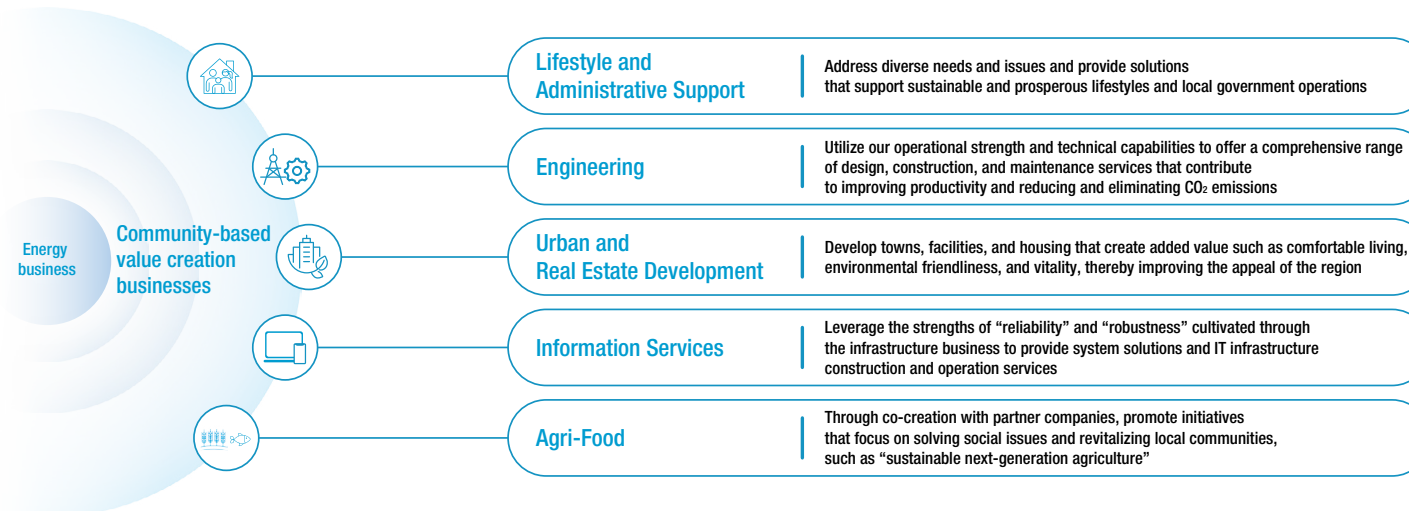


Business Strategy: Deeper Cultivation of Region-Based Businesses

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

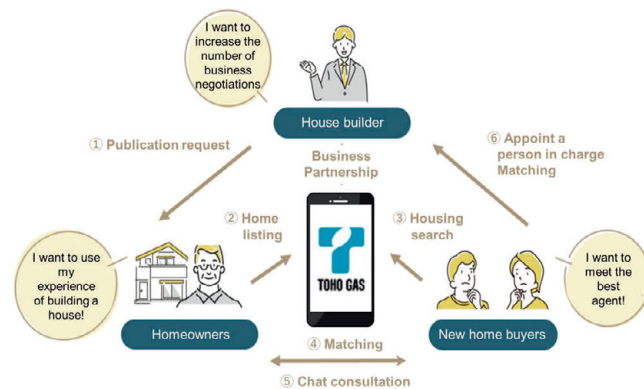
^{*2} Total number of customer accounts of city gas, LPG, and electricity

^{*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.



Netsumori® thermal protection cover

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

Engineering

Strengthening Consulting and Engineering

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

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

KPI Sales of CNxP business^{*4}

13 billion yen (FY2027)

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

External Sales of Proprietary Technologies

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

KPI External sales of proprietary technologies

7 billion yen (FY2027)

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

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.