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Provide various kinds of energy and services

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Supply energy in a safe, secure, and stable manner

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Target materiality

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

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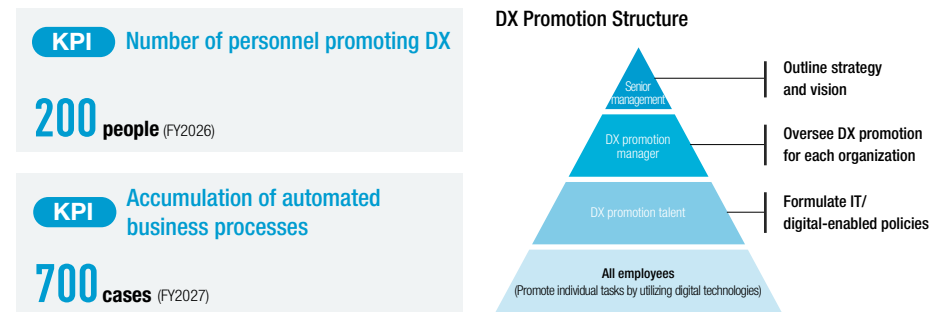
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Target materiality

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)

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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

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Target materiality

Energy x Engineering (Commercial Sector)



Overview and Role

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

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

Main Activities in FY2024

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

Main Targets Under Medium-Term Management Plan 2025–2027

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

^{*2} Plan period: FY2025–FY2027

Looking Back on FY2024

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

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

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

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

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

How I Envision the Company's Ideal Positioning

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

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

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

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

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

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

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

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Gas Pipeline Business



Overview and Role

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

Main Activities in FY2024

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

Main Targets Under Medium-Term Management Plan 2025–2027

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

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

Looking Back on FY2024

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

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

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

How I Envision the Company's Ideal Positioning

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

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

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

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

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.