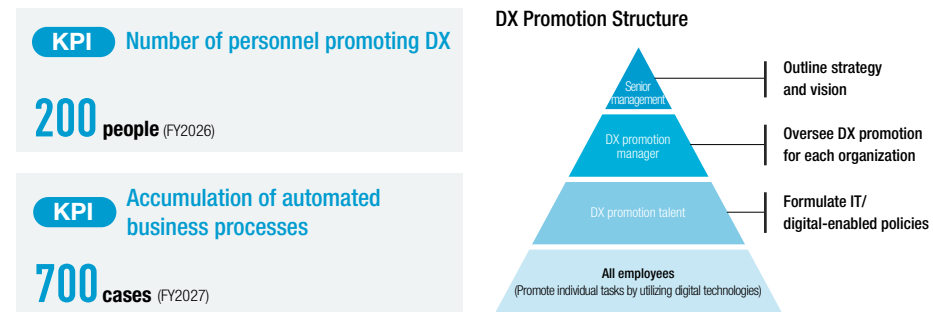
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Target materiality

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.

KPI Number of LPG customer accounts

650 thousand (FY2027)

1

2

Provide various kinds
of energy and services

3

Supply energy in a safe,
secure, and stable manner

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Target materiality

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

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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Provide various kinds
of energy and services

3

Supply energy in a safe,
secure, and stable manner

4

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Target materiality

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.

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.

1 Promote carbon neutrality

2 Provide various kinds of energy and services

3 4 5 6

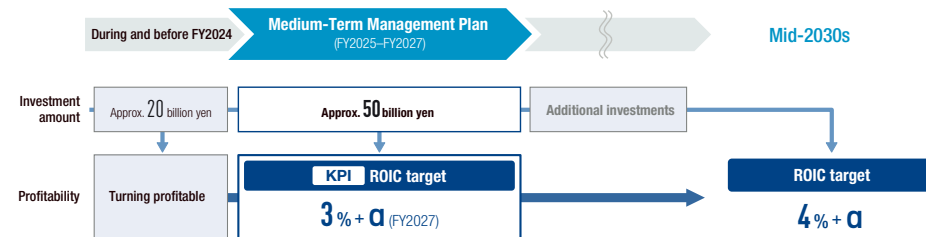
Target materiality

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.

Electricity Business

- Building competitive power sources
- Promoting renewable energy development and diversifying sales 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.

KPI Electricity sales volume

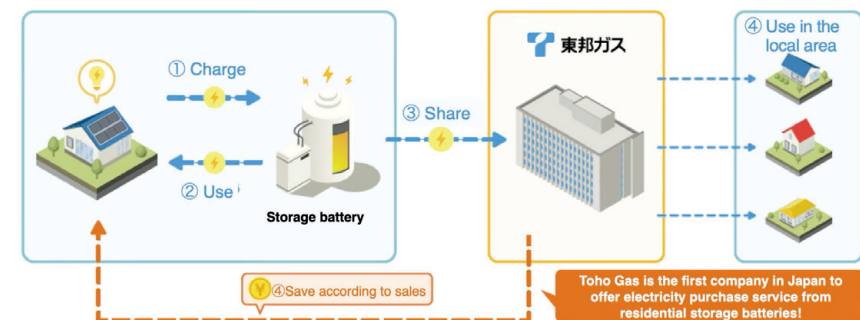
3 billion kWh (FY2027)



Rendering of Chita Thermal Power Station Units 7 and 8 (Scheduled to commence operations in FY2029)

Creation of Power Services

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



Scheme of electricity purchase service "Waketoku" (commenced in October 2024)

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.

KPI Re-energy volume handled

500 MW (FY2030)



Yatsushiro Biomass Power Plant (Operations commenced in June 2024)

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.

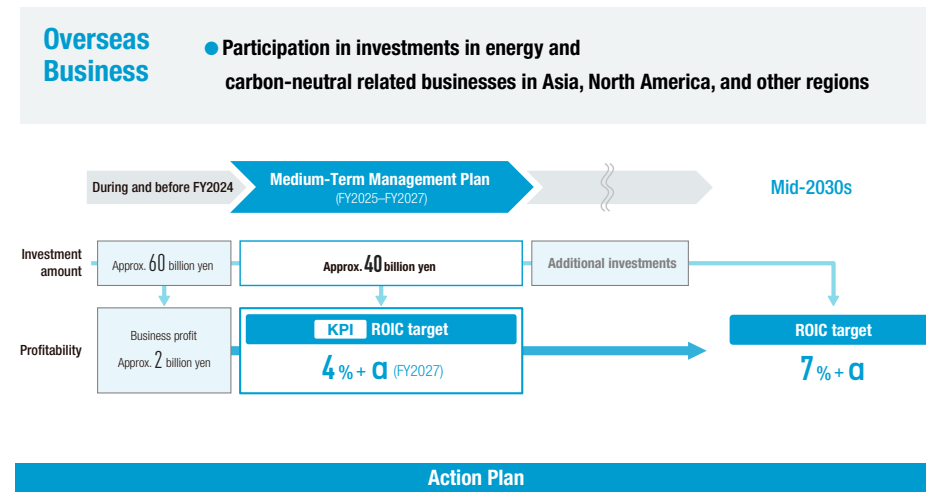
Growth Strategy Aimed at Realizing Our Vision and Achieving the Medium-Term Management Plan

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.

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

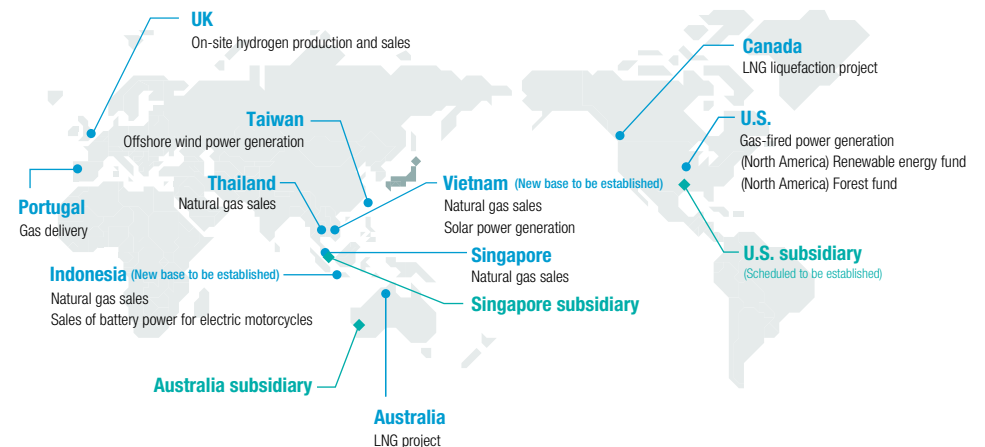
Promoting Deeper Cultivation of Energy Business in Asia, North America, and Other Regions

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.



Overseas projects with investment participation and overseas subsidiaries

Overseas Business



Mitsuhiro Otsu

Managing Executive Officer
In charge of Business Development Department

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.

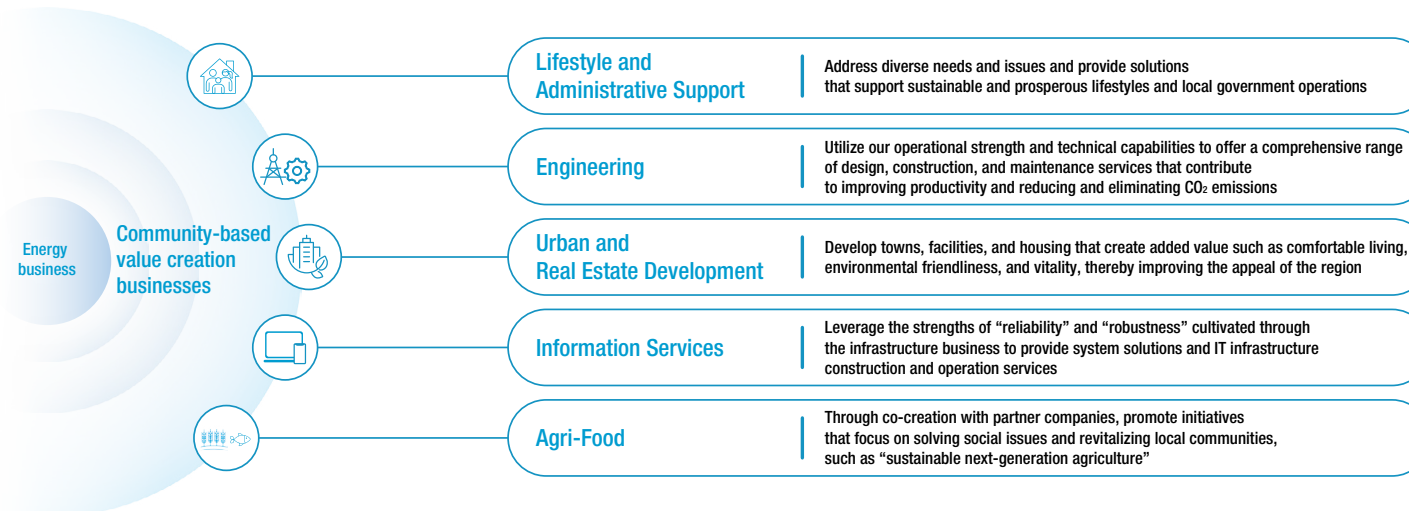
To forcefully drive overseas business strategy and transform our business structure, we will cultivate an organizational culture of taking on challenges and develop global human resources, as the Group works as one to achieve the targets under the Medium-Term Management Plan.

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)

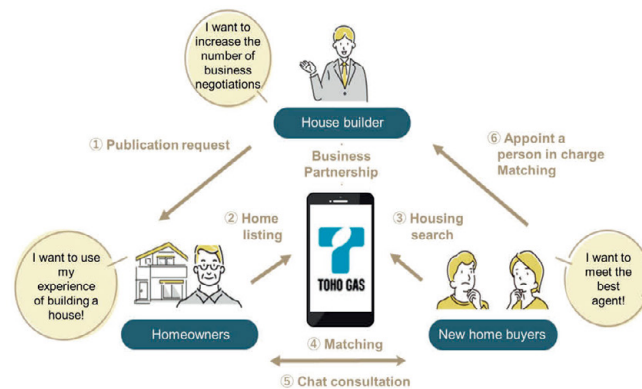
^{*1} ZEH: Net Zero Energy House that aims for net-zero primary energy consumption annually by enhancing thermal insulation and energy efficiency while generating necessary energy through ENE-FARM, solar power, and other means

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

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

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.

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.

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

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

KPI External sales of proprietary technologies

7 billion yen (FY2027)

Medium-Term Management Plan 2025–2027

Review of the Previous Medium-Term Management Plan

New Medium-Term Management Plan

Financial Strategy

Business Strategy

Human Resource Strategy

**Business Strategy:** Deeper Cultivation of Region-Based Businesses**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.



Smaraku Kenshin logo

^{*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

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).



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

^{*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.

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.

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.

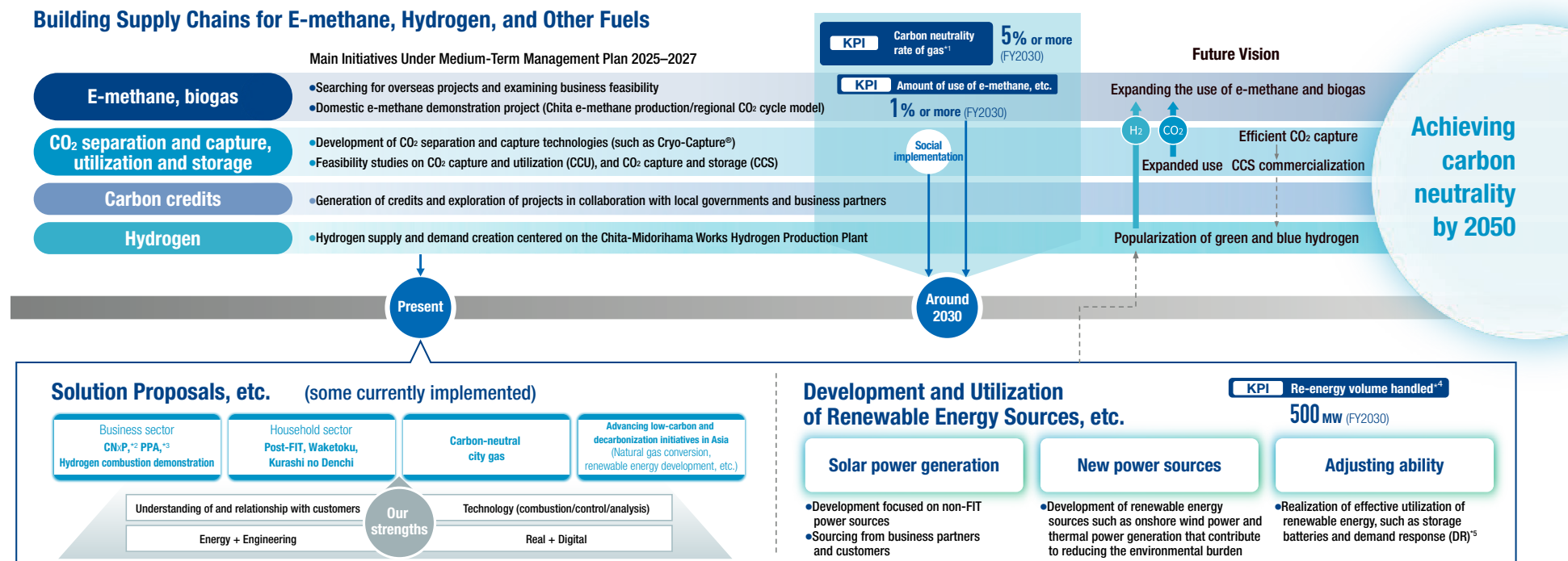
In the facility business, we will work to increase new orders and improve the quality and competitiveness of our operations, thereby increasing the proportion of external orders within sales.

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.

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



*1 Carbon neutrality rate achieved through various means *2 We provide one-stop consulting and engineering services for carbon neutrality, in support of customers' low-carbon and decarbonization efforts.

*3 A system wherein the Group or its business partners own and operate the facilities, supply the generated electricity to customers, and receive service fees

*4 Includes domestic and international renewable energy source development and ownership, FIT power sources, and procurement

*5 A mechanism for changing electricity demand patterns by controlling decentralized power sources installed on the demand side, etc.

1

Promote carbon neutrality

2

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5

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Target materiality

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.

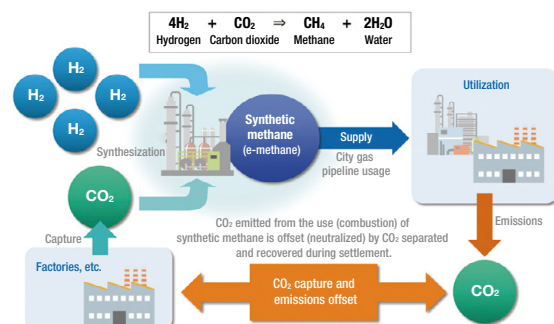
E-methane Production in Japan

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.



KPI Amount of e-methane, etc.
1 % or more (FY2030)

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

Medium-Term Management Plan 2025~2027

Review of the Previous Medium-Term Management Plan

New Medium-Term Management Plan

Financial Strategy

Business Strategy

Human Resource Strategy

1 Promote carbon neutrality

2 3 4 5 6

Target materiality

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.

KPI Hydrogen sales volume

400 t (FY2027)

Utilizing Heat

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

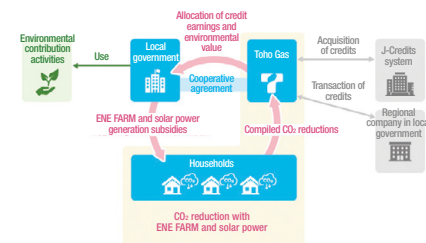
In terms of the practical application of burners that can use both hydrogen and city gas, we are using multiple industrial burners^{*1} that can switch between city gas and hydrogen combustion, which minimizes the replacement of parts.

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

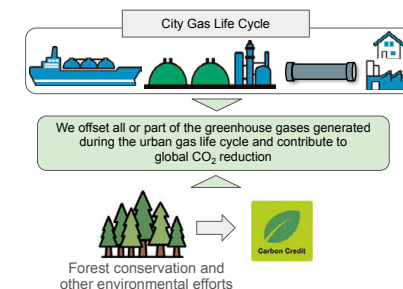
We supply carbon-offset city gas, where CO₂ emissions from combustion and other sources are offset using J-Credits as well as CO₂ credits verified by a highly reliable certification organization.

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.

KPI J-Credits generated2,000 t-CO₂ (cumulative period planned^{*2})

^{*2} Plan period: FY2025~FY2027

**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

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-Midorihamma 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-Midorihamma 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.

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-Midorihamma 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

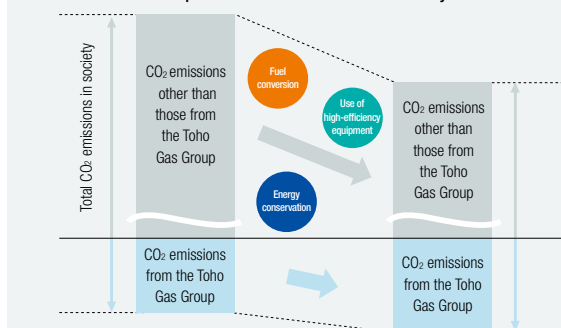
*2 Carbon neutrality rate to be achieved through various means

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.

Disclosure Based on TCFD Recommendations

Orange Risks with comparatively large financial impact Green 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
			Regulation	Carbon pricing	Increased sales prices of gas and electricity
				Energy shift	Reduce amount of energy usage through energy conservation Shift to electrification starting from the ground up
				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)
			Reputation	Assessment by investors	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
			Chronic	Rising temperatures	Decreased demand for heating and hot water 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
			Regulation	Carbon pricing	Rising demand for gas and electricity (fuel conversion and advanced use)
				Energy shift	Expanded use of renewable energy and storage batteries Expanded use of cogeneration
				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
			Reputation	Assessment by investors	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
			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

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 Management

We engage in employee recruitment, development, and promotion efforts with the aim of building a portfolio of human resources who will support and drive change. We will also revise our human resource system to encourage behavioral changes among employees and create a virtuous cycle of taking on challenges and personal growth.

- Systematically retain and develop human resources to strengthen on-site capabilities in core businesses
- Create new course content to develop human resources responsible for the strategic businesses that will drive change and ensure higher degrees of specialization
- Develop future management personnel by rapidly promoting younger employees to management positions, dispatching them to companies within and outside the Group, and encouraging MBA study abroad

Safety and Health Management

Based on our belief that the safety and health of employees is the foundation of our business activities, we promote Group-wide initiatives to ensure employee safety and health, while striving to create a safe and comfortable workplace.

- Promote safety and health activities (stress checks, health consultations, etc.)
- Improve measures to protect against harassment and make the work environment more comfortable
- Improve workplace environment and company facilities (cafeteria and meeting room renovations, IT environment upgrades, etc.)



Diversity, Equity, and Inclusion

We recognize that enhancing corporate value and achieving sustainable growth of the Group require innovation from talent with a wide range of knowledge, experience, and values. Therefore, we are committed to securing diverse talent and supporting their success.

- Strengthen hiring of women and mid-career employees
- Support long-term engagement of older employees
- Expand hiring and job opportunities for persons with disabilities
- Enhance communication and support the development of skills

Flexible Workstyles and Productivity Improvements

We aim to heighten workstyle flexibility and further increase productivity by revising systems and transitioning to online work using web conferencing and other technologies.

- Expand measures to support balancing work with childcare and caregiving
- Develop systems that contribute to improved work–life balance (telework, hourly leave, etc.) and cultivate a culture that supports their utilization
- Improve productivity Group-wide through the use of digital technologies and coordination of corporate functions between business groups



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.

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.

We confirm the employee's desire to transfer in an interview and support their career development.



Placing the right person in the right place

Creating a transfer plan for mid-level and younger employees

Internal recruitment program

Improved motivation and job satisfaction

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.

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}

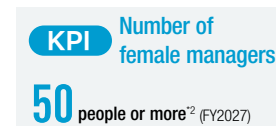
^{*1} 2.55% as of June 1, 2025

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.



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



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

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.



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

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.

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>

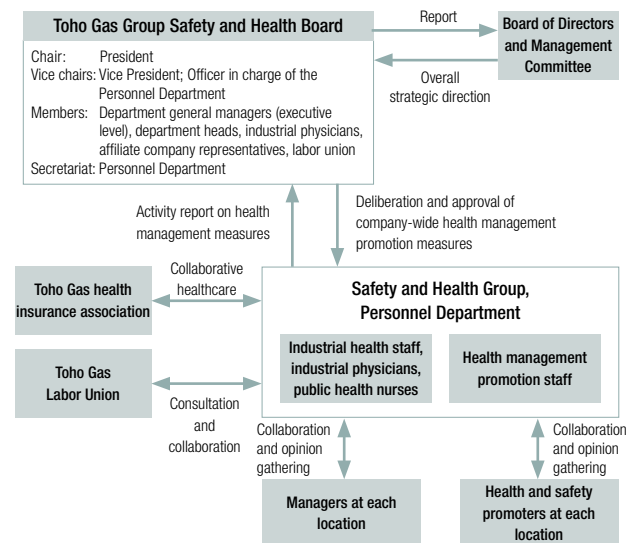


Sustainability Factbook 2025
For details, please visit our website.
https://www.tohogas.co.jp/lang/en/approach/eco/eco-10/pdf/2025_en_social_data.pdf

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



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.



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.



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?

Roundtable Discussion

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.

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

