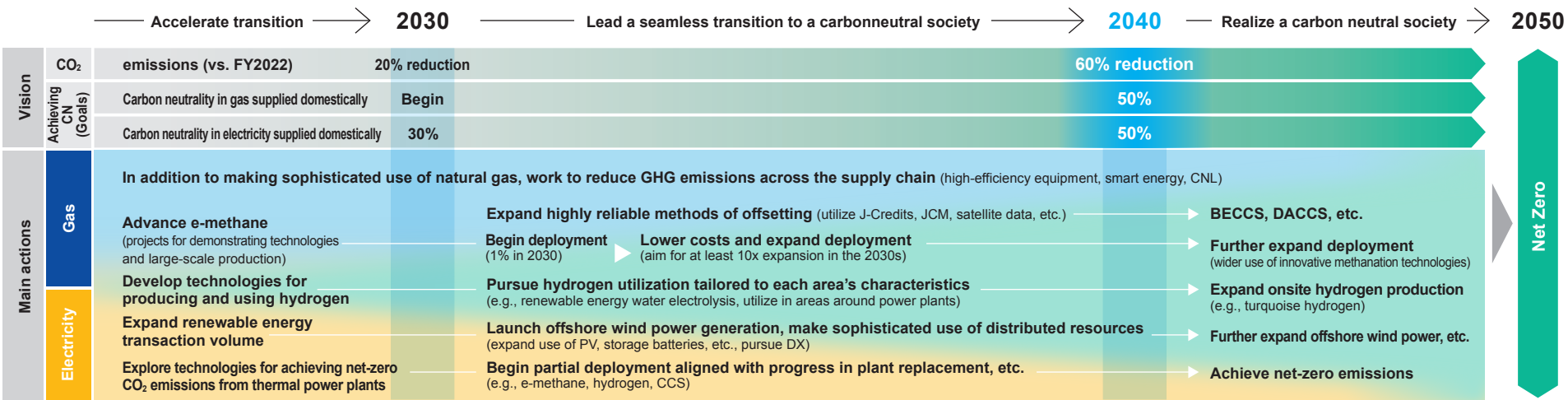


Initiatives for Sustainable Growth

Responsible Transition toward a Carbon-neutral Society

As an energy group that supports society's energy needs, we are committed to ensuring a stable energy supply while leading the transition to a carbon-neutral society. During the transition period through the 2030s, we will maximize the use of natural gas, which emits less CO<sub>2</sub> than other fossil fuels, helping to reduce society's overall CO<sub>2</sub> emissions while generating the earnings needed to fund investments in decarbonization. At the same time, we will advance the deployment of e-methane, biomethane (RNG), and other solutions in our gas business, while promoting renewable energy across the value chain in our electric power business. Through these initiatives, the Tokyo Gas Group aims to achieve net-zero CO<sub>2</sub> emissions (Scope 1, 2, and 3) by 2050.

Carbon Neutrality Roadmap 2050



Note: Through a process of revisions, the Roadmap will be evolved into a comprehensive plan covering both Japan and overseas.

 **Tokyo Gas Group Carbon Neutrality Roadmap 2050**  
<https://www.tokyo-gas.co.jp/en/IR/support/pdf/20240322-03e.pdf>

Key Non-financial KPIs

We have established the following two indicators as non-financial KPIs to measure our FY2026 initiatives aimed at enhancing short-, medium-, and long-term financial value. The Board of Directors appropriately monitors progress against these KPIs.

| Key non-financial KPI                                  | FY2026 target                                                          | Details                                                                                                                                                         | Rationale                                                                                                                                                                                                        |
|--------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CO <sub>2</sub> reduction contribution*                | 13 million t-CO <sub>2</sub><br>(17 million t-CO <sub>2</sub> in 2030) | Measures CO <sub>2</sub> emissions reduction contributions based on the JGA Guidelines, which are aligned with the METI Guidelines.                             | Indicates the Tokyo Gas Group's realistic, step-by-step contribution to reducing CO <sub>2</sub> emissions across its business activities through the advanced utilization of natural gas and other initiatives. |
| Sales of carbon-neutral energy and environmental value | 1.47 million t-CO <sub>2</sub>                                         | Measures the environmental value provided through the sale of gas, electricity, and other products bundled with environmental attributes to end users in Japan. | Tracks the expansion of our customer base through the provision of carbon-neutral energy and environmental value, while indicating progress under the Carbon Neutrality Roadmap and other initiatives.           |

\* The effect of reducing society-wide CO<sub>2</sub> emissions through measures such as fuel switching to lower-carbon natural gas compared to other fossil fuels, the introduction of high-efficiency equipment, and the adoption of renewable energy. The calculation method has been guided by advice from the third-party organization DNV Business Assurance Japan K.K.

|                                                        |    |
|--------------------------------------------------------|----|
| Initiatives for Sustainable Growth                     |    |
| Responsible Transition toward a Carbon-neutral Society | 31 |
| Disclosure Based on the TCFD Recommendations           | 36 |
| Practicing Human Capital Management                    | 39 |
| Promoting Business Transformation through DX           | 42 |
| Foundations Supporting Sustainable Growth              |    |
| Conservation of Biodiversity                           | 44 |
| Respecting Human Rights across the Supply Chain        | 45 |

Initiatives for Sustainable Growth

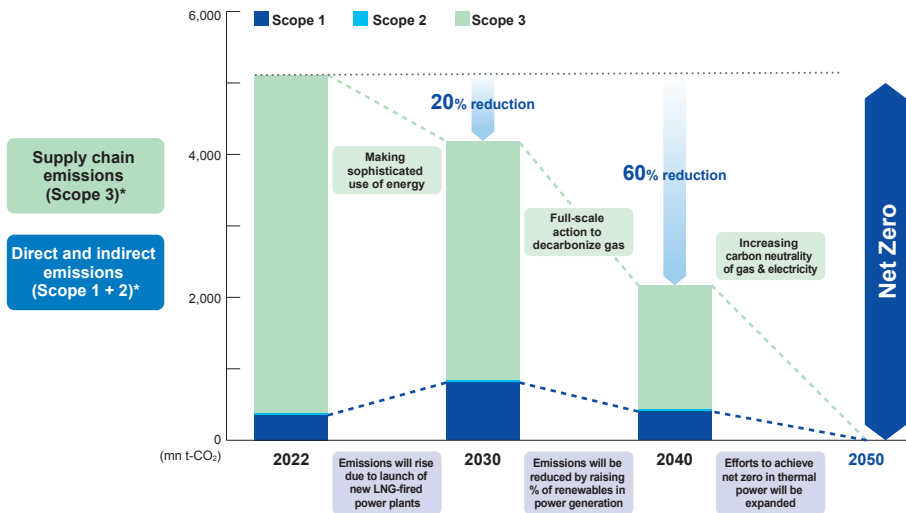
Responsible Transition toward a Carbon-neutral Society

Pathway to Achieving Net-Zero CO<sub>2</sub> Emissions

Although the Tokyo Gas Group's direct and indirect CO<sub>2</sub> emissions (Scope 1 and 2) are expected to increase temporarily with the construction of new LNG thermal power plants, we will advance toward zero emissions by expanding the renewable energy we supply and replacing our LNG thermal power plants as their renewal accelerates through the 2040s. Through these efforts, we aim to achieve net-zero CO<sub>2</sub> emissions by 2050.

To address value chain emissions (Scope 3), we will continue working with our customers to promote greater energy conservation and the advanced utilization of energy while accelerating the transition to carbon-neutral energy across the energy we supply beginning in the 2030s. In addition to these initiatives, we will continue contributing to reductions in society-wide CO<sub>2</sub> emissions.

Path for reducing CO<sub>2</sub> emissions (Domestic Energy Supply)

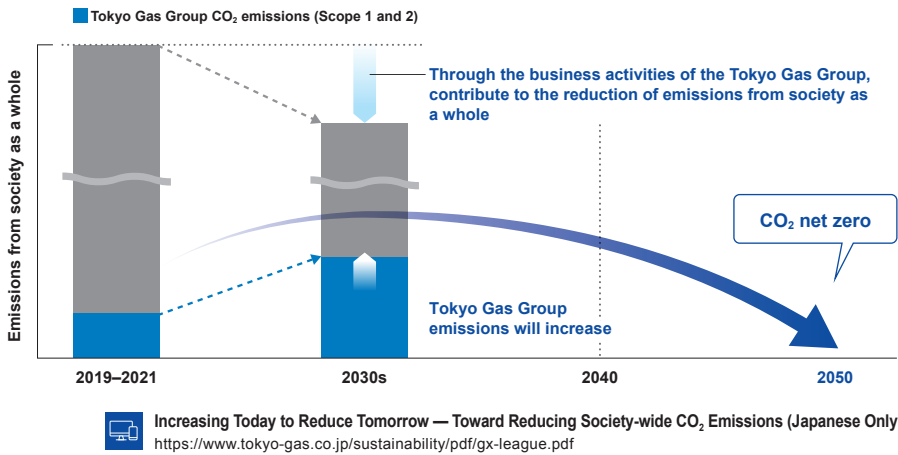


\* Greenhouse gas emissions of the entire supply chain (including upstream) associated with our supply of energy (gas & electricity) to domestic customers, in CO<sub>2</sub> equivalents

Increase to decrease

During the transition period toward the 2030s, CO<sub>2</sub> emissions (Scope 1 and 2) from the Tokyo Gas Group's business activities will temporarily increase in order to meet customers' CO<sub>2</sub> reduction needs. Specifically, by advancing the high-efficiency use of natural gas in state-of-the-art LNG thermal power plants, energy services, and district heating and cooling businesses, we can reduce CO<sub>2</sub> emissions at customer sites. As a result, our Group's Scope 1 and 2 emissions will temporarily rise; however, through parallel development and social implementation of decarbonization technologies, we aim to achieve net-zero emissions by 2050.

Relation between the emissions from the Tokyo Gas Group and society as a whole



Toward net-zero CO<sub>2</sub> from our activities

The Tokyo Gas Group has worked to reduce and limit CO<sub>2</sub> emissions from its operations through rigorous energy conservation efforts and the introduction of high-efficiency equipment. We will further accelerate these initiatives to achieve net zero by FY2030 across our office buildings, city gas production and supply facilities, and company vehicles.

By promoting the use of non-fossil fuel certificates and offsetting CO<sub>2</sub> emissions through carbon offset city gas, we achieved an 82% reduction toward net-zero CO<sub>2</sub> emissions from our operations compared with FY2020.

Contents

|                                                        |    |
|--------------------------------------------------------|----|
| Initiatives for Sustainable Growth                     |    |
| Responsible Transition toward a Carbon-neutral Society | 31 |
| Disclosure Based on the TCFD Recommendations           | 36 |
| Practicing Human Capital Management                    | 39 |
| Promoting Business Transformation through DX           | 42 |
| Foundations Supporting Sustainable Growth              |    |
| Conservation of Biodiversity                           | 44 |
| Respecting Human Rights across the Supply Chain        | 45 |

Introduction

CEO's Message

Growth Strategy (FY2026-2028 Medium-term Management Plan)

CFO's Message

Initiatives for Sustainable Growth

Corporate Governance

Data

Initiatives for Sustainable Growth

Responsible Transition toward a Carbon-neutral Society

Contributing to Overall CO<sub>2</sub> Reductions from Society

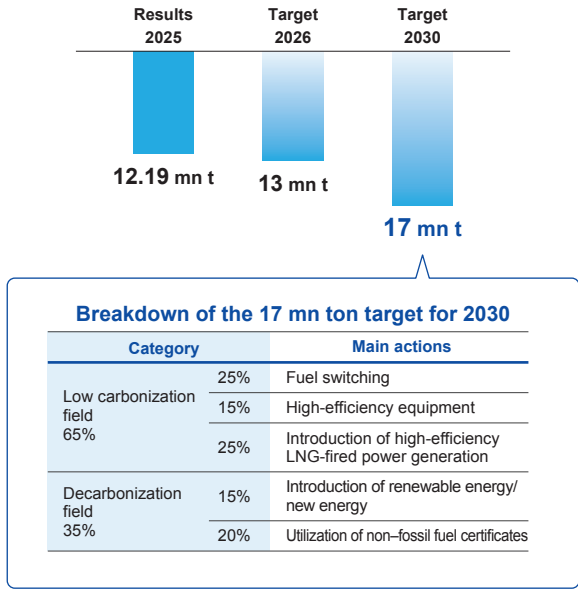
Measuring only the reduction of CO<sub>2</sub> emissions from our own business activities does not fully reflect the Tokyo Gas Group's contribution to decarbonization. Therefore, we use "CO<sub>2</sub> reduction contribution" as an indicator of our impact on society-wide CO<sub>2</sub> emissions reduction.

During the transition period toward the 2030s, the high-efficiency use of natural gas, which emits less CO<sub>2</sub> than other fossil fuels, is expected to continue playing a significant role.

Accordingly, our CO<sub>2</sub> reduction contribution accounts for the effects of switching to lower-carbon natural gas, introducing high-efficiency equipment, and adopting renewable energy, all of which help reduce society-wide CO<sub>2</sub> emissions.

We have set a target of 17 million tons of CO<sub>2</sub> reduction contribution by 2030 across our global business activities and are actively working toward this goal.

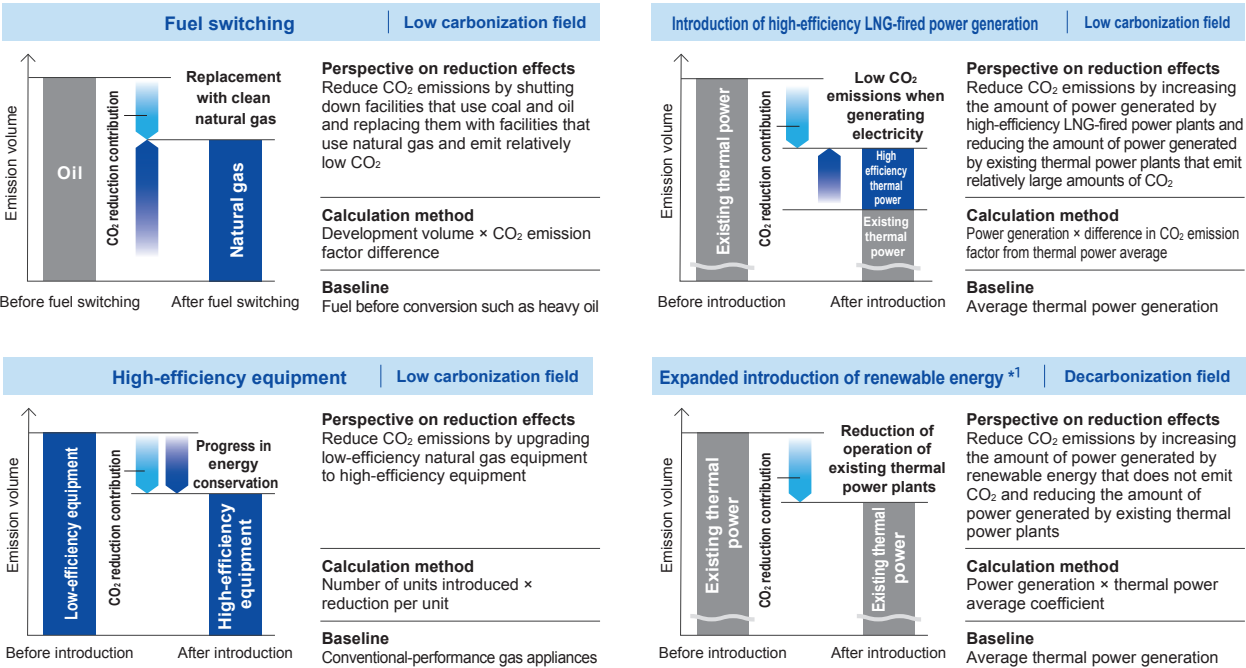
CO<sub>2</sub> reduction contribution results/targets in the transition period (vs. FY2013)



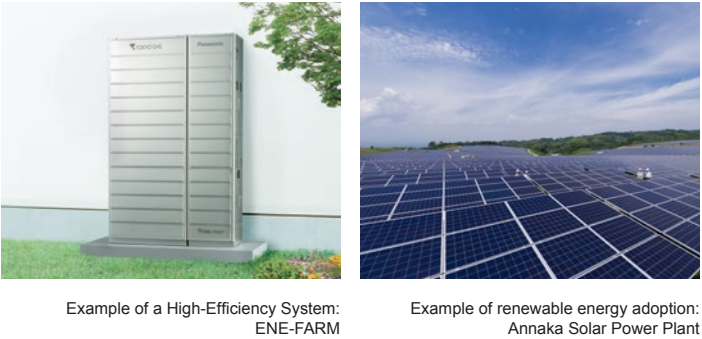
Note: We have taken advice from a third party in the form of DNV BUSINESS ASSURANCE JAPAN K.K. in order to increase reliability and transparency in our calculation of emission-reduction contributions.

Concept and calculation method of reduction contribution

■ CO<sub>2</sub> reduction contribution ■ CO<sub>2</sub> emissions by the Tokyo Gas Group ■ CO<sub>2</sub> emissions of society as a whole



\* The Tokyo Gas Group's CO<sub>2</sub> emissions remain unchanged.



Contents

|                                                        |    |
|--------------------------------------------------------|----|
| Initiatives for Sustainable Growth                     |    |
| Responsible Transition toward a Carbon-neutral Society | 31 |
| Disclosure Based on the TCFD Recommendations           | 36 |
| Practicing Human Capital Management                    | 39 |
| Promoting Business Transformation through DX           | 42 |
| Foundations Supporting Sustainable Growth              |    |
| Conservation of Biodiversity                           | 44 |
| Respecting Human Rights across the Supply Chain        | 45 |

Initiatives for Sustainable Growth

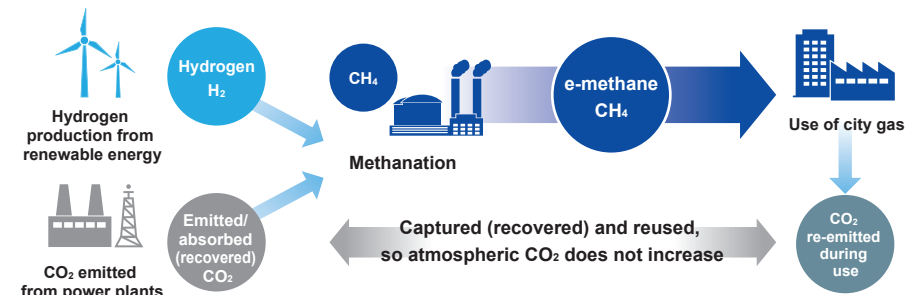
Responsible Transition toward a Carbon-neutral Society

Decarbonization of Gas

**e-methane/biomethane (RNG)**

e-methane is methane—the primary component of city gas—produced from hydrogen and CO<sub>2</sub> using methanation technology. Because the CO<sub>2</sub> emitted during combustion is offset by the CO<sub>2</sub> used in its production, the use of e-methane does not increase atmospheric CO<sub>2</sub> levels. Biomethane (RNG: Renewable Natural Gas) is methane produced from organic materials such as food waste. Because it is not derived from fossil fuels, biomethane is expected to play an important role in reducing greenhouse gas emissions and is already widely used in countries such as the United States. As e-methane and biomethane have the same primary component as city gas, they can be supplied using existing city gas infrastructure. We believe that promoting their widespread adoption to decarbonize city gas while minimizing additional costs to society is both the responsibility and the mission of the Tokyo Gas Group.

CO<sub>2</sub> emission-reduction effect with e-methane



**Intellectual property initiatives to support the social implementation of decarbonization technologies**

We are promoting the analysis and strategic use of intellectual property (IP) information to strengthen the technological foundation supporting the transition to a carbon-neutral society. Specifically, we have begun using IP landscape analysis to monitor patent trends in areas such as renewable energy utilization and hydrogen production technologies and apply these insights to business strategy and R&D planning. We are also monitoring patent filings and patent value in these fields with the aim of establishing a cycle that links IP strategy with business strategy. To support these efforts, we are strengthening our IP foundation by enhancing employees' IP literacy through training, developing the skills of our IP professionals through participation in external committees and other activities, and making more effective use of underutilized patents.

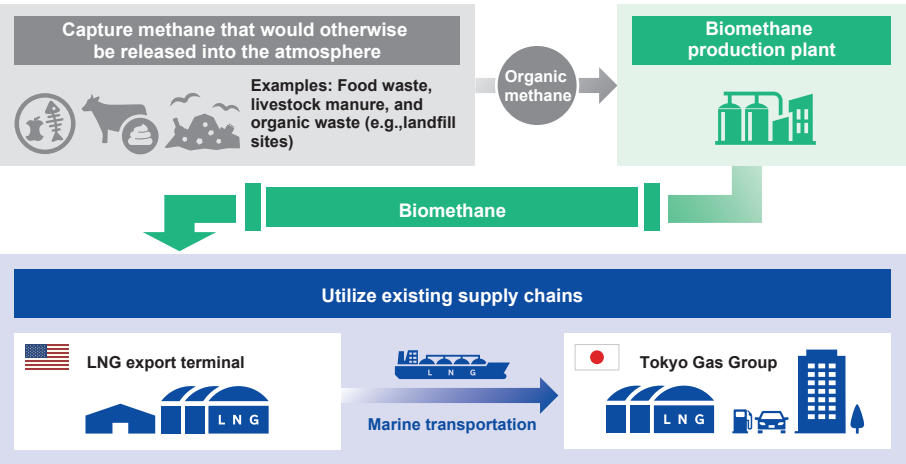
**Overseas project development for the social implementation of e-methane**

We began small-scale demonstration testing of e-methane in FY2021 and are now developing an overseas supply chain for its introduction in Japan from FY2030 onward. As a specific initiative, since 2025 we have been advancing a business development project in Manitoba, Canada, in collaboration with local company Teralta. The project will utilize green hydrogen (hydrogen produced from renewable energy), generated as a by-product of an industrial process powered by Manitoba's abundant hydroelectric resources. By FY2030, we aim to produce approximately 30,000 tonnes of e-methane annually for export to Japan.

**Supply of overseas-produced biomethane to customers**

We first imported biomethane from the United States in 2024 and supplied a portion of it to the Kannai Building owned by Tokyo Gas Real Estate. In 2026, we also reached agreements with Asahi Group Japan, Ltd., Sekisui House, Ltd., Hitachi, Ltd., and FUJIFILM Corporation to begin supplying city gas made from U.S.-produced biomethane from FY2026. Going forward, we will explore low-cost, reliable procurement sources not only in North America but also in Australia and Southeast Asia, while further expanding the supply of biomethane to contribute to the decarbonization of customers in Japan.

U.S. biomethane supply chain



|                                                           |                                                        |    |
|-----------------------------------------------------------|--------------------------------------------------------|----|
| Introduction                                              | Contents                                               |    |
|                                                           | Initiatives for Sustainable Growth                     |    |
| CEO's Message                                             | Responsible Transition toward a Carbon-neutral Society | 31 |
|                                                           | Disclosure Based on the TCFD Recommendations           | 36 |
|                                                           | Practicing Human Capital Management                    | 39 |
|                                                           | Promoting Business Transformation through DX           | 42 |
| Growth Strategy (FY2026–2028 Medium-term Management Plan) | Foundations Supporting Sustainable Growth              |    |
|                                                           | Conservation of Biodiversity                           | 44 |
|                                                           | Respecting Human Rights across the Supply Chain        | 45 |
| CFO's Message                                             |                                                        |    |
|                                                           |                                                        |    |
| Initiatives for Sustainable Growth                        |                                                        |    |
|                                                           |                                                        |    |
| Corporate Governance                                      |                                                        |    |
|                                                           |                                                        |    |
| Data                                                      |                                                        |    |

Initiatives for Sustainable Growth

Responsible Transition toward a Carbon-neutral Society

Responsible Transition toward Decarbonized Electricity

We are advancing renewable energy across the entire value chain through the development of solar, wind, biomass, and other renewable power sources in Japan and overseas; the procurement of renewable electricity from third parties; the supply of CO<sub>2</sub>-free electricity to customers; and the provision of decarbonization services under the IGNITURE brand. In addition, by combining the decarbonization of our power generation portfolio with our battery energy storage business, we will promote carbon neutrality across our electric power business while maintaining profitability.

Initiatives to achieve carbon neutrality in the electric power business

1. Initiatives involving our renewable energy assets

To contribute to the wider adoption and expansion of renewable energy, we are developing a range of power generation projects in Japan and overseas by leveraging diverse partnerships. In fixed-bottom offshore wind, which offers significant long-term growth potential, a consortium in which we participate has been selected as the operator for a project off the coast of Yuza Town, Yamagata Prefecture, and is proceeding with full-scale development. In floating offshore wind, we are advancing R&D into foundational technologies and participating in overseas power generation projects, while working to establish the business operating models needed for early social implementation in Japan.

2. Initiatives for corporate customers such as office buildings, restaurants, and factories

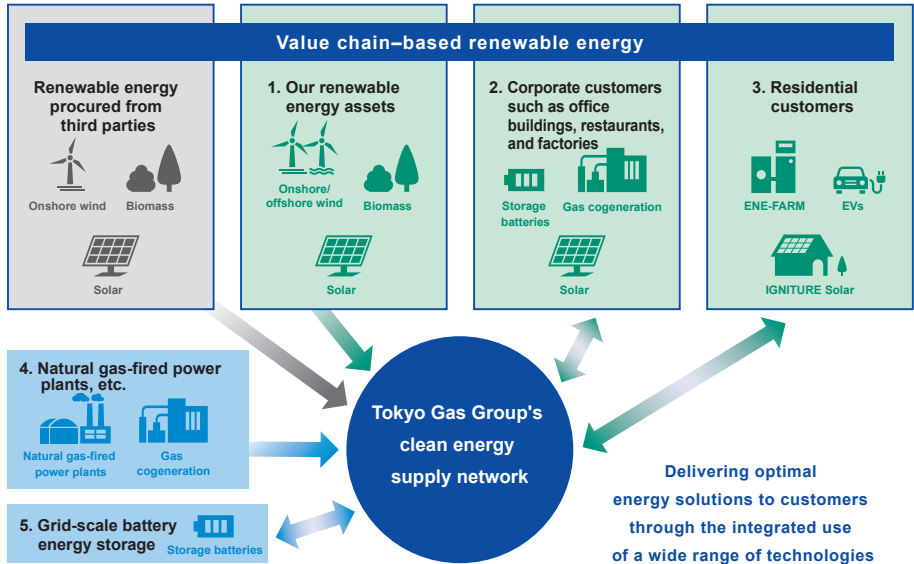
As a retail electricity provider, we procure renewable electricity generated by sources such as solar power plants together with non-fossil fuel certificates. Any shortfall is supplemented primarily with electricity generated at our own power plants, enabling us to supply electricity to office buildings, restaurants, factories, and other facilities through the power grid under off-site corporate PPAs. We also offer on-site PPAs that combine solar power generation for on-site self-consumption with battery energy storage systems, supporting the adoption of renewable energy through solutions tailored to the diverse needs of customers, including those in urban areas.

3. Initiatives for residential customers

For residential customers, we offer SASUTENA DENKI (sustainable electricity), an electricity pricing plan that delivers virtually net-zero CO<sub>2</sub> emissions.\* We also offer IGNITURE Solar, which enables customers to install solar power systems for an affordable monthly service fee, as well as a service that purchases surplus electricity after the expiration of the Feed-in Tariff (FIT) program. In addition, we offer IGNITURE Smart Action, a demand response service that encourages greater energy conservation, while also providing energy-saving lifestyle recommendations.

\* The primary power source for SASUTENA DENKI is LNG-fired power generation. The plan achieves virtually net-zero CO<sub>2</sub> emissions through the purchase by Tokyo Gas of non-fossil fuel certificates, which represent the environmental value of renewable energy sources such as solar and wind power. Depending on conditions in the non-fossil fuel certificate market, virtually net-zero CO<sub>2</sub> emissions might not be achieved.

Overview of initiatives to achieve carbon neutrality in the electric power business



4. Initiatives for natural gas-fired power generation

By operating state-of-the-art, high-efficiency thermal power plants, we will help reduce the operation of less efficient thermal power plants and contribute to the decarbonization of society as a whole. The stable supply capacity and balancing capacity provided by our high-efficiency thermal power plants also support the expanded adoption of renewable energy and enhance the stability of electricity supply and demand by improving reserve margins. At the same time, we are accelerating initiatives aimed at replacing these facilities with decarbonized thermal power generation in the future, while exploring all available decarbonization options, including hydrogen, e-methane, and carbon capture and storage (CCS).

5. Initiatives in storage batteries

We are actively expanding our storage battery business through a variety of approaches, including the development of our own projects, the acquisition of usage rights for battery energy storage facilities owned by third parties, and asset management services. By leveraging the advanced electricity market trading and operational expertise we have built over many years, together with digital technologies, we optimize the operation of battery energy storage systems to support both power grid stability and the expanded adoption of renewable energy, thereby contributing to the realization of a carbon-neutral society.

|                                              |                                                        |    |
|----------------------------------------------|--------------------------------------------------------|----|
| Introduction                                 | Contents                                               |    |
|                                              | Initiatives for Sustainable Growth                     |    |
| CEO's Message                                | Responsible Transition toward a Carbon-neutral Society | 31 |
|                                              | Disclosure Based on the TCFD Recommendations           | 36 |
|                                              | Practicing Human Capital Management                    | 39 |
|                                              | Promoting Business Transformation through DX           | 42 |
|                                              | Foundations Supporting Sustainable Growth              |    |
| Medium-term Management Plan<br>(FY2026-2028) | Conservation of Biodiversity                           | 44 |
|                                              | Respecting Human Rights across the Supply Chain        | 45 |
| CFO's Message                                |                                                        |    |
| Initiatives for Sustainable Growth           |                                                        |    |
| Corporate Governance                         |                                                        |    |
| Data                                         |                                                        |    |

 TOKYO GAS GROUP

Disclosure Based on the TCFD Recommendations

Tokyo Gas considers the Task Force on Climate-related Financial Disclosures (TCFD) framework an effective tool for disclosing information on climate change responses and engaging with stakeholders, and expressed its support for the TCFD recommendations in May 2019. We use these recommendations as indicators to evaluate our climate change initiatives and continuously provide appropriate disclosures on the impacts of climate change on the Tokyo Gas Group’s business activities and our related measures.

Governance

The Board of Directors makes key decisions for the Group’s management, including materiality considerations that take climate-related risks and opportunities into account, the management plan, and other important matters. Based on regular reports from Executive Officers, the Board of Directors monitors progress on the key climate change–related indicators established as KPIs under the management plan.

Examples of climate-related Board of Directors agenda items in FY2025

- Initiatives to decarbonize electricity and gas
- Recent trends in energy policy and future response strategies

In terms of the executive structure, each organization within the Tokyo Gas Group promotes business activities based on the Group’s materiality. Climate change–related matters are reviewed and coordinated by the Management Committee and the Sustainability Committee, with important matters reported to the Board of Directors (see the above section). Chaired by the President and Chief Executive Officer, the Sustainability Committee reviews developments related to climate change, evaluates and monitors climate change–related indicators, and discusses and coordinates the Group’s overall direction. The committee met three times in FY2025.

Risk Management

The Tokyo Gas Group defines risks judged to have a significant impact on its business as “key risks” within its Risk Management Policies, which outline the fundamental principles of risk management. The policy is reviewed annually, and daily monitoring is conducted to detect early signs of risk. These key risks are established by identifying and prioritizing risks specific to each division and subsidiary for the entire Group’s business each fiscal year. Climate-related risks are also designated as key risks and integrated into the Group-wide Enterprise Risk Management (ERM) framework. In addition, the Risk Management Committee, established to enhance ERM management, regularly reviews risks and monitors the development and operation of the ERM system, reporting its findings to the Management Committee.

Risk Management System P.64

Strategy

The Tokyo Gas Group recognizes responding to climate change as a critical issue to be addressed through its business activities. In pursuit of net-zero CO<sub>2</sub>, we have developed the Tokyo Gas Group Carbon Neutrality Roadmap 2050, which outlines a concrete pathway looking toward 2040 and 2050. In the short term through 2030, we promote high-efficiency use of natural gas as part of a responsible transition, balancing decarbonization with stable energy supply. From 2030 onward, we will implement and expand decarbonization technologies, leading a seamless transition to a carbon-neutral society by 2040, and achieve gas and electricity decarbonization by 2050.

Carbon Neutrality Roadmap 2050  
<https://www.tokyo-gas.co.jp/en/IR/support/pdf/20240322-03e.pdf>

Contents

|                                                           |                                                        |    |
|-----------------------------------------------------------|--------------------------------------------------------|----|
| Introduction                                              | Initiatives for Sustainable Growth                     |    |
| CEO's Message                                             | Responsible Transition toward a Carbon-neutral Society | 31 |
|                                                           | Disclosure Based on the TCFD Recommendations           | 36 |
|                                                           | Practicing Human Capital Management                    | 39 |
|                                                           | Promoting Business Transformation through DX           | 42 |
| Growth Strategy (FY2026–2028 Medium-term Management Plan) | Foundations Supporting Sustainable Growth              |    |
|                                                           | Conservation of Biodiversity                           | 44 |
|                                                           | Respecting Human Rights across the Supply Chain        | 45 |

CFO's Message

Initiatives for Sustainable Growth

Corporate Governance

Data

Initiatives for Sustainable Growth

Disclosure Based on the TCFD Recommendations

Risks, Opportunities, and Countermeasures Based on Scenario Analysis

Taking into account the business environment, the Tokyo Gas Group conducts scenario analysis to qualitatively and quantitatively assess the impacts of climate change on its business. The purpose of this effort is to confirm the resilience of our business strategy and to examine potential countermeasures. In these analyses, we reference scenarios published by organizations such as the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) to envision potential business environments, identify and organize anticipated risks and opportunities, and evaluate them over the short to medium term through 2030 and the medium to long term through 2050.

Assessment of risks and opportunities

| Category   |                  | Factors                                                                                             |                                                       | Business impact |                                                                                                                                   | Financial impact*    |                     |
|------------|------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|
|            |                  |                                                                                                     |                                                       |                 |                                                                                                                                   | Short to medium term | Medium to long term |
| Transition | Policy and Legal | Introduction of carbon pricing                                                                      |                                                       | Risks           | Increased costs for city gas and thermal power generation projects                                                                | ○                    | ○                   |
|            | Market           | Supply side                                                                                         | Expansion of non-fossil energy                        | Risks           | Decrease in sales of city gas and thermal power                                                                                   | ○                    |                     |
|            |                  |                                                                                                     |                                                       | Opportunities   | Expansion of development of renewable power sources and increase in sales volume                                                  | ○                    | ○                   |
|            |                  |                                                                                                     | Expanding need for natural gas as a transition energy | Risks           | Soaring LNG prices                                                                                                                | ○                    |                     |
|            |                  |                                                                                                     |                                                       | Opportunities   | Increase in city gas and natural gas sales volume due to progress in fuel switching                                               | ○                    |                     |
|            |                  | Demand side                                                                                         | Changes in energy consumption structure               | Risks           | Decrease in city gas sales volume due to progress in energy conservation and electrification                                      | ○                    |                     |
|            |                  |                                                                                                     |                                                       | Opportunities   | Expand services that utilize decentralized and low-voltage resources (e.g., renewable energy, storage batteries, demand response) |                      | ○                   |
|            | Technology       | Advancement of decarbonization technologies such as renewable energy, e-methane, hydrogen, and CCUS |                                                       | Risks           | Decrease in sales of city gas and thermal power                                                                                   | ○                    |                     |
|            |                  |                                                                                                     |                                                       | Opportunities   | Profit expansion through renewable energy, e-methane, hydrogen, and CCUS                                                          |                      | ○                   |
|            | Reputation       | Focus on low carbon and decarbonization in investment standards                                     |                                                       | Risks           | Decrease in financing capacity of fossil fuel-related businesses                                                                  | ○                    |                     |
|            |                  |                                                                                                     |                                                       | Opportunities   | Increase in financing capacity of decarbonization-related businesses                                                              |                      |                     |
| Physical   | Acute            | Extreme weather intensification                                                                     |                                                       | Risks           | Increase in costs for measures against wind and flood damage, risk of shutdown of operations if production equipment is damaged   |                      | ○                   |
|            |                  |                                                                                                     |                                                       | Opportunities   | Expansion of decentralized energy due to disaster prevention and resilience needs                                                 |                      |                     |
|            | Chronic          | Temperature rise                                                                                    |                                                       | Risks           | Decrease in sales volume of city gas (home-use and business-use)                                                                  |                      |                     |

\* "○": Items for which the financial impact is thought to be particularly significant

Assumed scenarios

|                | Worldview                                                                                                                                      | Reference scenarios                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.5°C scenario | A scenario that assumes the achievement of global net-zero CO <sub>2</sub> emissions by 2050 through various decarbonization initiatives.      | <ul style="list-style-type: none"><li>• IEA WEO 2023: Net Zero Emissions by 2050 Scenario (NZE)</li><li>• IPCC Sixth Assessment Report: SSP1-1.9, etc.</li></ul> |
| 4°C scenario   | A scenario on the current trajectory that assumes no additional initiatives beyond already implemented and announced decarbonization policies. | <ul style="list-style-type: none"><li>• IEA WEO 2023: Stated Policies Scenario (STEPS)</li><li>• IPCC Sixth Assessment Report: SSP5-8.5, etc.</li></ul>          |

The Tokyo Gas Group measures

Sophisticated use of natural gas

- Switch from coal, oil, etc., to natural gas as fuel, introduce cogeneration systems, develop smart cities, strengthen resilience in Japan and global markets
- Increase provision of Carbon Offset City Gas
- Expand the use of natural gas for balancing renewable power
- CCUS

Decarbonization of gas and electricity

- e-methane: Transition to large-scale and high-efficiency methanation and commercial use
- Biomethane (RNG): expanding supply and diversifying procurement sources
- Hydrogen: Establish practical, affordable hydrogen production technologies
- Expand renewable power sources (e.g., increase solar and wind power generation)
- Achieve net-zero CO<sub>2</sub> emissions in our thermal power generation

Infrastructure development (resilience)

- Enhanced resilience in the natural gas infrastructure
- Enhanced establishment of water hazard-resilient public utilities (i.e., disaster countermeasures for LNG terminals and power stations)
- Expanded use of decentralized energy systems that are highly resilient, such as smart energy networks, cogeneration systems, ENE-FARM (home fuel cells), storage batteries, etc.

|                                                           |                                                           |
|-----------------------------------------------------------|-----------------------------------------------------------|
| Introduction                                              | Contents                                                  |
|                                                           | Initiatives for Sustainable Growth                        |
|                                                           | Responsible Transition toward a Carbon-neutral Society 31 |
| CEO's Message                                             | Disclosure Based on the TCFD Recommendations 36           |
|                                                           | Practicing Human Capital Management 39                    |
|                                                           | Promoting Business Transformation through DX 42           |
| Growth Strategy (FY2026-2028 Medium-term Management Plan) | Foundations Supporting Sustainable Growth                 |
|                                                           | Conservation of Biodiversity 44                           |
|                                                           | Respecting Human Rights across the Supply Chain 45        |

|                                    |  |
|------------------------------------|--|
| CFO's Message                      |  |
| Initiatives for Sustainable Growth |  |
| Corporate Governance               |  |
| Data                               |  |

Initiatives for Sustainable Growth

Disclosure Based on the TCFD Recommendations

Quantitative Financial Impact

We recognize that our city gas business, which is currently the core of the Group’s operations, is significantly affected by climate change–related risks and opportunities. Accordingly, we have estimated the financial impacts of selected risk factors under each scenario. To mitigate the impact of these risks on the Group as a whole, we will continue expanding our carbon-neutral energy and solutions businesses.

Impact of Policies and Regulations, including Carbon Pricing, on City Gas Sales

The introduction of policies and regulations associated with the transition to a carbon-neutral society could affect the city gas business, as overall energy consumption is expected to decrease. In the IEA WEO 2023 NZE scenario (1.5°C scenario), Japan’s natural gas consumption is projected to decline by approximately 10% by 2030. If our Group’s city gas sales were to be affected to the same extent, past sales trends suggest this would correspond to roughly ¥100 billion in revenue.

Impact of Rising Temperatures on City Gas Sales

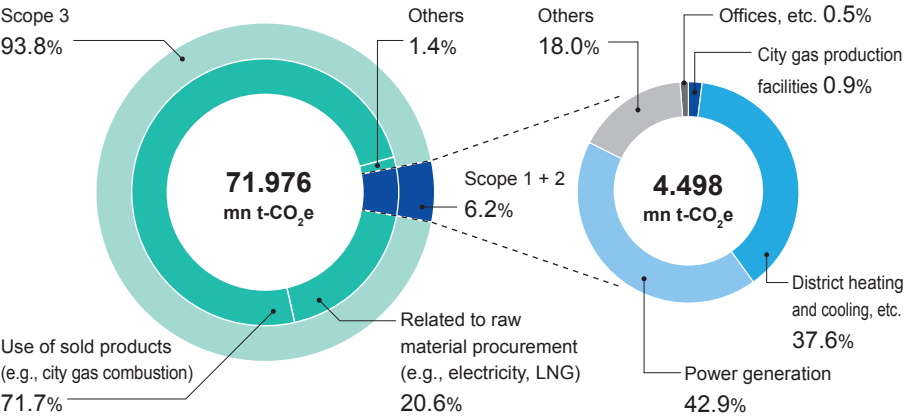
Abnormal weather, such as extreme heat or unusually warm winters, could cause fluctuations in sales volumes for household gas—primarily used for hot-water supply and heating—as well as some commercial-use gas, potentially affecting the city gas business. In the SSP5-8.5 scenario (4°C scenario) of the IPCC Sixth Assessment Report, the average temperature in 2030 is projected to rise by 0.5°C compared with the 2011–2020 baseline. Based on historical sales trends, this would correspond to approximately ¥15 billion in revenue.

Indicators and Targets

To support the realization of a carbon-neutral society, we have established the following indicators and targets to both contribute to reducing CO<sub>2</sub> emissions across society and track the progress of initiatives aimed at reducing the Tokyo Gas Group’s own CO<sub>2</sub> emissions (Scope 1, 2, and 3).

| Indicator                                                           | Target                                         |              |
|---------------------------------------------------------------------|------------------------------------------------|--------------|
| CO <sub>2</sub> reduction contribution (vs. FY2013)                 | 2026 13 mn t                                   | 2030 17 mn t |
| Greenhouse gas emissions (Scope 1, 2, and 3)                        | 2050 Net-zero CO <sub>2</sub>                  |              |
| Net-zero CO <sub>2</sub> emissions from our activities (vs. FY2020) | 2030 100% achieved                             |              |
| Carbon-neutral energy and environmental value sales                 | 2026 1.47 mn t-CO <sub>2</sub>                 |              |
| Volume of e-methane and RNG introduced                              | 2030 1% deployed (80 mn Nm <sup>3</sup> /year) |              |

Greenhouse gas emissions: FY2025 results



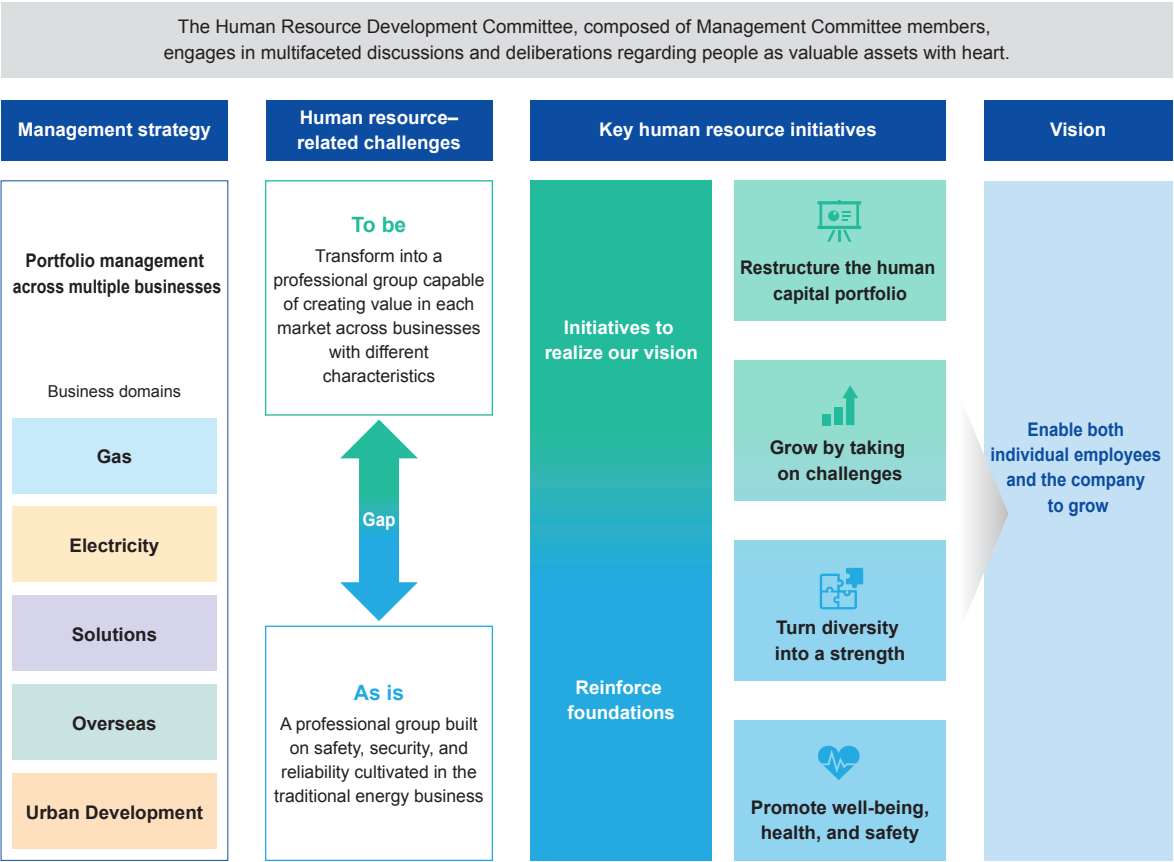
|                                                        |    |
|--------------------------------------------------------|----|
| Initiatives for Sustainable Growth                     |    |
| Responsible Transition toward a Carbon-neutral Society | 31 |
| Disclosure Based on the TCFD Recommendations           | 36 |
| Practicing Human Capital Management                    | 39 |
| Promoting Business Transformation through DX           | 42 |
| Foundations Supporting Sustainable Growth              |    |
| Conservation of Biodiversity                           | 44 |
| Respecting Human Rights across the Supply Chain        | 45 |

Practicing Human Capital Management

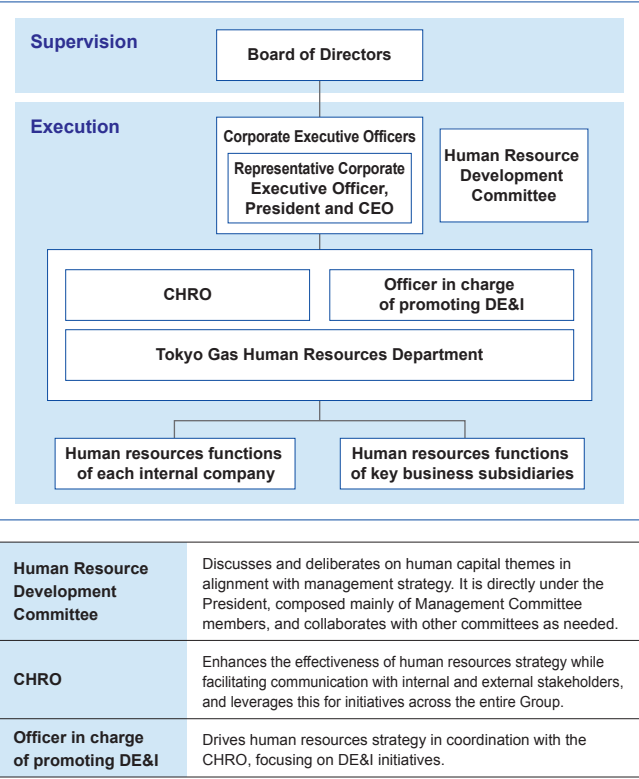
The business environment surrounding the Tokyo Gas Group is undergoing significant change. In response, we have positioned the present as our “third founding period” and are transforming our management approach to one centered on a diversified business portfolio. While building on the high aspirations, determination, and professional expertise founded on safety, security, and reliability that we have cultivated through our traditional energy business, our greatest human capital challenge is to transform ourselves into a group of professionals capable of competing successfully in multiple businesses with different risk-return profiles and creating new value in each of those markets. To address this challenge, the Human Resource Development Committee, comprising members of the Management Committee, is deepening discussions while implementing a range of initiatives to support the growth and engagement of every Group employee. These initiatives are aimed at building an optimal human capital portfolio that reflects the rapid advancement of AI and supports the execution of the growth strategies set out in the FY2026–2028 Medium-term Management Plan. People are central to the successful execution of our management strategy. At the Tokyo Gas Group, we view each Group employee not merely as capital, but as a valuable asset with heart. Through our human capital management, we are committed to fostering the mutual growth of both our employees and the Company, thereby enhancing corporate value.

Note: For more information on the Tokyo Gas Group’s human capital management, please refer to the Human Capital Report.

**Human Capital Report**  
[https://www.tokyo-gas.co.jp/about/human\\_capital\\_report/pdf/human\\_capital\\_report.pdf](https://www.tokyo-gas.co.jp/about/human_capital_report/pdf/human_capital_report.pdf)  
(Japanese only)



Implementation Structure



|                                                        |    |
|--------------------------------------------------------|----|
| Initiatives for Sustainable Growth                     |    |
| Responsible Transition toward a Carbon-neutral Society | 31 |
| Disclosure Based on the TCFD Recommendations           | 36 |
| Practicing Human Capital Management                    | 39 |
| Promoting Business Transformation through DX           | 42 |
| Foundations Supporting Sustainable Growth              |    |
| Conservation of Biodiversity                           | 44 |
| Respecting Human Rights across the Supply Chain        | 45 |

Initiatives for Sustainable Growth

Practicing Human Capital Management

Key Non-financial KPIs

The following two indicators have been established as non-financial KPIs for FY2026 to measure initiatives that contribute to short-, medium-, and long-term financial value. Progress will be appropriately monitored by the Board of Directors.

| Key non-financial KPI         | FY2026 target | Details                                                                                                                                                                                | Rationale                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Advanced expertise coverage   | 100%          | Measures the extent to which employees at Expertise Levels 3 and 4 meet the target human capital portfolio.                                                                            | <ul style="list-style-type: none"><li>Indicates the extent to which the expertise and talent required to execute our strategy have been deployed and secured, providing the foundation for realizing the growth story set out in the Tokyo Gas Group FY2026–2028 Medium-term Management Plan.</li></ul>                                                                                                   |
| High engagement response rate | 64.5%         | Measures the percentage of employees selecting one of the top two response categories (“Strongly agree” or “Agree”) for “Willingness to Contribute” in the employee engagement survey. | <ul style="list-style-type: none"><li>Expertise and willingness to contribute are the two key drivers of maximizing each employee’s performance.</li><li>Previously, the top three of the six response categories were counted. From FY2026, however, only the top two categories are counted in order to focus on a higher level of willingness to contribute toward creating financial value.</li></ul> |

\* The targets shown are the combined targets for Tokyo Gas Co., Ltd. and Tokyo Gas Network Co., Ltd.

Restructuring of the Human Capital Portfolio

Expertise across the Tokyo Gas Group

Since FY2024, we have established a human resources system centered on making employee expertise visible, comprehensively redesigning our processes from recruitment and development to evaluation and placement. We have broken down approximately 2,000 jobs across the Company and, based on our business strategy, organized the required skills and knowledge into 180 areas of expertise across three to four proficiency levels. These are compiled in our proprietary Expertise Guide.

In particular, we define employees at Expertise Level 3 or above as the core talent capable of driving our businesses and monitor the extent to which these positions are filled as a non-financial KPI to support the execution of our business strategy.

Clarification of the gap between the current state (As is) and vision (To be)

To achieve a human capital portfolio necessary for realizing our management and business strategies, we implement various initiatives while clarifying the gap between the current state (As is) and the vision (To be). For the “To be” state, we benchmark the strategies and initiatives of leading companies to define the expertise and skill requirements needed for strategy execution, as well as the ideal human capital portfolio. At the same time, to understand the “As is” state, we have systematically mapped employees’ expertise and skills through the “Visualization of Expertise” initiative, fully launched in FY2024.

Toward achieving the target human capital portfolio

To realize the human capital portfolio needed to support our management strategy, we are identifying gaps in the expertise required for the growth drivers identified in the FY2026–2028 Medium-term Management Plan, including the Energy, Solutions, and Overseas businesses. We are working to close these gaps through initiatives such as upskilling within employees’ current organizations, workforce reallocation combined with reskilling, and mid-career recruitment. We also monitor year-on-year progress in closing these gaps as we work toward building the human capital portfolio needed to execute our management strategy.

**Advanced expertise coverage** Status as of the end of FY2025 relative to the target level for FY2026

| Business domains identified as growth drivers in the FY2026–2028 Medium-term Management Plan                                                                                                                                                                              |                   |            |                              |                 |            |                              |                    |       |                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------|------------------------------|-----------------|------------|------------------------------|--------------------|-------|------------------------|
| Energy                                                                                                                                                                                                                                                                    |                   |            | Solutions                    |                 |            | Overseas                     |                    |       | Cross-functional Areas |
| LNG Business                                                                                                                                                                                                                                                              | Power Procurement | Technology | Business Planning/Management | Sales/Marketing | Technology | Business Planning/Management | Accounting/Finance | Legal | Digital                |
| 80%                                                                                                                                                                                                                                                                       | 73%               | 81%        | 75%                          | 83%             | 88%        | 79%                          | 88%                | 81%   | 39%                    |
| As of the end of FY2025, while there are still challenges in meeting some specialized skill requirements, we are steadily strengthening our talent base toward achieving our FY2026 targets through integrated efforts in talent development, placement, and recruitment. |                   |            |                              |                 |            |                              |                    |       |                        |

|                                                           |                                                           |
|-----------------------------------------------------------|-----------------------------------------------------------|
| Introduction                                              | Contents                                                  |
|                                                           | Initiatives for Sustainable Growth                        |
|                                                           | Responsible Transition toward a Carbon-neutral Society 31 |
|                                                           | Disclosure Based on the TCFD Recommendations 36           |
| CEO's Message                                             | Practicing Human Capital Management 39                    |
|                                                           | Promoting Business Transformation through DX 42           |
| Growth Strategy (FY2026–2028 Medium-term Management Plan) | Foundations Supporting Sustainable Growth                 |
|                                                           | Conservation of Biodiversity 44                           |
|                                                           | Respecting Human Rights across the Supply Chain 45        |
| CFO's Message                                             |                                                           |
| Initiatives for Sustainable Growth                        |                                                           |
| Corporate Governance                                      |                                                           |
| Data                                                      |                                                           |

Initiatives for Sustainable Growth

Practicing Human Capital Management

Enhancing expertise and supporting self-directed career development through greater career ownership

We are rebuilding our human capital portfolio by enhancing employee expertise, starting with greater career ownership. To support every employee's growth as a business professional, we have established the *My Professional Journey* framework, a comprehensive initiative designed to foster career ownership, and are expanding programs that encourage self-directed career development. Specifically, we have established a foundation for employees to proactively manage their careers by promoting an understanding of the importance of career ownership through e-learning and other initiatives. We then introduced the *My Professional Story*, through which employees reflect on their career aspirations and map out their growth journey, creating opportunities for dialogue between employees and their managers. In addition, we have made the expertise required for each role visible and created an environment that enables employees to continue learning proactively in pursuit of their ideal careers. We have also expanded our internal job posting system and introduced the Job Challenge Program, which allows employees to gain experience through temporary assignments to positions of their choice, providing opportunities to apply their expertise and take on new challenges. Through this integrated set of initiatives, we support the self-directed career development of every employee.

My Professional Journey

| ① Understand                                                                                                             | ② Consult                                                                                                   | ③ Continue enhancing expertise                                                       | ④ Take on new experiences                                                          |
|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <b>Learning the fundamentals of career development</b><br>e-learning and a three-year program for early-career employees | <b>Regular performance reviews and one-on-one meetings</b><br>Dialogue through <i>My Professional Story</i> | <b>Self-development programs</b><br>Expanded learning programs                       | <b>Internal job posting and free agent system</b><br>Supporting career aspirations |
| <b>Workshops</b><br>Compass for healthy working                                                                          | <b>Career Development Program interviews</b><br>Support for long-term career development                    | <b>Support for learning</b><br>Financial and time support                            | <b>External side jobs</b><br>Supporting new challenges                             |
| <b>Exploring diverse career paths</b><br>Career talk sessions to enhance motivation for career development               | <b>Career consultation service</b><br>Consultation with internal and external career advisors               | <b>Expertise Guide</b><br>Expanded recommended learning content to enhance expertise | <b>Job Challenge Program</b><br>Temporary assignments to other departments         |

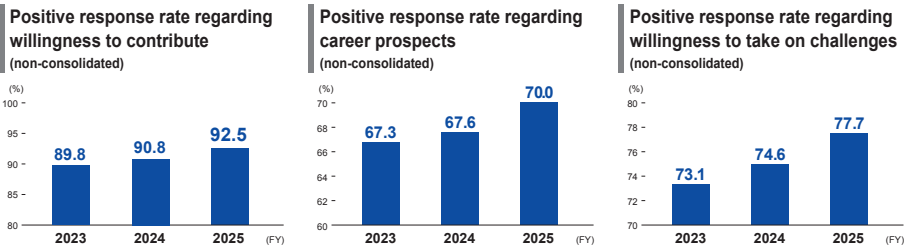
Using our proprietary AI applications

As part of the Objectives and Key Results (OKR) performance management system introduced for all employees in FY2026, we have deployed a suite of proprietary AI applications that provide end-to-end support, from career planning and learning to taking on new challenges. These include the OKR navigator AI, which helps employees set ambitious goals; MyPro AI, which supports the creation of each employee's *My Professional Story*, a roadmap for growth as a business professional; and the career advisor AI, which recommends learning opportunities and potential departments where employees can apply newly acquired skills.

Enhancing Employee Engagement

Employee engagement survey

The percentage of employees giving positive responses regarding their willingness to contribute has remained at a high level since the survey was first introduced, based on the top three response categories ("Strongly agree," "Agree," and "Somewhat agree"). From FY2026, we have counted only the top two response categories and adopted this metric as a non-financial KPI (see previous page), based on both internal and external case studies showing that employees with a high level of willingness to contribute maximize their individual performance and, in turn, create financial value. To assess the effectiveness of initiatives aimed at strengthening career ownership, we also monitor indicators of intrinsic motivation, including employees' career prospects and willingness to take on new challenges. All these indicators have improved compared with the previous fiscal year. In addition, each department identifies engagement indicators requiring improvement as priority areas and develops and implements initiatives to address them, while the Human Resources Department monitors progress and reports it to senior management. By steadily advancing this PDCA cycle, we continue to enhance employee engagement and strengthen our organization.



Driving growth through challenge and diversity

To support employees' self-directed career development, we have established an internal job posting program. In addition, beginning in FY2026, we introduced the OKR performance management system for all employees to encourage bold challenges that drive sustainable growth. Under this system, employees pursue their work with ambitious goals aligned with our vision for 2030. We have also positioned the advancement of women as the starting point for promoting diversity, equity, and inclusion (DE&I), and are implementing a range of initiatives aligned with our management strategy. Furthermore, we have set a target of achieving a 100% childcare leave participation rate among eligible male employees, with each taking at least one month of leave, as we work to build an organization where diverse talent can thrive.

|                                                        |    |
|--------------------------------------------------------|----|
| Initiatives for Sustainable Growth                     |    |
| Responsible Transition toward a Carbon-neutral Society | 31 |
| Disclosure Based on the TCFD Recommendations           | 36 |
| Practicing Human Capital Management                    | 39 |
| Promoting Business Transformation through DX           | 42 |
| Foundations Supporting Sustainable Growth              |    |
| Conservation of Biodiversity                           | 44 |
| Respecting Human Rights across the Supply Chain        | 45 |

Promoting Business Transformation through DX

Leveraging AI across the Tokyo Gas Group: Creating and delivering next-generation value as an AI-native company

The Tokyo Gas Group is advancing digital transformation (DX) across the Group with the goal of becoming an AI-native company by 2030 that continuously creates and delivers next-generation value. By embracing rapidly evolving technologies, including AI, we are transforming our business models and business processes across all business domains. Through solutions and businesses that extend beyond the traditional boundaries of energy, we will deliver even greater value to our customers while contributing to the sustainable development of society.

DX implementation structure

The Tokyo Gas Group promotes DX across the Group through the DX Promotion Meeting, chaired by the Chief Digital Officer (CDO). Beginning in FY2026, the Meeting has also been designated as a key executive management committee, providing a forum for deeper discussion of DX and AI as management priorities for enhancing growth potential and capital efficiency. Under this framework, each internal company and key business subsidiaries drives its own transformation, supported by the Digital Transformation Promotion Department and TOKYO GAS i NET CORP. from a technological perspective. By strengthening collaboration through the Meeting, we foster autonomous DX initiatives across the Group while accelerating improvements in the Group’s overall earning power.

AI governance structure

To accelerate our transformation into an AI-native company and realize sustainable value creation, we have established the AI utilization policy, which is designed to strike a balance between accelerating AI adoption (the “accelerator”) and ensuring safety and reliability (the “guardrails”). Under this policy, we are building a secure data and AI infrastructure while rigorously addressing risks, including ethical considerations, enabling disciplined investment in AI across the Group. Building on this strong governance foundation, we are embedding AI throughout our business processes to fundamentally enhance the productivity of our existing businesses while creating new AI solutions that leverage the Tokyo Gas Group’s unique expertise.

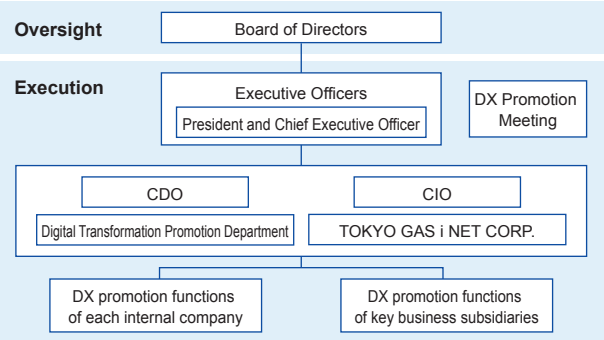
Key Non-financial KPIs

The following two indicators have been established as non-financial KPIs for FY2026 to measure initiatives that contribute to short-, medium-, and long-term financial value. Progress will be appropriately monitored by the Board of Directors.

| Key non-financial KPI                                                                 | FY2026 target | Details                                                                                                                                                                                                                                                                                   | Rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Progress in enterprise architecture (EA) integration (number of systems consolidated) | 30 systems    | <ul style="list-style-type: none"><li>Consolidate approximately 250 internal systems into approximately 40 platforms by FY2030.</li></ul>                                                                                                                                                 | <ul style="list-style-type: none"><li>Eliminate fragmented systems and scattered data to build an optimized, enterprise-wide IT infrastructure.</li><li>Reduce maintenance and management costs while maximizing earnings by enhancing customer services and creating new businesses through cross-functional data utilization.</li><li>Establish a foundation that can flexibly respond to cybersecurity risks and future technological change, thereby enhancing corporate value.</li></ul>                                                                   |
| Business advancement and streamlining through data (active users*)                    | 4,000 users   | <ul style="list-style-type: none"><li>Achieve a state in which more than 70% of all employees use AI and data in their day-to-day work.</li><li>Measure the number of users who access either the data platform (and related analytics tools) or AI tools at least once a week.</li></ul> | <ul style="list-style-type: none"><li>Transform into an AI-native company where AI and data are used routinely by employees across the organization, rather than being confined to specialized departments.</li><li>Generate earnings by leveraging AI and data to automate operations, thereby reducing SG&amp;A expenses, while improving sales performance and enhancing decision-making.</li><li>Strengthen adaptability to market changes and expectations for sustainable growth by developing a workforce with broad AI and data capabilities.</li></ul> |

\* Covers Tokyo Gas Executive Officers, employees, and associate employees, including those seconded to Group companies.

DX implementation structure



DX Promotion Meeting

|                                |                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Frequency                      | Four times a year (scheduled for June, September, December, and February)                                                                                                                                                                                                                                                                  |
| Purpose                        | <ul style="list-style-type: none"><li>Review progress on DX initiatives and recognize outstanding achievements</li><li>Share knowledge and insights needed to advance DX</li><li>Strengthen cross-organizational collaboration (identify common challenges, discuss solutions, and share implementation strategies)</li></ul>              |
| Structure                      | Chair: Chief Digital Officer (CDO)<br>Vice Chair: Chief Information Officer (CIO)<br>Members: General Managers of the core DX promotion departments at each internal company and key business subsidiaries                                                                                                                                 |
| Reference Key topics in FY2025 | <ul style="list-style-type: none"><li>Discussed business strategy formulation based on effective AI utilization (AI utilization policy and AI governance)</li><li>Recognized initiatives demonstrating significant progress (DX ACCELERATOR)</li><li>Shared insights to support responses to changes in the external environment</li></ul> |

|                                                        |    |
|--------------------------------------------------------|----|
| Initiatives for Sustainable Growth                     |    |
| Responsible Transition toward a Carbon-neutral Society | 31 |
| Disclosure Based on the TCFD Recommendations           | 36 |
| Practicing Human Capital Management                    | 39 |
| Promoting Business Transformation through DX           | 42 |
| Foundations Supporting Sustainable Growth              |    |
| Conservation of Biodiversity                           | 44 |
| Respecting Human Rights across the Supply Chain        | 45 |

Initiatives for Sustainable Growth

Promoting Business Transformation through DX

EA Integration Progress in Action

The future we aim to achieve through Enterprise Architecture (EA): Five transformations

To respond to the rapid digitalization and decarbonization reshaping the energy industry, we are advancing our Enterprise Architecture (EA) initiative to modernize our IT infrastructure. By eliminating the constraints on data utilization caused by fragmented, department-specific systems, we aim to establish by FY2030 a simple, flexible, and secure IT foundation that empowers data-driven management.

**01 Consolidation and standardization of business systems** Expected benefits: Greater operational efficiency, optimized costs, and faster service development

By FY2030, we will consolidate approximately 250 internal systems into approximately 40 platforms. By eliminating duplication in functions and data, we will build an IT foundation that reduces costs and accelerates the rollout of new services.

**02 Data integration infrastructure** Expected benefits: Cross-functional data utilization and faster decision-making

During FY2026, we will establish the Data Integration Hub to centrally manage and distribute data. This information infrastructure will enable data utilization across organizational boundaries, helping enhance customer services and support the creation of new business opportunities.

**03 Leveraging AI and data analytics infrastructure** Expected benefits: More advanced operations and the creation of new customer value through AI

By leveraging an integrated data analytics platform and AI, we will improve demand forecasting, automate operations, and anticipate customer needs. This will accelerate frontline problem identification and management decision-making while enabling data-driven business operations. (See the feature on the right: *Building a data analytics platform for AI readiness.*)

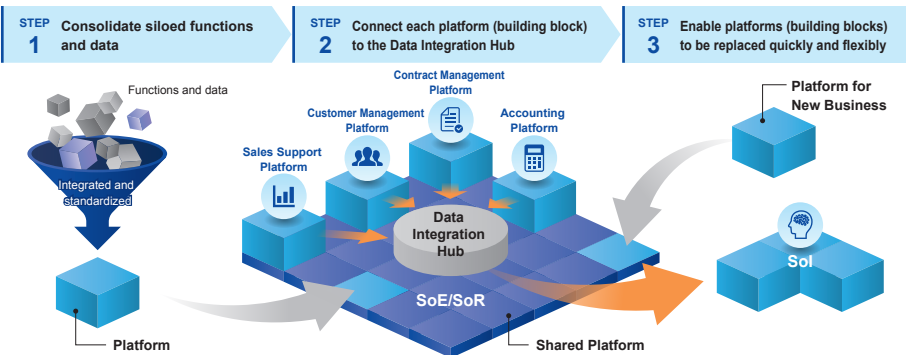
**04 Establishing a zero-trust security architecture** Expected benefits: Reduced cybersecurity risk and protection of customer data

During FY2026, we will establish a security architecture based on the zero-trust principle of “verify every access.” This will protect personal information and corporate assets from increasingly sophisticated cyber threats while maintaining the trust placed in our company.

**05 Complete migration from legacy systems** Expected benefits: Elimination of future system risks and greater adaptability to change

We aim to complete the migration from mainframe systems, where securing technical expertise is becoming increasingly difficult, to distributed infrastructure such as cloud environments by the end of FY2030. This will establish a flexible IT foundation capable of adapting to future technological change.

The next-generation IT architecture: Achieving enterprise-wide optimization through Enterprise Architecture (EA)



**SoE (Systems of Engagement):** External-facing systems that build digital touchpoints with customers and enhance engagement  
**SoR (Systems of Record):** Core business systems that accurately record and maintain data, such as contract management and accounting  
**SoI (Systems of Insight):** Data analytics systems that analyze accumulated data to generate insights for decision-making and value creation

Case Study: Leveraging Data to Advance and Streamline Our Business

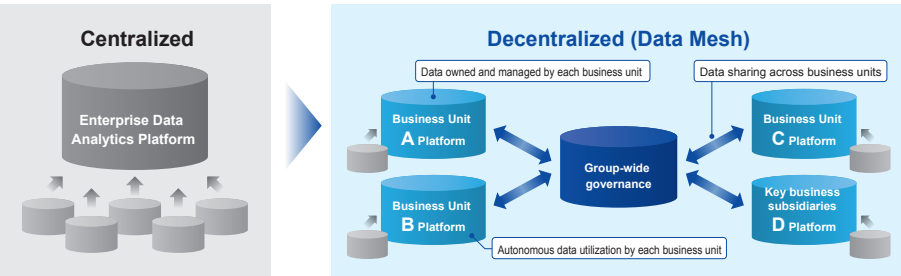
Promoting the use of AI tools

Across the Tokyo Gas Group, we have established a framework to visualize and monitor the use of generative AI, analytical AI, and other tools recommended by the Digital Transformation Promotion Department. This enables us to accurately track progress toward our non-financial KPI target of 4,000 active users while rolling out timely initiatives to promote broader adoption and more advanced use of these tools. By effectively managing and encouraging their use, we will accelerate operational efficiency, profit creation, and the delivery of new value to customers, thereby enhancing the competitiveness of the Group as a whole.

Building a data analytics platform for AI readiness

To accelerate data utilization across the Group, we have been developing a data analytics platform that enables a rapid cycle of data collection, accumulation, analysis, decision-making, and execution. As a result, the democratization of data across the Group has steadily advanced. At the same time, however, the transition to a holding company structure has accelerated the decentralization of management, while rapid technological change has exposed the limitations of our traditional centralized data analytics platform. To address these challenges, we are now transitioning to a decentralized, data mesh–based analytics platform as part of our Enterprise Architecture (EA) initiative, with deployment already underway across individual business units. By adopting a loosely coupled, highly flexible architecture and proactively leveraging leading-edge technologies, we aim to strike a balance between accelerating autonomous data utilization by each internal company and key business subsidiaries while optimizing data utilization across the Group.

Transition from a Centralized Data Analytics Platform to a Decentralized (Data Mesh) Platform



Contents

|                                                        |    |
|--------------------------------------------------------|----|
| Initiatives for Sustainable Growth                     |    |
| Responsible Transition toward a Carbon-neutral Society | 31 |
| Disclosure Based on the TCFD Recommendations           | 36 |
| Practicing Human Capital Management                    | 39 |
| Promoting Business Transformation through DX           | 42 |
| Foundations Supporting Sustainable Growth              |    |
| Conservation of Biodiversity                           | 44 |
| Respecting Human Rights across the Supply Chain        | 45 |

Introduction

CEO's Message

Growth Strategy (FY2026–2028 Medium-term Management Plan)

CFO's Message

Initiatives for Sustainable Growth

Corporate Governance

Data

# Foundations Supporting Sustainable Growth

## Conservation of Biodiversity

### Nature-related assessment based on the TNFD recommendations

To better understand the relationship between our business activities and nature, we are conducting a phased assessment based on the Locate, Evaluate, Assess, and Prepare (LEAP) approach recommended by the Taskforce on Nature-related Financial Disclosures (TNFD). We first conducted a high-level assessment of our key business areas to identify their dependencies and impacts on nature, as well as nature-related risks (See item (1) below.). We then carried out a location-specific assessment of our U.S. shale gas business (See item (2) below.). For the U.S. shale gas business, we have implemented measures such as environmental impact assessments and operational controls. An analysis conducted by external experts also concluded that nature-related risks are being managed at an acceptable level.

We also expanded the location-specific assessment to include business locations beyond our shale gas operations\* and conducted a value chain-wide screening assessment (See item (3) below.). The assessment identified the regions where we procure natural gas feedstock and biomass fuels (wood pellets and palm kernel shells (PKS)) for biomass power generation as areas with relatively greater interactions with nature. While this does not necessarily indicate a higher level of nature-related risk, we will continue to assess risks and implement appropriate measures in these regions.

\* Scope of the location-specific assessment: The assessment covered business operations directly operated by the Tokyo Gas Group and was based on location data. For upstream supply chain activities, the assessment focused primarily on strategically important LNG procurement regions and was likewise based on location data. LPG used for calorific value adjustment and biomass fuels were assessed using country-level average values.

### Scope of the nature-related assessment

| Business category                  |                                                |     | Business location                                         |     |
|------------------------------------|------------------------------------------------|-----|-----------------------------------------------------------|-----|
| City gas business                  | Feedstock procurement and resource development | (1) | Feedstock procurement regions                             | (3) |
|                                    |                                                |     | Shale gas                                                 | (2) |
|                                    | Production                                     | (1) | LNG terminal                                              | (3) |
|                                    | City gas supply                                | (1) | Domestic operating locations                              | (3) |
| LNG-fired thermal power generation | Related services                               | (1) | Domestic operating locations                              | (3) |
|                                    |                                                |     | Domestic and overseas operating locations                 | (3) |
| Renewable energy                   | LNG-fired thermal power generation             | (1) | Domestic and overseas operating locations                 | (3) |
|                                    | Solar power generation                         | (1) | Domestic and overseas operating locations                 | (3) |
|                                    | Wind power generation                          | (1) | Domestic and overseas operating locations                 | (3) |
| Real estate                        | Electricity generation from biomass            | (1) | Domestic operating locations and fuel procurement regions | (3) |
|                                    | Real estate                                    | (1) | Domestic and overseas operating locations                 | (3) |

### Response to natural gas feedstock procurement

The analysis identified that some procurement regions have interactions with areas of high importance for nature. These areas are characterized by a high concentration of endemic and threatened species and relatively well-preserved natural environments, indicating that their relationship with nature warrants careful consideration. The Tokyo Gas Group procures feedstock only after confirming that suppliers comply with applicable environmental laws and regulations, including environmental impact assessment requirements.

### Response to biomass fuel procurement

The analysis identified interactions with areas of high importance for nature, particularly in Southeast Asia. Biomass fuel procurement involves relatively greater interactions with nature because producing and sourcing the wood used as feedstock requires extensive land use. The Tokyo Gas Group has established a biomass fuel procurement policy based on compliance with environmental laws and regulations and sustainable fuel sourcing, and conducts on-site assessments in selected regions. We also take into account input from environmental NGOs as we work to reduce the potential for nature-related risks associated with fuel procurement.

### Nature-positive initiatives

Our analysis confirmed that the LNG terminals, real estate properties, and other sites associated with our business are located in areas where development has already significantly altered the original natural environment, resulting in relatively low levels of ecosystem integrity.\* At the same time, these findings indicate that these sites have considerable potential to contribute to nature recovery through initiatives such as green space management. Based on this understanding, the Tokyo Gas Group is advancing nature-positive initiatives, with the certification of the Sodegaura LNG Terminal as a Nature Coexistence Site serving as a leading example.

\* Ecosystem integrity refers to the extent to which natural environments remain intact and unaltered despite land-use and other human activities.

### Examples of ecosystem integrity across our business

| Sites with high ecosystem integrity |                                 | Sites with low ecosystem integrity |                                |
|-------------------------------------|---------------------------------|------------------------------------|--------------------------------|
| ● Feedstock procurement, etc.       | ● Photovoltaic power generation | ● LNG terminals                    | ● Real estate properties, etc. |
|                                     | ● Wind power generation, etc.   |                                    |                                |

For more information on biodiversity conservation and other initiatives related to natural capital, please refer to the Sustainability Factbook.

 **Sustainability Factbook (The FY2026 edition is scheduled to be published in October 2026.)**  
<https://www.tokyo-gas.co.jp/sustainability/download/index.html?wovn=en>

|                                                           |                                                           |
|-----------------------------------------------------------|-----------------------------------------------------------|
| Introduction                                              | Contents                                                  |
|                                                           | Initiatives for Sustainable Growth                        |
|                                                           | Responsible Transition toward a Carbon-neutral Society 31 |
|                                                           | Disclosure Based on the TCFD Recommendations 36           |
|                                                           | Practicing Human Capital Management 39                    |
|                                                           | Promoting Business Transformation through DX 42           |
|                                                           | Foundations Supporting Sustainable Growth                 |
|                                                           | Conservation of Biodiversity 44                           |
|                                                           | Respecting Human Rights across the Supply Chain 45        |
| CEO's Message                                             |                                                           |
| Growth Strategy (FY2026-2028 Medium-term Management Plan) |                                                           |
| CFO's Message                                             |                                                           |
| Initiatives for Sustainable Growth                        |                                                           |
| Corporate Governance                                      |                                                           |
| Data                                                      |                                                           |

Foundations Supporting Sustainable Growth

Respecting Human Rights across the Supply Chain

Basic approach

The Tokyo Gas Group recognizes respect for human rights as one of its key management priorities and is committed to establishing and implementing a human rights policy, conducting human rights due diligence, and providing access to effective grievance mechanisms. To promote respect for human rights across the Group and fulfill our public mission and social responsibilities, we established the Tokyo Gas Group Human Rights Policy in 2018, which was revised in 2022. The policy was approved by the Board of Directors.

Governance

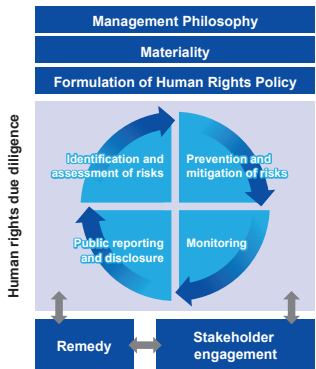
Initiatives to promote respect for human rights are carried out collaboratively by the Sustainability, Compliance, and Risk Management divisions. Significant matters are reported to the Board of Directors.

Our approach to respecting human rights

In line with the UN Guiding Principles on Business and Human Rights, we implement our human rights initiatives in accordance with the process shown below. Further details on each initiative are provided in human rights reports and other materials.

Human rights due diligence

We identify and assess human rights risks associated with our business, including those affecting customers and suppliers, and work to prevent and mitigate those risks. In FY2025, we strengthened our risk governance by introducing a detailed risk matrix for investments and financing that includes human rights-related risks. We also established a human right framework to enhance the credibility of carbon credits (see Case Studies 1 and 2). Beginning in FY2026, taking into account recommendations from external experts on business and human rights, we will strengthen coordination with our enterprise risk management (ERM) framework and, together with our business divisions, conduct workshops involving third-party experts to enhance our capabilities for managing social and environmental risks. Through these efforts, we will further improve the effectiveness of our due diligence in addressing the potential human rights risks associated with the Tokyo Gas Group's business activities.



Stakeholder engagement

In FY2025, we held our first dialogue with external experts on business and human rights to support the continuous improvement of our initiatives (see Case Study 3).

Remedy

We have established a range of consultation and reporting channels for stakeholders, including customers, Group employees, and suppliers, and work to provide appropriate remediation and access to remedy for adverse human rights impacts.

**Case Study ① Strengthening the social and environmental risk assessment process for investments and financing**

We introduced a social and environmental risk matrix for investments and financing based on the IFC Performance Standards, the Equator Principles, and other internationally recognized frameworks. We also entered into an advisory agreement with an external expert to establish a framework for incorporating independent expertise into investment and financing decisions.

**Case Study ② Establishing a human rights framework to enhance the credibility of carbon credits**

Together with partner companies, we developed the Framework for Respecting Human Rights by Companies Involved in Carbon Credit Generation Projects. By incorporating this framework and its implementation standards into our internal risk assessment criteria for carbon credits, we have established evaluation criteria and management processes for human rights due diligence. Through these efforts, we are working to ensure the quality and enhance the credibility of the carbon credits we help generate.

**Press releases**

<https://www.tokyo-gas.co.jp/sustainability/topics/pdf/en/20250812-02e.pdf>

**Case Study ③ Dialogue with external experts on business and human rights**

In January 2026, we invited external experts on business and human rights to engage in a dialogue with the executive officer responsible for sustainability and relevant general managers to support the continuous improvement of our human rights initiatives. The discussion focused on human rights across the supply chain and marked our first dialogue dedicated specifically to human rights issues. The dialogue highlighted the importance of identifying and addressing risks at the departmental level while keeping the perspectives of rights holders at the center of decision-making. We also received valuable input emphasizing that attention should extend beyond upstream activities, such as development and procurement, to include downstream activities involving customers. We will incorporate the insights gained through this dialogue into our initiatives and continue to strengthen our approach to respecting human rights.

For more information on our human rights initiatives, please refer to the Sustainability Factbook and the Human Rights Report.

**Sustainability Factbook (The FY2026 edition is scheduled to be published in October 2026.)**  
<https://www.tokyo-gas.co.jp/sustainability/download/index.html?vovn=en>

**TOKYO GAS GROUP Human Rights Report 2026 (Japanese Only)**  
<https://www.tokyo-gas.co.jp/sustainability/download/pdf/hr2026.pdf>

Contents

|                                                        |    |
|--------------------------------------------------------|----|
| Initiatives for Sustainable Growth                     |    |
| Responsible Transition toward a Carbon-neutral Society | 31 |
| Disclosure Based on the TCFD Recommendations           | 36 |
| Practicing Human Capital Management                    | 39 |
| Promoting Business Transformation through DX           | 42 |
| Foundations Supporting Sustainable Growth              |    |
| Conservation of Biodiversity                           | 44 |
| Respecting Human Rights across the Supply Chain        | 45 |